



A path is materialised through consistency, through a solid will and the corresponding steps that must be followed.

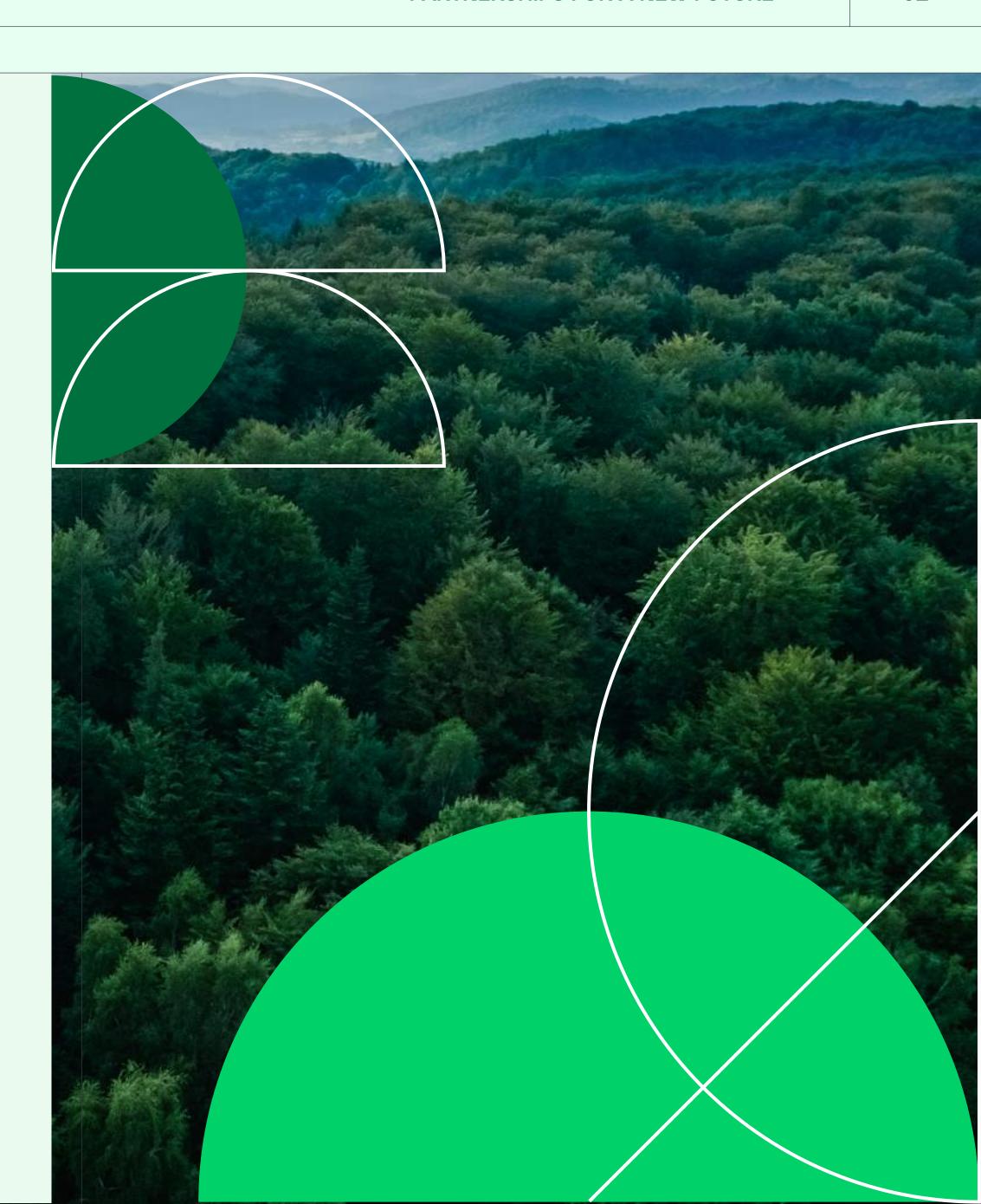
Together, we assume a path of responsibility in every footprint we make, reinforcing our attention to the environment and investing in innovation, generating harmony between natural and digital.

United, we value a dynamic that is truly human, with people as our greatest asset and most important investment of all.

In order for each challenge to be answered as if by a single voice, for a sustainable Future, we establish dialogs built upon trust.

We are aware of what will enable us to build today the vision we have for tomorrow.

# PARTNERSHIPS FOR A NEW FUTURE



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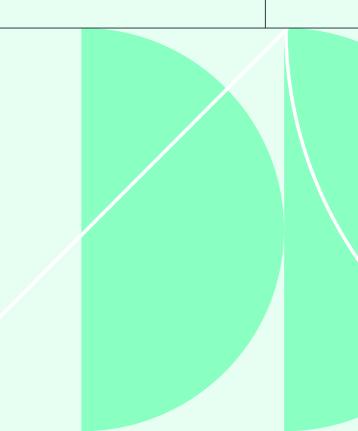
Supervisory board report

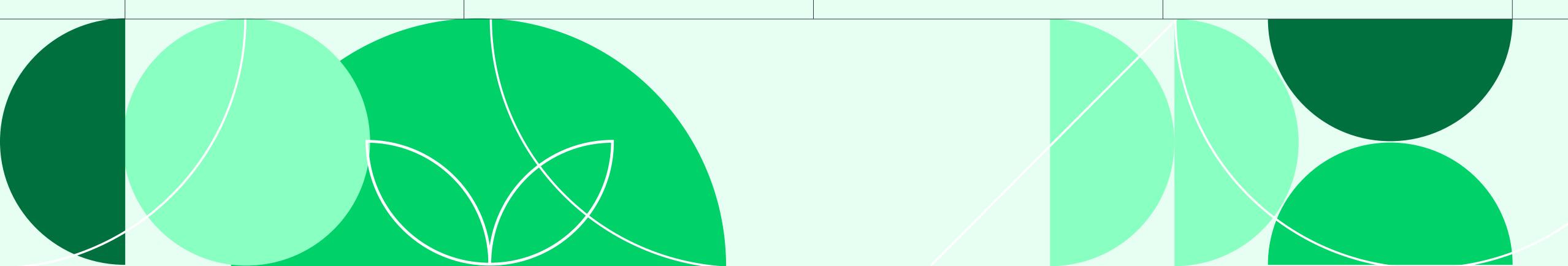
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**OVERVIEW** 



# (C) OUR HORIZON

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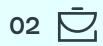










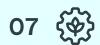














Overview

1.1 \_\_

# Open letter to the stakeholders

# Our investment is primarily in People

We are equipping Secil, at its various levels, with people who are focused and motivated for these new realities of decarbonisation and digitalisation.



**READ THE LETTER** 







OTMAR HÜBSCHER \_\_\_\_\_
Chief Executive Officer























# Solidly, with our people.

In 2023 we achieved solid results, with strategic firmness, a focus on sustainability and a strong commitment to our people.

We are reporting on our financial year for the first time, in the format of an Annual Report, showing the economic, environmental, social and governance impacts of our Company. We are convinced that this is more than a symbolic step in our in our public accountability to our stakeholders, and is a real step forward in the evaluation of our integral performance.

#### Secil achieved good results in 2023.

Good financial results, with one of the best EBITDA ever, and also sustainable management with significant progress in terms of governance and reducing environmental and social impact.

Turnover grew 15% to Euro 693 million, EBITDA grew 11% to Euro 155 million and Net Profit amounted to Euro 53 million, an increase of 224% compared to 2022.

Unfortunately, however, we cannot give the same good news on the topic of Safety, where, despite our efforts, we have not managed to achieve the desired results. We are robustly materialising our **Ambition 2025** Strategy through its seven elements and preparing the Company for the major strategic challenges of the carbon transition and the digital transition. We continue to invest significantly in these two challenges:

In the carbon transition, we have a very clear roadmap for decarbonisation, we have seriously strengthened our structure in the Sustainability area and the CCL-Clean Cement Line project at the Secil-Outão plant has reached the completion stage.



+15%

Turnover 2023 € **693** M

+11%

EBITA € **155** м

+224%

Net Income € 53 M ANNUAL REPORT

2023



And in the digital transformation, with new people and robust investments in data processing, analysis and management tools.

In this financial year, we report on the solid evolution of our strategic approach to sustainability through the development of various policies, improved reporting and a review of our Materiality, as well as a review of the prioritisation of the United Nations Sustainable Development Goals.

This report makes it clearer the consistency between the carbon and energy transition that we are undertaking while maintaining good economic and financial results, which both validates the correctness of the strategy we have already defined and gives us hope for future results.

But our investment is mainly in people: we are equipping Secil, at its various levels, with people who are focused and motivated by these new realities of decarbonisation and digitalisation.

To succeed in these transformations and capture all the the benefits of Ambition 2025 we need to work on the 3 Pillars of cultural change defined in 2021.

One of these Pillars, which we are reinforcing in Secil's Culture, is to "develop, empower and recognise our people".

To do so, we invested in internal mobility: in 2023, 105 employees took on new challenges within the Group, an increase of more than 300% compared to 2021.

In 2023 we also took secure steps to prepare our future in key areas such as CCSU - carbon capture and utilisation, Green Hydrogen and Modular Concrete Construction.

As such, we will give shape to our Mission, Vision and Values and move decisively towards realising our Ambition 2025 Strategy, despite the turbulent national, European and global scenario that we can foresee for 2024.

We would like to thank our stakeholders, from shareholders to employees, customers, suppliers and authorities for the trust they place in us and we reiterate our our commitment to all of them, so that we can conclude the financial year of 2024 with even better performance and results.

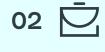
Ricardo Pires

Chairperson of the Board of Directors











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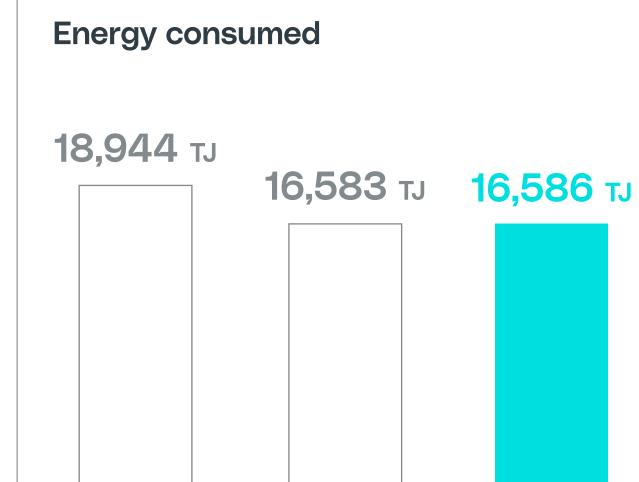


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Overview

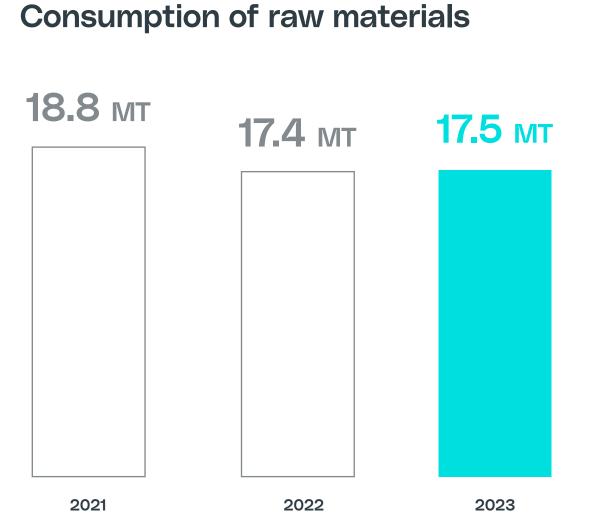
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# Main group indicators 2023



2022

2023



#### **Environmental**



-8%

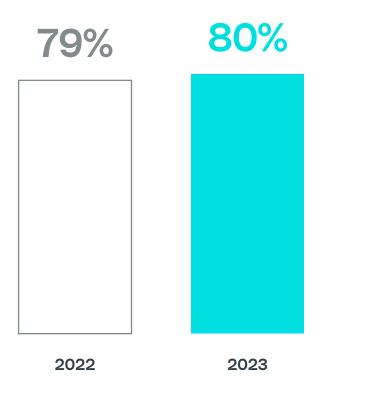
Kg CO<sub>2</sub> per t/cementitious

vs. emissions of 1990 e +1% z. emissions of 2022



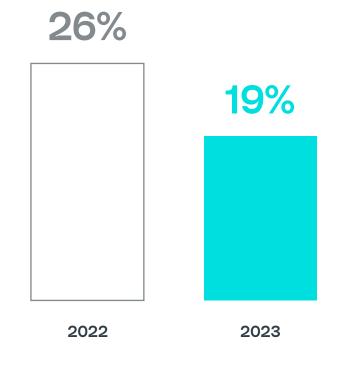
858 kg CO<sub>2</sub>/t clinker (scope 1)

Emissions intensity +1% more than in 2022

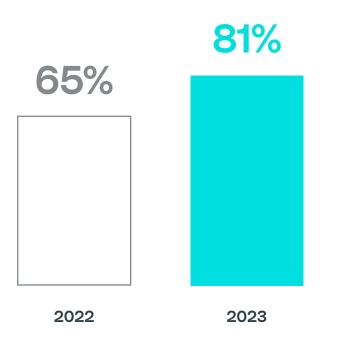


2021

Incorporation of clinker in cement for Portugal



**Utilisation rate of alternative fuels** 



Waste destined for recovery operations



## 01 (🗘













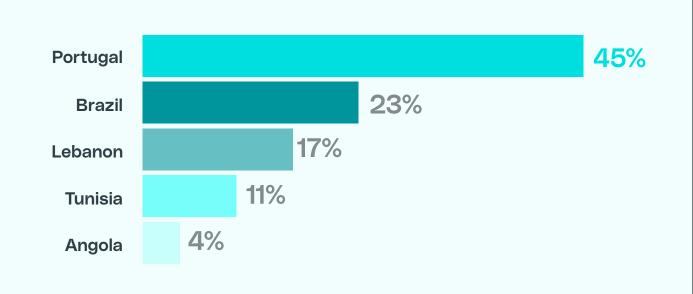
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Overview

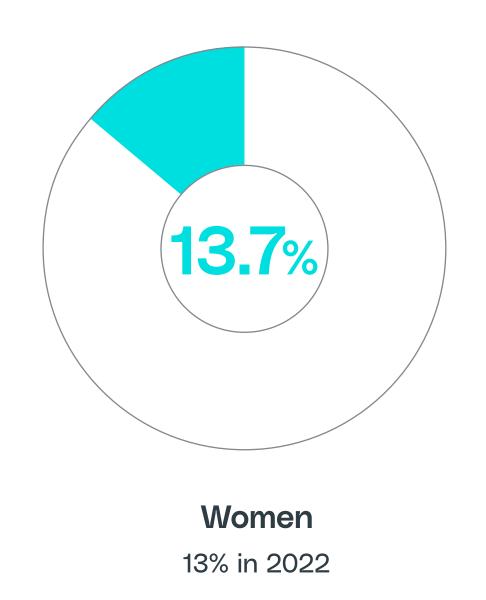
#### Social

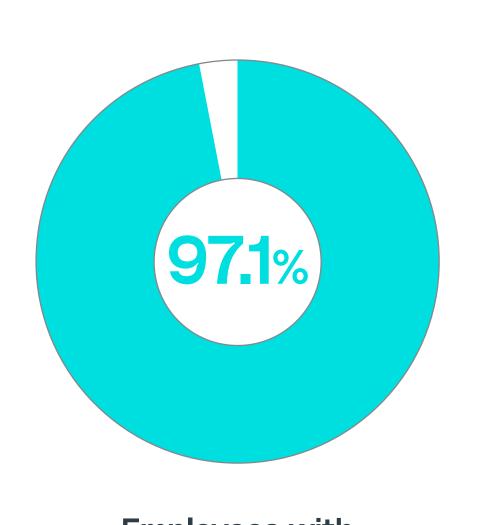


+65



#### Gender diversity





**Employees with** performance appraisals

+40,7% more than in 2022



+13%

Accident
Frequency Rate

us. frequency rate
2022



€ 638,200 thousand

Investment in the community

+12.9% compared to 2022



**51** 

Accidents at work

+ 9 accidents more 2022



Incidents of discrimination



76,907

hours of training

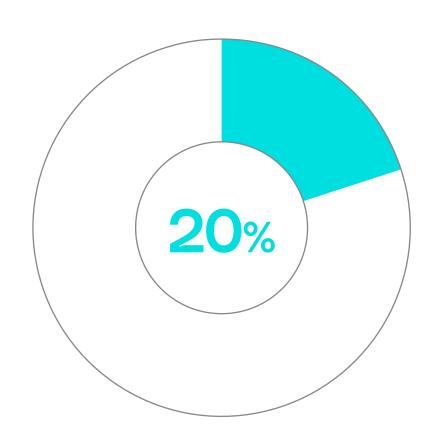
+ compared to 2022

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Overview

#### Governance



Women on the Board of Directors

inclusion of women on the Board of Directors

## 6.67

Average years since Board members took office

## 3

#### New emerging risks

(and implementation of the risk management process)

# 6

New policies approved

# 0

Confirmed cases of corruption

#### **Economic**



€ 155.7 M

**EBITDA** 

+ 16.3 M€ compared to 2022

## € **821.1** M

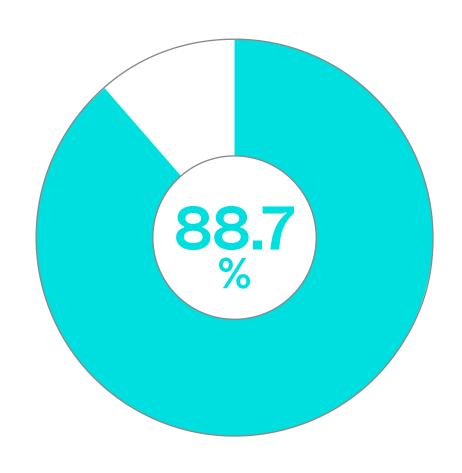
Direct economic value generated

10%

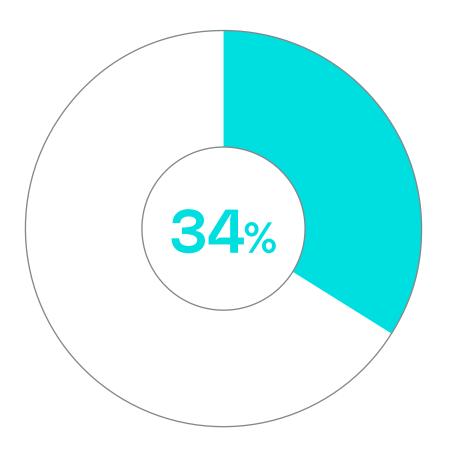
of suppliers in Portugal are potentially ESG critical

€ 609.3 M

Direct economic value distributed



Local suppliers

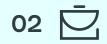


Of sustainable financing lines

in 2022 it was 0%











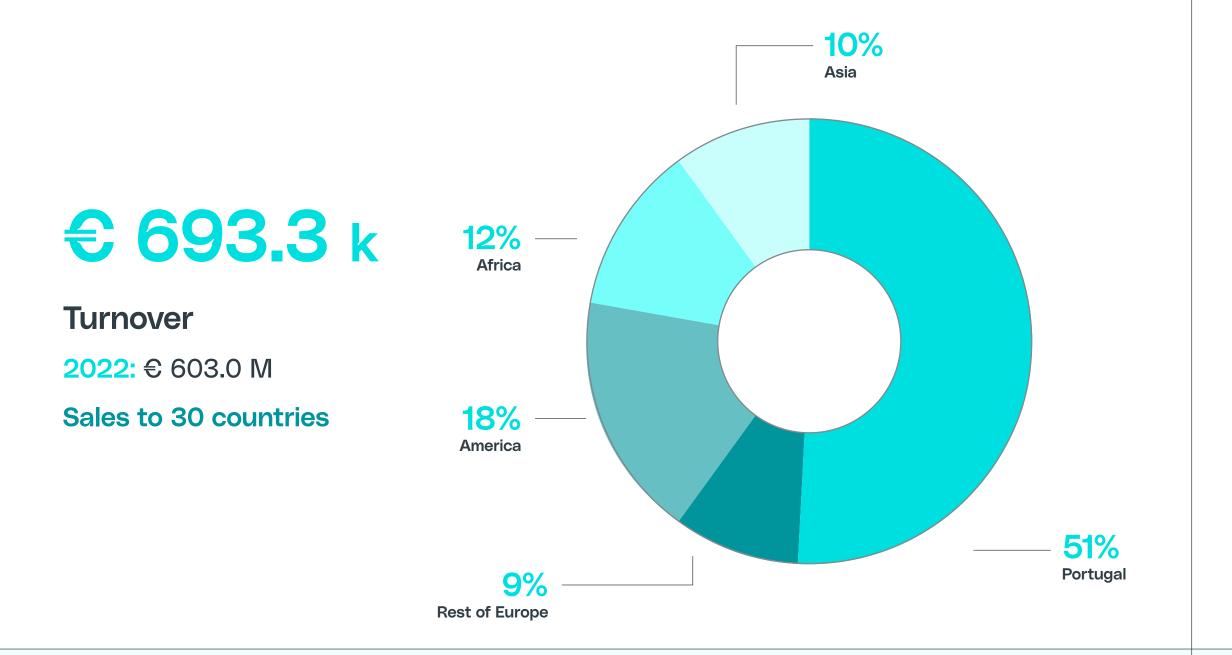


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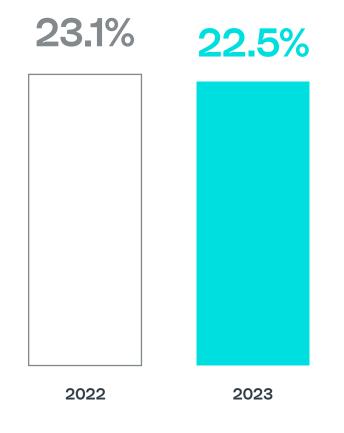


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€ 97.2 M

**EBIT** 

**2022:** € 78.3 M

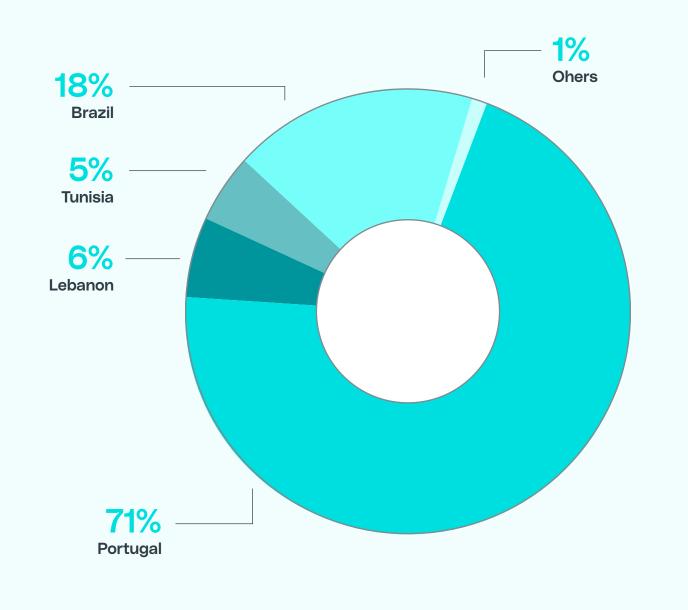
+24.1%



#### **EBITDA**

**2022:** € 139.4 M

+11.7%





€ 288.1 M

**Net Interest-Bearing Debt** 

**2022:** € 306.2 M

-5.9%



€ **53.4** M

Net Income Attributable to Shareholders

**2022:** €16.5 M

+224.5%









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Net Interest-Bearing Debt + IFRS16

**2022:** € 344.2 M

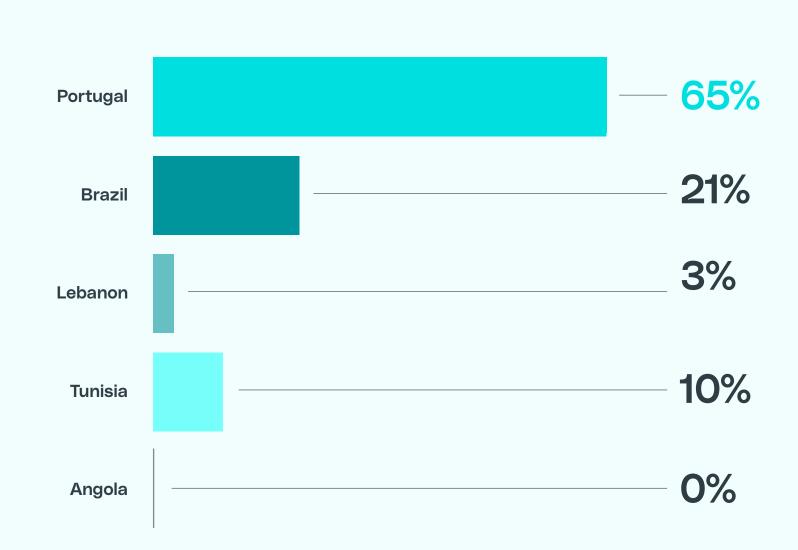
-6.9%



Property, plant and equipment

**2022:** €63.3 M

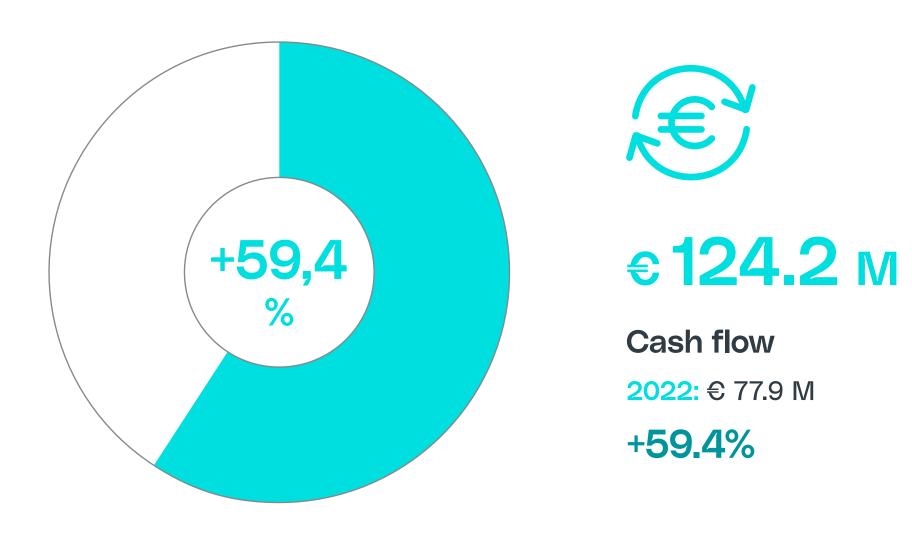
-16,1%



# 9.75Mt

Cement production capacity

8 plants

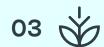


























# Distinctions



# Silver Seal in the GHG Protocol

The result of the publication of Secil's complete Greenhouse Gas inventory in the "Public Emissions Register".



Chap. 3.1



Brazil

# Seal Sesi ODS 2023

The Casa da Cultura Pedro Queiroz Pereira project won the SESI ODS 2023 Seal in the social category for medium-sized companies.



Chap. 3.2



**Award** 

#### National Sustainability

Business journal, in the sustainable mobility category, with the Becharge innovation project for induction charging of electric vehicles directly in concrete.



Chap. 3.4



Secil Group

**Award** 

# Consumer Choice Product of the Year 2023

The Consumer Satisfaction Assessment
Centre is the world's largest and only
award that distinguishes products and
services that stand out for their innovation,
assessed directly by consumers.



Chap. 3.4



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The Secil Group

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safety and comfort are a guarantee. Secil's identity is based on its Mission, Vision and Values, as well as the Code of Conduct that guides its actions. These elements not only distinguish,

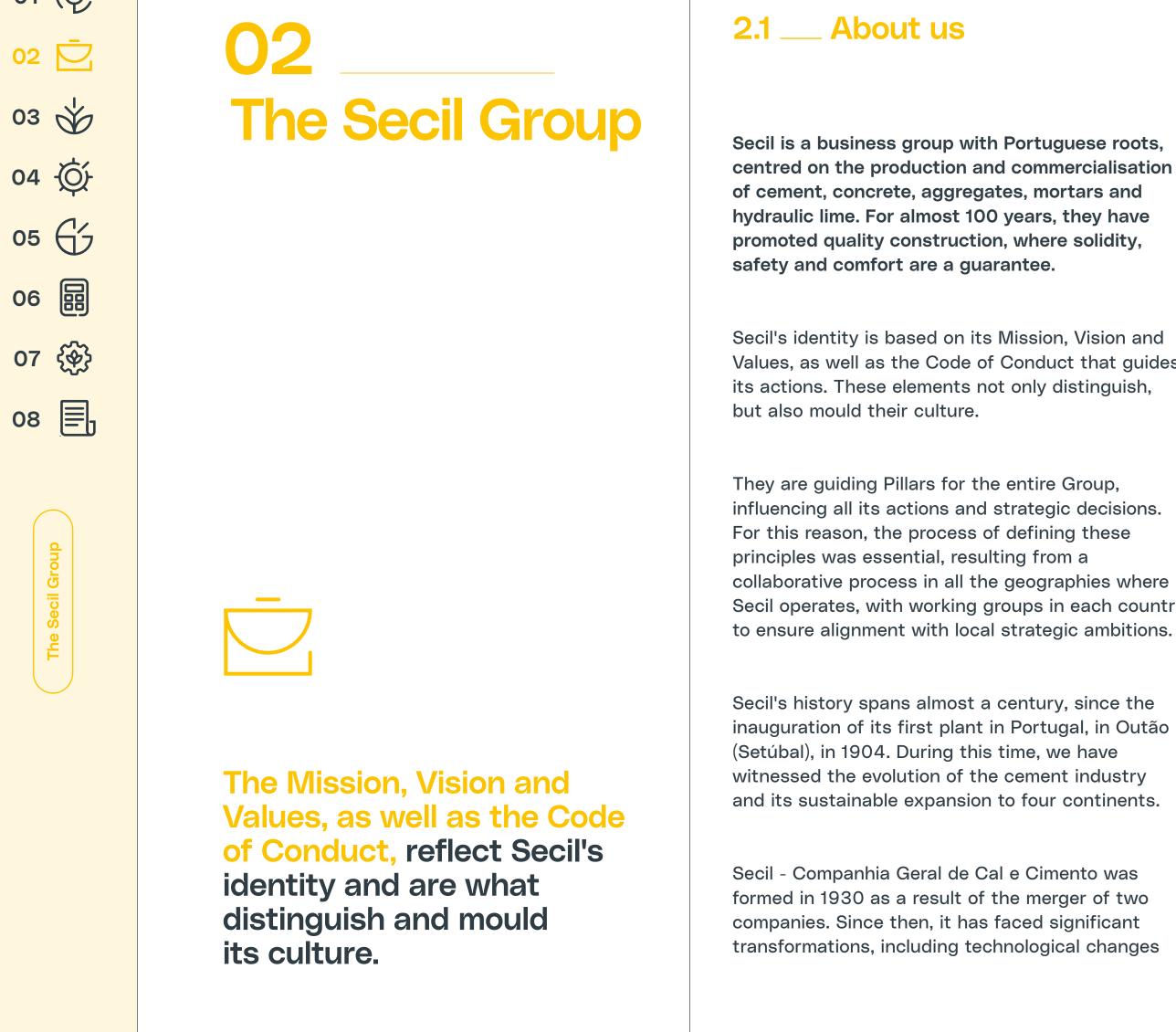
They are guiding Pillars for the entire Group, influencing all its actions and strategic decisions. For this reason, the process of defining these principles was essential, resulting from a collaborative process in all the geographies where Secil operates, with working groups in each country to ensure alignment with local strategic ambitions.

Secil's history spans almost a century, since the inauguration of its first plant in Portugal, in Outão (Setúbal), in 1904. During this time, we have witnessed the evolution of the cement industry and its sustainable expansion to four continents.

Secil - Companhia Geral de Cal e Cimento was formed in 1930 as a result of the merger of two companies. Since then, it has faced significant transformations, including technological changes

























Secil reaffirms its commitment to being a responsible, innovative company centred on satisfying the needs of its customers and business partners

and growing environmental awareness. Among the various expansions and acquisitions, Semapa acquired 51% of Secil and 100% of CMP - Cimentos Maceira e Pataias in 1994.

In 2023 the Maceira-Liz plant celebrated its 100<sup>th</sup> anniversary, an extremely important date given the high symbolic significance for the employees and the involvement of the community surrounding the plant, which actively participated in the festive events. This commemoration was also an opportunity to reinforce the plant's responsible positioning and reputation in the region in which it operates.

Semapa, which has held the entire share capital of Secil since 2011, is a holding company listed on Euronext Lisbon, part of the PSI, with the Queiroz Pereira family as the majority shareholder, and has strong traditions in Portuguese industrial and financial activities.

Secil reaffirms its commitment to being a responsible, innovative company centred on satisfying the needs of its customers and business partners. It offers the best construction solutions to its clients, stimulating opportunities for its people, promotes responsible citizenship in its communities, while generating value for its shareholders.



#### 2.2 \_\_\_ What we do

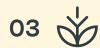
With almost 100 years of experience, Secil has developed our professional activity in the production and sale of cement and construction materials with an international presence.

Although cement remains Secil's core business, expansion into other sectors and the integration of companies with complementary services have significantly strengthened its position. In addition to the production and commercialisation of cement, concrete, aggregates, mortar and hydraulic lime, Secil participates in a company that operates in the circular economy, using waste as a source of energy. In order to provide customers with a final product that meets the company's high standards, it complements its offer with a range of differentiating services that promote the correct selection, application and maintenance of products. In this way, Secil is able to find the best solution for every challenge.







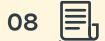














# Areas of activity services

2023

**ANNUAL REPORT**.

#### **Cement Applications Development Centre (CDAC)**

**CDAC - Cement Application Development Centre** provides reference and quality services to help our customers in the use and application of the Secil Group's products. It works on solving technical problems and developing innovative solutions to increase the potential of its products in the corresponding markets. The CDAC also seeks to develop innovative solutions to the challenges of construction and decarbonisation. R&D projects such as BeCharged (winner of the Business Sustainability Award in the Sustainable Mobility category) are a benchmark in the sector.

#### **Technical Support** and Labour Services

Through its Quality and Environmental Laboratories, the company diagnoses problems, carries out critical analyses and the necessary tests to find appropriate solutions for each situation. In addition to certification and technical support, Secil also has a prescription team that accompanies architects and building owners, suggesting the best solutions for their projects.

#### Logistics service

It has an extensive land and sea transport network to move products directly from plants and warehouses to the customers or work sites indicated.

#### **Customer Support**

The Documentation Centre provides technical data sheets, manuals, application diagrams and other documents that can help customers in the daily challenges of building a construction site. Additionally, there are helplines to clarify any doubts

#### **Waste Treatment and Environmental Commitment**

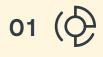
Through AVE, Secil presents technologically advanced and environmentally sustainable solutions for the co-processing of waste. This commitment reinforces its position as a responsible and eco-conscious company.

#### **Featured Products**

We highlight the certified production of a wide range of cements, hydraulic lime, aggregates and mortars. The products fulfil strict quality standards from production to the market, reflecting a commitment to innovative practices and technologies.



The Secil Group continues to mould ambitious projects, offering innovative solutions and products that contribute to some of the most emblematic works in the countries where it operates. Its dedication to quality, sustainability and technical excellence remains unwavering, and is reflected in every aspect of its operations.







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The Secil Group





# **Direct Collaborators**

**1,091** Portugal

28 Spain

3 Netherlands

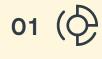
251 Tunisia

391 Lebanon

97 Angola

36 Cape Verde

556 Brazil





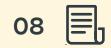
















#### 2.4 \_\_\_ Our strategy

**ANNUAL REPORT** 

2023

# Together, we go higher! Towards Ambition 2025!

As the protagonist of its own growth journey, Secil has experienced an "ascent" in the Ambition 2025 - Sustainable Growth since the beginning of 2023. Just as an aircraft gains height in search of broader horizons, our strategic trajectory has taken us to higher levels of achievement and progress.

At the moment, there is a robust programme, based on the 7 key elements - Customers, Sustainability, People, Innovation, Operational Performance, Scale and Diversification and Finance - and with a very clear objective: to grow sustainably to an EBITDA value of over Euro 200 million.

This year it has adjusted its course by adding the element of digital transformation as a necessary and essential lever to help it grow.

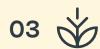


SECIL ANNUAL REPORT \_\_\_\_ 2023 PARTNERSHIPS FOR A NEW FUTURE







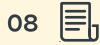














#### **Objective**

Grow sustainably to an EBITDA above 200 M€ in 2025.

# Scope + External competitive advantage

Delivering leading local market propositions to our customers. in attractive cement, aggregates and complementary downstream businesses across a balanced portfolio of mature and emerging markets.

# Internal competitive advantage

Combining Secil's Group talent, distinctive practices and a new digital way-of-working, with safety and ownership culture, empowering our people.

# Secil's strategy is reviewed and communicated frequently, ensuring alignment through the local presence of various stakeholders. In 2023 there were:

- 5 "Townhalls" (plenary sessions)
  with consistent participation of more than
  250 employees on average at each
  session, from all the group's geographies
  and business units, with the aim of giving
  an update on the progress of local and
  transversal projects;
- 16 "Ambition Talks" (webinars), in English and Portuguese, which brought together an average of more than 100 employees from all the group's geographies and business units in each session, in which the objectives of each of the seven Pillars of the strategy were explained and exemplified, with the aim of educating, bringing people together and clarifying doubts always in an open and transparent manner;
- 2 "Secil Informa" (publications), in English,
   Portuguese, Arabic and French, which gave
   an update on projects and demonstrated
   some projects or initiatives that are at a
   more advanced stage;

- 12 "Ambition Days", held approximately every month, where the progress of projects and initiatives is discussed and decided in more detail with group and local leaders;
- +5 board meetings in which Ambition 2025
  was the central theme, with updates on the
  strategy and its development, with the aim
  of informing and making decisions.



20

In 2023, the Ambition 2025 strategy also became tangible in the local leadership teams in the geographies in which Secil operates:























#### Digital transformation

Secil is committed to the digital transformation of its business by digitising the supply chain and focusing on safety, while empowering the worker of the future.

2023

Taking advantage of cutting-edge technologies such as Machine Learning, Artificial Intelligence and the Internet of Things, Secil will be able to collect and analyse data in real time to optimise operations, streamline production and improve the customer experience. These efforts will provide a competitive advantage, while establishing the company as a leader in the industry's digital transformation.

To this end, Secil has defined five main strategic priorities, which are detailed in the table below.

Secil's digital transformation will undoubtedly increase its sustainability, including reducing its carbon footprint, as the organisation will become more efficient and effective.

Secil began its digital transformation process in 2023 and set up a team called the "digital tribe", made up of participants from all business lines involved in digital transformation activities. The aim of the "Digital Tribe" is to accelerate and propagate digital activities and ways of working throughout the organisation.

#### **Strategic Priorities**



#### **Data Excellence**

Establishing a strategy centred on a unified digital platform, where a single, standardised data source guides all decisions. This structure is essential for maximising the potential of the data, paving the way for advanced AI/ML appli-cations.



#### Main tasks with AI and ML

Start digitally enhancing core operations, preparing them for future advances with artificial intelligence and machine learning. This digital optimisation is crucial for transforming processes into intelligent, data-driven operations.



#### **Training the workforce**

Digitally transforming employees' working lives by integrating cutting-edge tools and methodologies into their daily activities. This evolution is fundamental to preparing every member of the team, from experienced professionals to new talents, for the challenges of the digital future.



#### **Balanced Growth**

Focus on refining operations and seeking digital innovations. This dual approach is vital to guaranteeing long-term financial stability and gaining a unique position in the market.



#### **Sustainability and Safety**

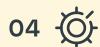
Incorporate sustainability and safety into all aspects of its operations. The goal of reducing CO2 emissions and maintaining the highest safety standards demonstrates a commitment to environmental responsibility and the well-being of its workforce and the community. All this will be achieved by working as a multidisciplinary team, in all geographies.





















In Secil's journey towards digital transformation, the company is firmly committed to integrating advanced technologies into its operations, with a strong emphasis on sustainability and operational excellence. This transformation encompasses a comprehensive overhaul of the General and Administrative functions (G&A), where the adoption of digital tools is streamlining processes in the finance, HR, IT and legal departments. This change is fundamental to promoting a data-based culture, which is essential for the company's future growth and adaptability.

At the centre of this digital infrastructure overhaul is the development of a robust cyber security framework and a meticulously crafted data governance strategy. These elements are crucial for the protection and efficient management of Secil's digital assets, guaranteeing security and accessibility in an increasingly data-centred business environment.

A significant leap in this transformation is the integration of Artificial Intelligence (AI) and the Internet of Things (IoT) into production processes. This adoption can produce substantial efficiency improvements in mills, furnaces and other equipment, aligning operational processes with sustainability objectives, particularly in energy conservation and production optimisation.

Sustainability continues to be a cornerstone of Secil's digital transformation, in line with the company's commitment to achieving carbon neutrality. This commitment extends to increasing the accuracy of sustainability reports, actively involving stakeholders and maintaining compliance with regulatory standards.

A critical aspect of Secil's digital strategy is the implementation of a Unified Namespace (UNS) architecture. This architecture is fundamental to breaking down data silos, a long-standing challenge in the organisation. By adopting a UNS architecture, Secil is laying the foundations for a more interconnected and continuous data environment. This approach not only improves the accessibility and integrity of data in different business units, but is also fundamental in preparing the organisation for a future where AI will play an increasingly significant role.

The digitalisation of Secil's supply chain mirrors its customer-centric approach, increasing efficiency, responsiveness and the overall customer experience. At the same time, the company has prioritised digital security initiatives, emphasising the importance of a safe and secure working environment.

Secil's communication and cultural transformation strategies complement the technical aspects of its digital transformation. These strategies aim to engage employees in the digital journey, promoting a culture that values innovation, learning and adaptation.

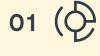
In the production of concrete, aggregates and mortar, the introduction of digital tools and analyses has the potential to transform traditional processes, improving quality control and logistical efficiency. Similarly, AI and ML can transform maintenance strategies, enabling predictive maintenance and optimising asset management.

Procurement processes will be digitally reformulated to improve interactions with suppliers, guaranteeing

The digitalisation of Secil's supply chain mirrors its customer-centric approach, increasing efficiency, responsiveness and the overall customer experience.

transparency and cost efficiency. Operational analysis and digital measurements will further strengthen Secil's data-driven decision-making capabilities, improving operational performance.

In conclusion, Secil's digital transformation initiative represents a comprehensive and multifaceted approach that combines technology with sustainability and operational efficiency. This initiative underlines the company's commitment to innovation, environmental responsibility and the continuous improvement of its operations.





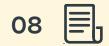




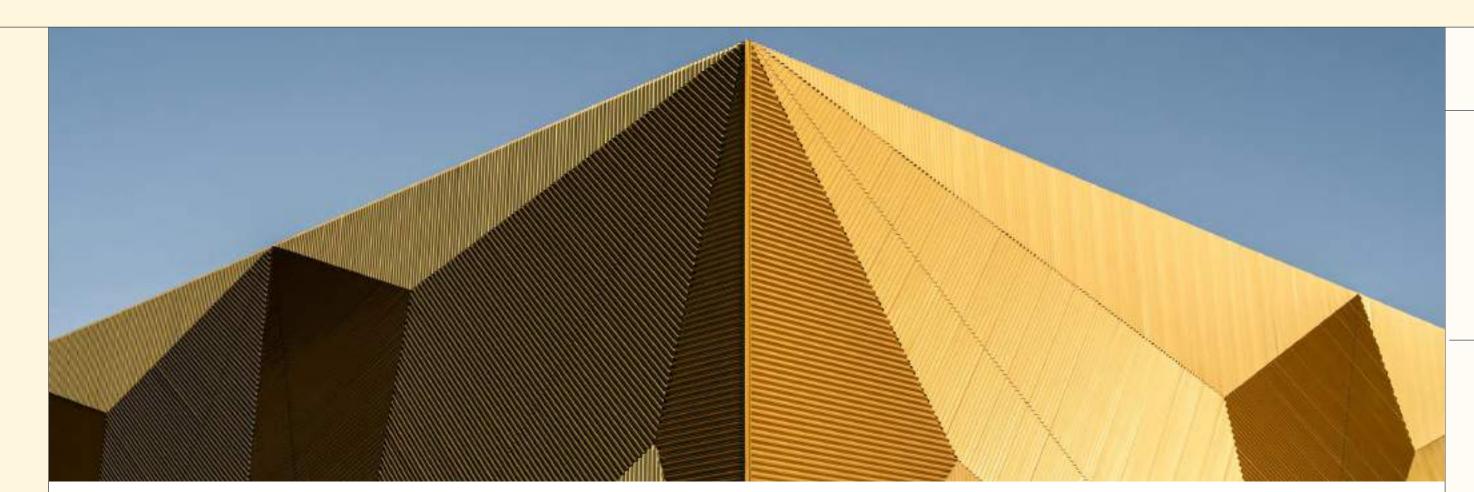








The Secil Group



#### 2.6 \_\_\_ Materiality



GRI 3

Material topics are fundamental to the definition and implementation of Secil's sustainability strategy.

The materiality analysis process, which began at the end of 2022, ended in 2023. This analysis by PwC aimed to identify the most relevant sustainability issues for different stakeholder groups and for the Secil Group itself, helping to establish Secil's sustainability framework and prioritise the issues by their relevance.

#### **Dual materiality analysis**

The material topics were assessed from the point of view of impact materiality and financial materiality in accordance with the principle of Dual Materiality.

This principle made it possible to identify material issues from an inside-out perspective - the Secil Group's impact on the environment and society - and from an outside-in perspective - the impact of the environment and society on the Secil Group's financial performance.

Firstly, benchmarking analyses were carried out and the main sustainability trends were analysed in order to identify and validate a new set of potentially material themes for Secil.

At the same time, the main stakeholders to be consulted were identified and mapped, an exercise that took place in various countries through internal collaborative workshops. The following main stakeholder groups were identified:

#### Main stakeholder groups



**Employees** 



Clients



Industry/Business Associations



Suppliers, Business Partners, and Service Providers



Media



**Government Entities** 



Financial Institutions and Insurers



Community



**Academia** 





















The process of materiality assessment, which began at the end of 2022, ended in 2023. This analysis aimed to identify the most sustainability issues to different stakeholder groups and for the Secil Group itself, helping to establish Secil's sustainability framework and to prioritise the topics according to their relevance.

Next came the process of listening to stakeholders. The consultation was carried out primarily to gauge the inside-out perspective. An online questionnaire was applied in each geography (Tunisia, Lebanon, Portugal and Brazil) and, in the case of particularly relevant stakeholders, interviews were carried out. To gauge the outside-in perspective, the management team of each geography was consulted through workshops.

After listening to the stakeholders, matrices with the material themes were obtained for each geography, which were approved in sessions to present the matrices to the top management of each geography.

Finally, the Secil Group's Materiality Matrix, which reflects the entire process described, was constructed to identify the Group's material themes.

#### Methodology

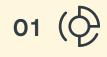
Benchmarking	Stakeholder consultation
<ul> <li>Identification of the main sustainability trends.</li> <li>Identification and validation of a new set of potentially material themes for Secil.</li> </ul>	<ul> <li>The consultation was carried out primarily to gauge the inside-out perspective. An online questionnaire was applied in each geography (Tunisia, Lebanon, Portugal and Brazil) and, in the case of particularly relevant stakeholders, interviews were carried out.</li> <li>To gauge the outside-in perspective, the management team of each geography was consulted through workshops.</li> </ul>
Stakeholder identification and mapping	Construction of the Matrix

- Organisation of internal collaborative workshops in various countries.
- Identification of the following main stakeholder groups:

- Construction of a matrix with the material themes for each geography.
- Approval of the matrices in presentation sessions to the top management of each geography.

SECIL ANNUAL REPORT \_\_\_\_ 2023 PARTNERSHIPS FOR A NEW FUTURE













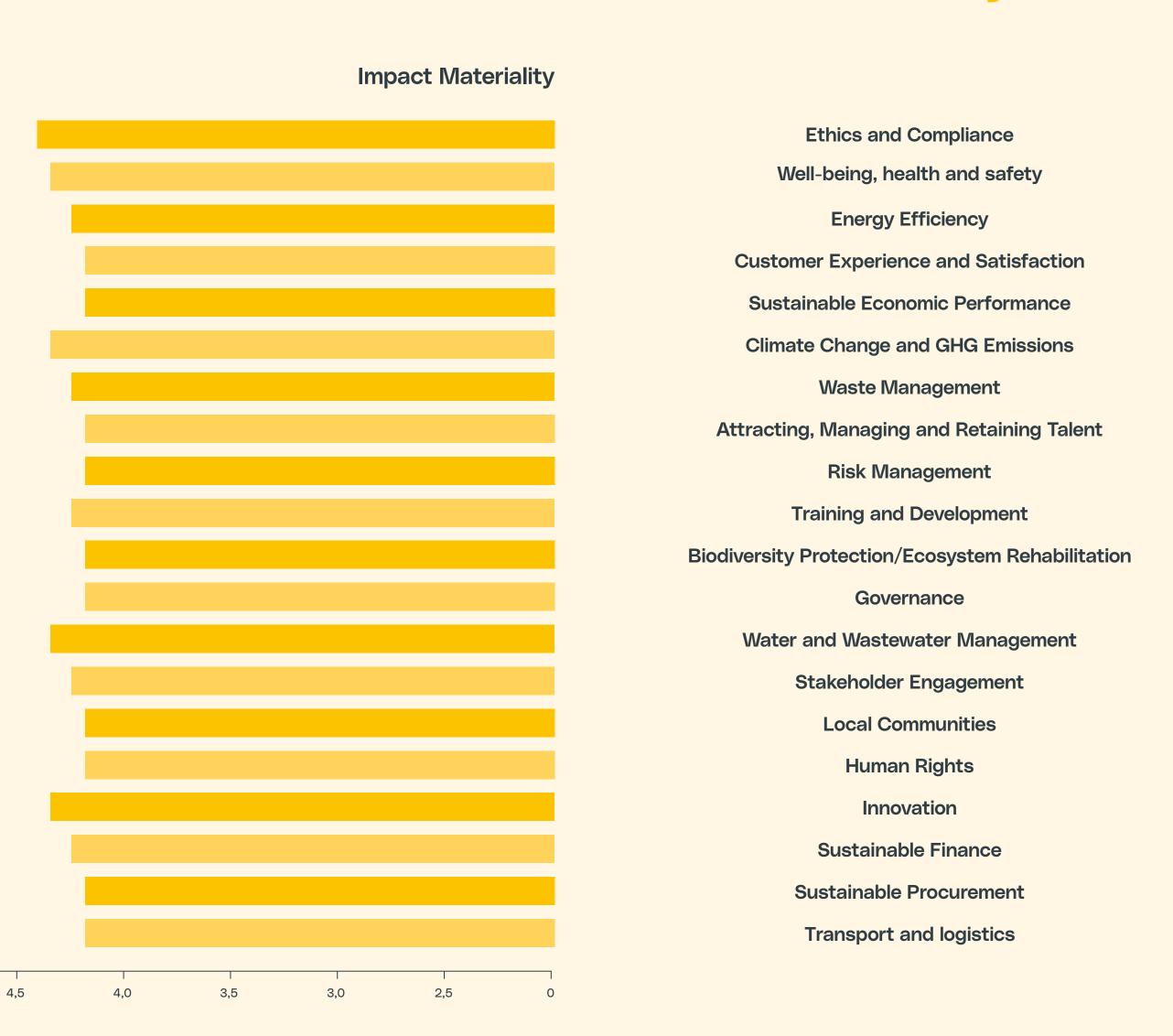


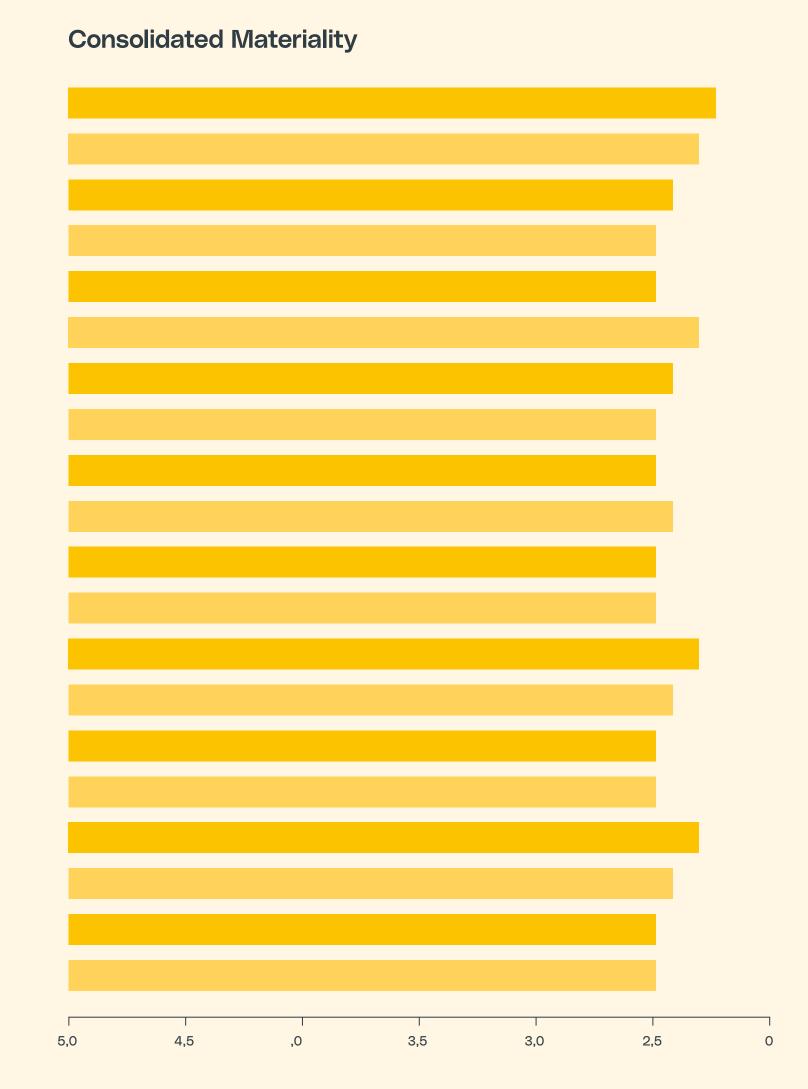


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## **Dual Materiality Matrix**





25

10 material topics were

identified, which are presented

In general, the material topics are

framework. Despite this, in order to

framework even more into line with

( Chap. 3.4.3.1), which is now part

the economic Pillar, and adjust the

names of some of the topics in the

reflect the results of the financial

year and bring the sustainability

the current material issues, Secil

wanted to emphasise the topic

of Product Quality and Safety

of the "customer focus" topic of

environmental Pillar.

in line with Secil's sustainability

below in 4 dimensions - ESG

+ E (Environmental, Social,

Governance + Economic):





# **41111**

#### **Material Topics Description of material topics**

**Energy (Energy Efficiency)** 

**Climate Change** and GHG Emissions

**Natural Resources** and Circular Economy

**Human Rights** 

Attracting, Managing and Retaining Talent

Well-being, health and safety

**Ethics and Compliance** 



**Environmental** 

Energy: Optimisation of energy consumption, favouring renewable energy sources.

Climate Change and GHG Emissions: Reducing its impact on climate change, namely by monitoring and reducing its GHG emissions.

Natural Resources: Responsible and efficient use of natural resources, in particular the consumption of raw materials, the use and management of water and the protection of natural capital.

Circular Economy: Promotion of resource reduction, reuse, recovery and recycling practices.

#### Social

Attracting, Managing and Retaining Talent: Attracting and retaining employees through practices that promote a high level of satisfaction and motivation.

Well-being, health and safety: Ensuring the safety, health and physical and psychological well-being of employees by providing them with suitable working conditions.

Human Rights: Fundamental rights and freedoms inherent to all human beings, regardless of race, nationality, gender, ethnic origin, religion or any other condition. They are considered universal, indivisible and interdependent, seeking to guarantee dignity, justice and respect for all.

#### Governance

Ethics and compliance: Managing the business with integrity and transparency, in compliance with existing laws, rules and regulations, promoting ethical values among employees, clients and partners.

**Sustainable Economic** Performance



Product quality and safety



**Customer Experience** and Satisfaction

#### **Economic**

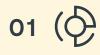
Sustainable Economic Performance: Promoting the economic soundness of the organisation, ensuring the continuity of its mission.

Product quality and safety: Product management in terms of quality, safety and traceability of origin and source, including responsible sourcing of components

Customer Experience and Satisfaction: Providing services that ensure a high level of customer satisfaction.

**SECIL ANNUAL REPORT** 2023

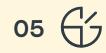










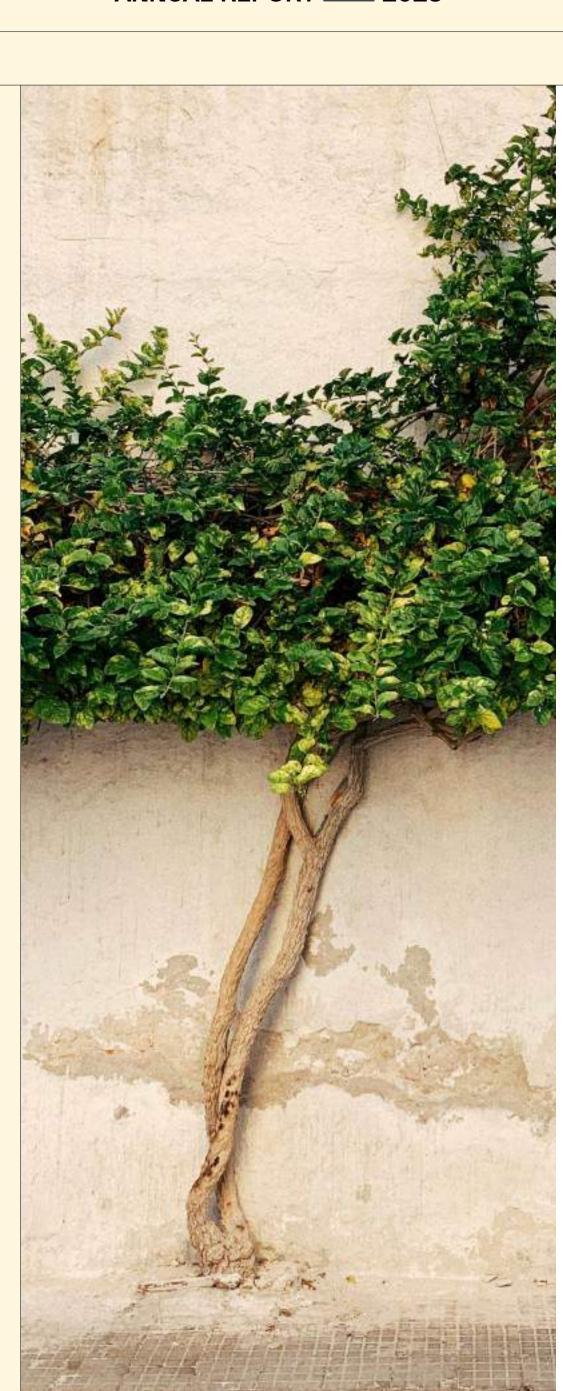












#### 2.7 \_\_\_ Sustainability Governance



GRI 2-9; 2-23; 2-24

Secil believes that it is essential to have a structured model with defined objectives to underpin sustainability.

In 2023, the Group's Sustainability area (fig. Organisational chart) was created in order to coordinate all corporate activities and those of the geographies where it operates, relating to the topics in its sustainability framework:



#### Framework de Sustentabilidade

# E Environmental

- Carbon Neutrality
- Air Emissions
- Circular Economy
- Resources & Energy Efficiency
  - Biodiversity
- Water

# S Social

# G Governance

- Corporate Governance
- Organisation Strategy
- Ethics, Integrity & Compliance
- Sustainability Management:
- Reporting

# E Economic

- Sustainable Economic growth
- Sustainable Finance:
  - · ESG rating
- Taxonomy
- Sustainable Procurement
- Customer centricity

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# Main functions of the Group's Sustainability area

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- Develop and implement the sustainability strategy
- Monitoring and reporting on sustainability performance
- Managing risks and opportunities related to sustainability
- Involving internal and external stakeholders

The first step was taken in 2021, when the ESG+E
(Environmental, Social, Governance + Economic) project
was created as part of the definition of Ambition 2025
Chap. 2.4. During 2021 and 2022, the work teams,
priorities and targets for the various topics in the framework
were identified. From this definition came the various specific
routes, such as:

- Decarbonisation;
- Stakeholder engagement
- Health and safety;
- Sustainable Financing; and
- Human Rights.

Together they point the way to sustainability at Secil.

Secil's Sustainability area has a decentralised and collaborative model, since sustainability issues are distributed among the different departments and integrated into their respective functions. This promotes ownership and responsibility for each theme at the various levels of the organisation. Each department incorporates sustainability into its operations and activities, with guidance and support from a central sustainability team.

The Sustainability Committee, which has existed since 2016, was expanded in 2023 to include all the corporate departments and all the people involved in the four Pillars: Environmental, Social, Governance and Economic. This committee now meets quarterly, with the main purpose of informing the entire organisation about sustainability performance in its various topics, as well as taking stock of the various projects that contribute to the Global Sustainability Roadmap.



#### **Sustainability Strategy**



















Sustainability is a central element of our strategy, Ambition 25 - Sustainable Growth. Secil aims to be recognised as a responsible and sustainable company by 2025, committed to decarbonisation by 2050.

Secil is committed to sustainability and endeavours to make its economic performance compatible with the dimensions of sustainable development, namely the environmental, social and governance (ESG) dimensions, as well as the economic one.

Our strategy includes several structural points for your business:

- Achieve carbon neutrality in the cement and concrete value chain by 2050;
- Contribute to a circular economy by increasing the use of alternative fuels and secondary raw materials;
- Build a health and safety culture that allows the reduction of work accidents and the elimination of fatalities:
- Support equal opportunities and promote diversity in management decisions;
- Supporting local communities;
- Ensure respect for human rights and workers through ethics, integrity and corporate responsibility.

We manage sustainability through close relationships with communities, with our stakeholders and with institutions and institutional partners, adopting the best corporate governance practices and responding to the challenges that our activity generates in the environment and in society. All of this is always focused on the customer to provide exceptional experiences.

It integrates international institutions and partnerships that also assume this same commitment and that orientate Secil with the best in the cement sector → Chap. 3.2.1.

Secil's sustainability strategy with targets for 2025 and 2030:

# VMBILION Sustainable Growth 2025

#### **Growing Sustainably**

To be recognised as a sustainable and responsible company, committed to achieving carbon neutrality by 2050.

#### **Protecting the Climate** and the Environment

Carbon neutrality

Above 20% reduction in CO<sub>2</sub> emissions\*

Circular **Economy**  Above 25% increase in the use of alternative fuels\*

#### Valuing People and the Community

\_ocal

Double investment in local communities

**Health and** 

Diversity, **Equity and Inclusion** 

reduction in frequency rates

**75%** 

20% increase in women's participation

#### Governance **Principles**

To respect Human and **Workers' Rights with Ethics** and Corporate Responsibility, creating value for all **Stakeholders** 

Carbon neutrality

Achieving carbon neutrality along the cement and concrete value chain by 2050

2 Circular Economy Towards a circular economy, through the co-processing of alternative fuels and raw materials

**Local Communities** 

Develop strong local synergies, giving back to our neighbours and stakeholders

**Health and Safety** 

Achieve a health and safety culture that allows a frequency rate below 1.5 and zero fatalities

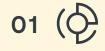


#### **Diversity, Equity** and Inclusion

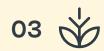
Support equal opportunities and promote diversity in management decisions









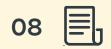
















Secil wants to be recognised as a sustainable and responsible company, committed to achieving carbon neutrality by 2050.

In 2023 Secil rethought the Sustainable Development Goals (SDGs).

Following consultation with stakeholders during the dual materiality assessment 🖯 Chap. 2.6, they were also asked about the SDGs and their impact on/for Secil.

At the same time, internally, several colleagues from the corporate area and the Portugal geography, with different areas of expertise, were asked to:

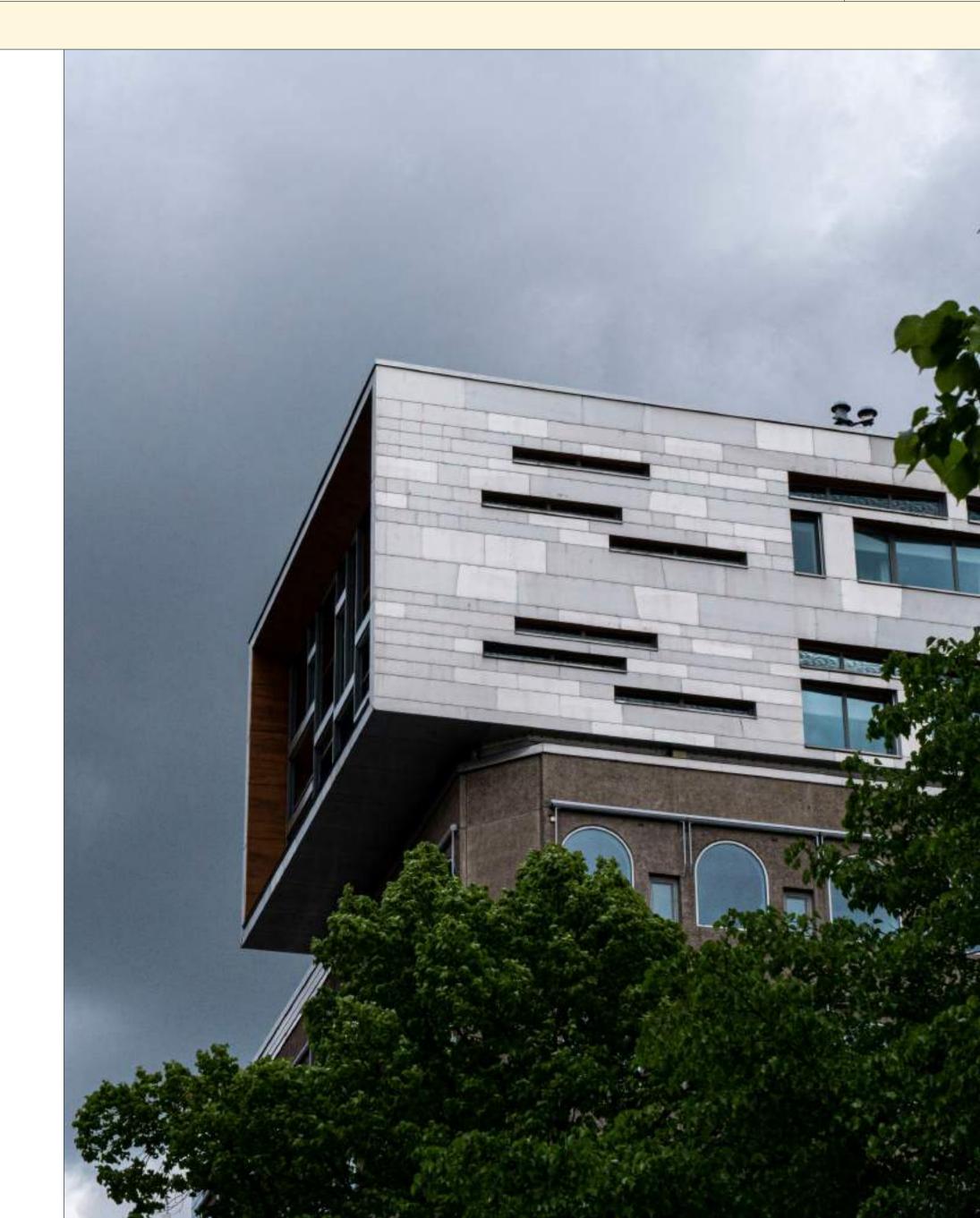
- 1. Increasing internal knowledge about the SDGs and their targets;
- 2. An assessment of the SDGs for which Secil would have the greatest impact, and where it can make the most difference, contributing to the respective targets set.

Based on the results of the workshop and feedback from stakeholders, the strategic, relevant and supporting SDGs were defined.

Secil concludes that the strategic SDGs have been maintained and their importance and impact reinforced. This was to be expected, given that these are the SDGs that most directly relate to Secil's activities and challenges.

In the case of the relevant SDGs, i.e. the second level, there were changes, with SDGs 4, 7 and 17 being removed and SDG 3 being added. SDGs 8 and 11 were maintained. Secil considers these SDGs to be more in line with its strategy.

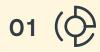
A supporting SDG was also defined, SDG 17, which is essential for supporting and guaranteeing the fulfilment of the other SDGs.



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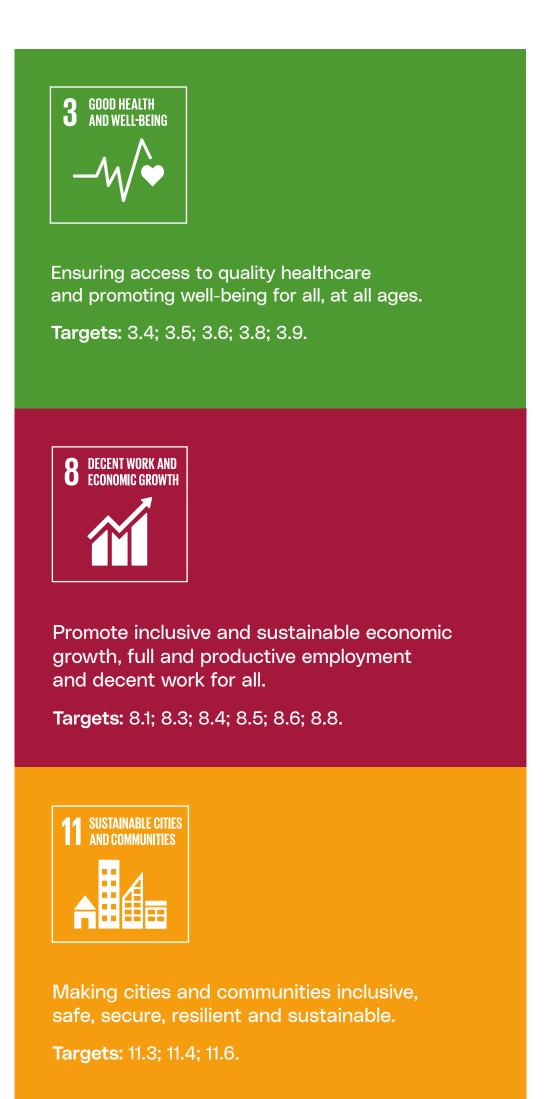
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Based on the results of the workshop and stakeholders' feedback, the strategic, revelant and support SDGs were defined.

#### **Strategic SDGs**



#### **Relevant SDGs**



#### **ODS Support**



Strengthening the means of implementation and revitalising the Global Partnership for Sustainable Development.

**Targets:** 17.16; 17.17.



#### Main contributions of Secil to achieving the SDGs

#### **Environment**

Promoting the reduction of the impact of climate change. Commitment to decabornisation.

Optimising energy consumption and using alternative energy sources, including renewables.

Promotion of circular economy and efficient use of natural resources. Valuing and protection of biodiversity. Development of RDI projects and establishing partnerships to offer solutions with an impact on the value chain of construction.

#### Social

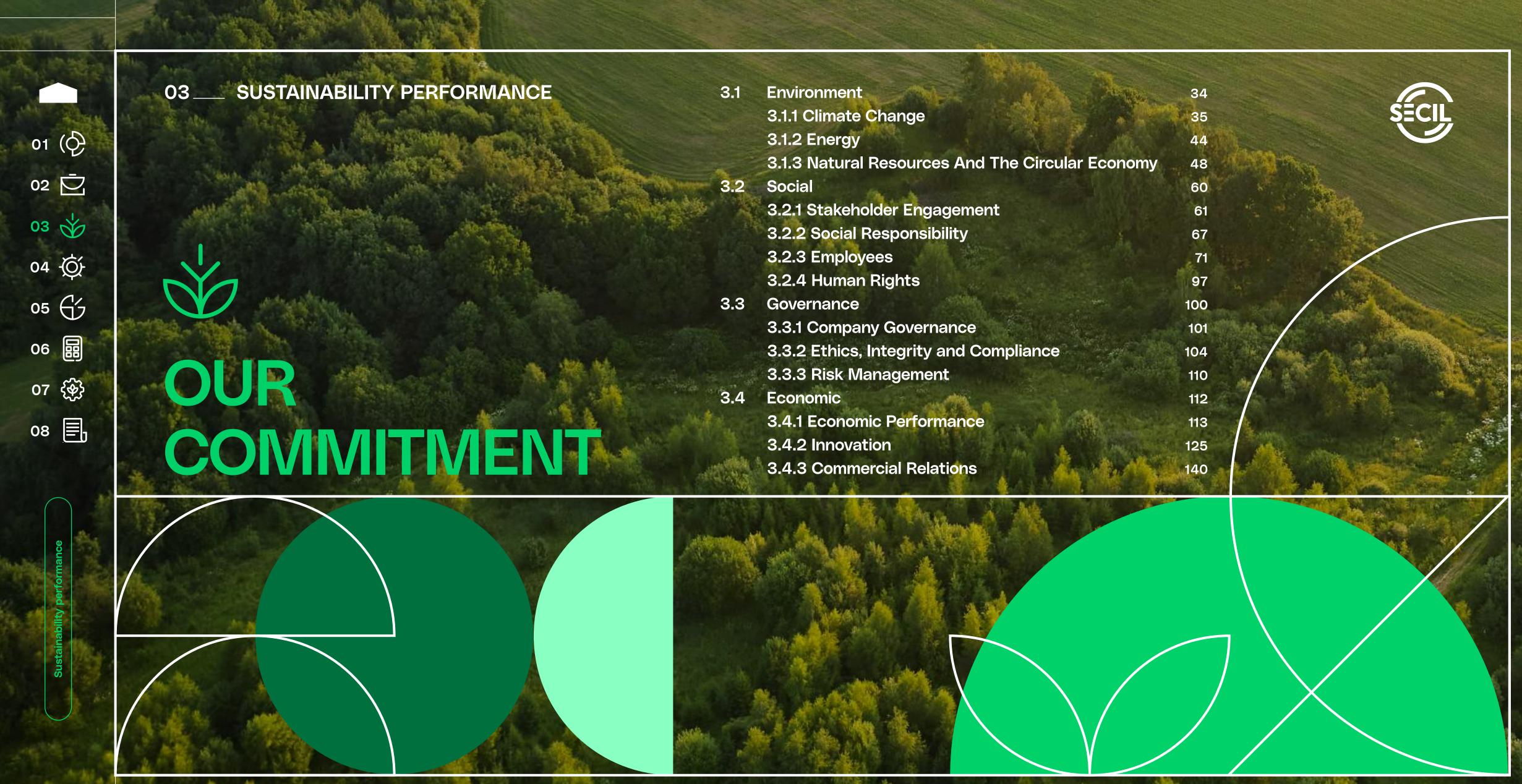
Promoting close relationships and stakeholder engagement. Supporting the local community in the countries where it operates. Contribution to the promotion of decent work, training and support for career progression of its employees and health, safety and and well-being. Promoting diversity, equity, inclusion and non-discrimination in human resources management. Promoting human rights internally and externally.

#### Governance

Definition of clear and monitored objectives for the various commitments included in the Strategic Plan - Ambition 2025 - Sustainable Growth. Governance model supported by rules of ethics and conduct, integrity and transparency and accountability. Promoting a risk management model based on their identification, the creation of mitigation measures, and their monitoring and evaluation.

#### **Economic**

Promoting economic growth and generating employment and wealth in the geographies where it operates. Promoting decent work by protection of labour rights. Contributing to innovation and the development of new products and projects, as well as to their quality and safety. Promoting sustainability in its value chain and trusting relationships with customers and suppliers.





















Sustainability performan

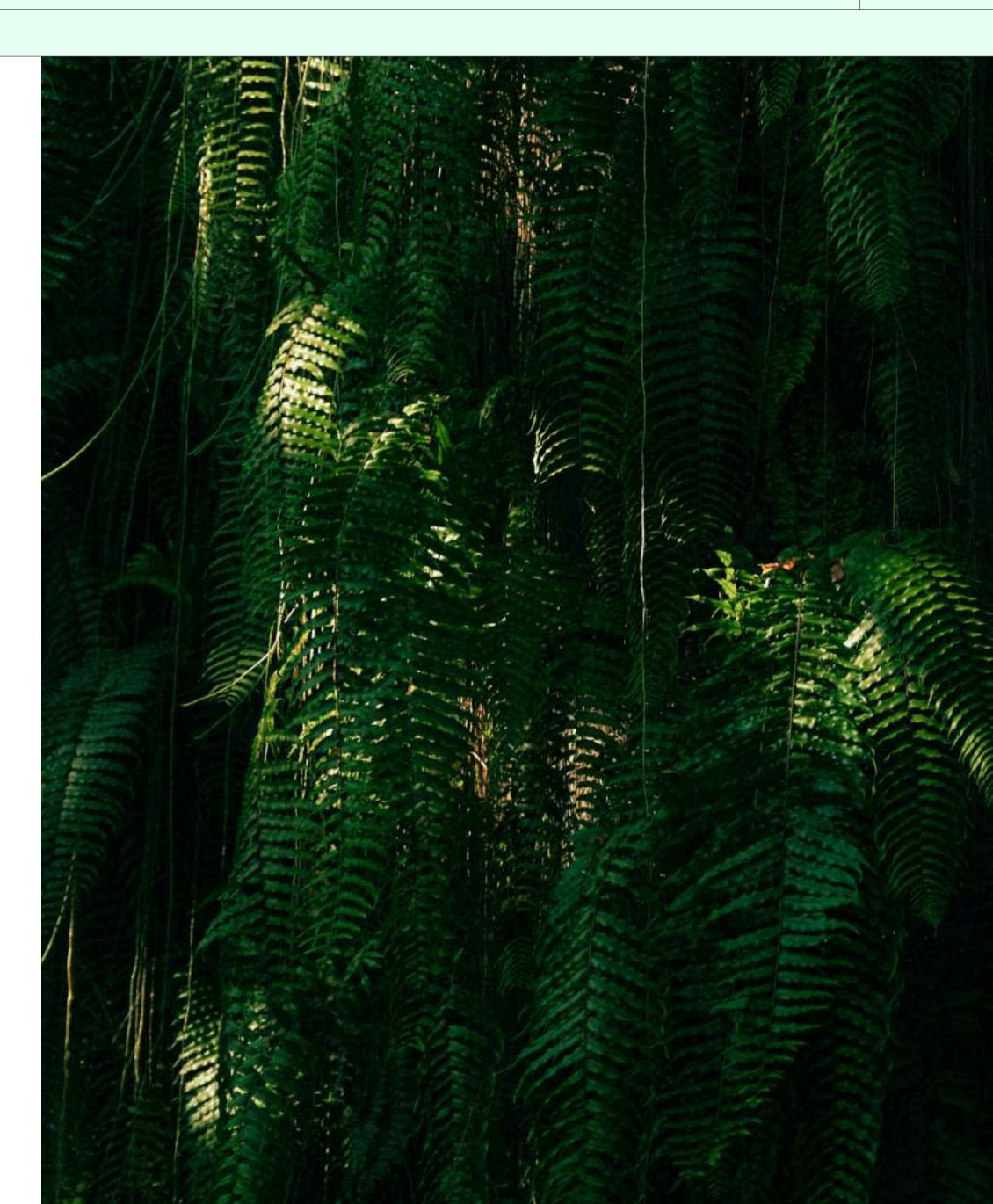
# O3\_\_\_\_Sustainability performance



The year 2023 was a challenging one for the environmental Pillar.

**Environment** 

Secil has been focused and invested in decarbonisation, with the development and progress of the Clean Cement Line (CCL) project, Secil's first major decarbonisation project. Also, in 2023, the calculation of scope 3 emissions was made for the first time - emissions that result from Secil's activity, but which occur in sources not owned or controlled by Secil. In 2023, the Group continued to value and protect biodiversity and develop a circular economy by promoting practices of reducing, reusing, recovering and recycling resources.





Secil has been focused and invested in decarbonisation, with the development and progress of the Clean Cement Line (CCL) project, Secil's first major decarbonisation project.

























#### **Climate Change**

**Strategic SDGs** 

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2023

**Relevant SDGs** 



**Support SDGs** 



Secil promotes the reduction of its impact on climate change through the development of new products and processes aimed at reducing its carbon footprint and having an impact on the construction value chain.



GRI 3-3, 305-1, 305-2, 305-4, 305-7



#### **Ambition 2025 Goals**

- · Achieving carbon neutrality along the value chain by 2050
- Assessment and identification of risks and opportunities associated with climate change, according to the methodology of the Task Force on Climate-related Financial Disclosures (TCFD)



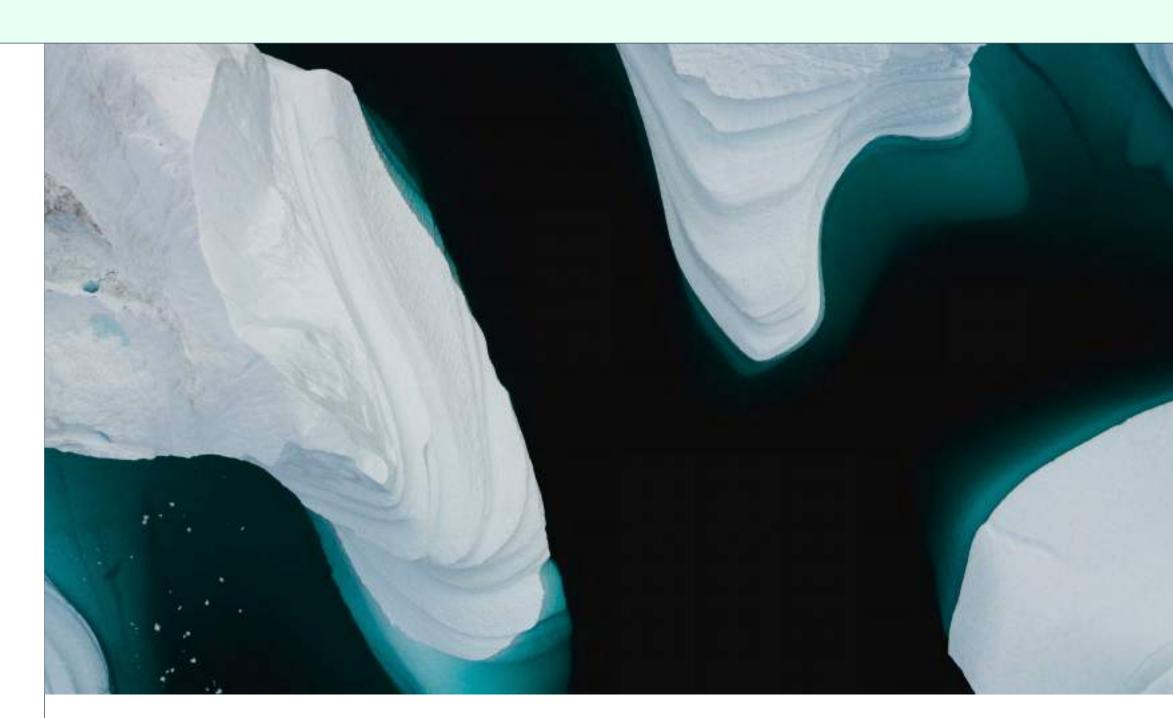
#### 2030 Goals

- · 25% reduction in CO2 emissions, 534 Kg CO2/t cement (scope 1 and 2)<sup>1</sup>
- · 65% incorporation of clinker in cement for Portugal
- · 73% incorporation of clinker in cement for other



#### Our impacts

- · 721 kg CO<sub>2</sub>/t cement (scope 1 and 2)<sup>1, 2</sup>
- · 80% incorporation of clinker in cement for Portugal
- · 79% incorporation of clinker in cement for other geographies



The production of cement contributes to global greenhouse gas (GHG) emissions, especially Carbon Dioxide (CO<sub>2</sub>), due to the calcination of limestone during the manufacturing process and the combustion of fossil fuels, thus contributing to **global warming and climate** change. This process also results in the emission of other atmospheric pollutants, with significant impacts in terms of air pollution and potential consequences for human health.

According to the Global Cement and Concrete Association (GCCA), cement production is responsible for around 7% of global carbon dioxide (CO<sub>2</sub>) emissions into the atmosphere<sup>1</sup>.

<sup>1</sup> Source: GCCA

<sup>&</sup>lt;sup>1</sup> Relates to all cement plants except the white cement plant in Pataias.

<sup>&</sup>lt;sup>2</sup> The scope 2 values used in the calculation are market-based.







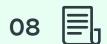




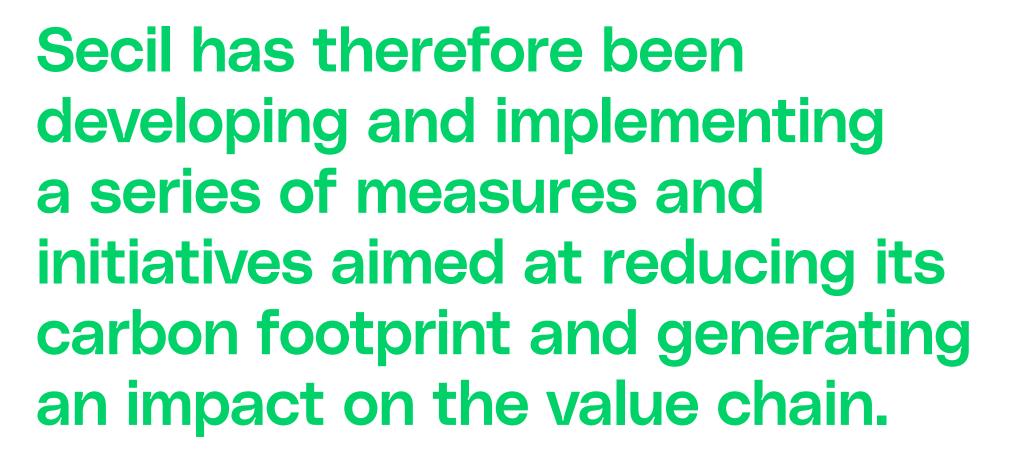












On the other hand, climate change can pose **operational risks**, associated with an increase in the frequency and intensity of extreme weather events, which can affect the labour process, cause damage to infrastructure and interrupt the supply of raw materials.

In addition, cement companies face the challenge of responding to **growing regulatory pressure** to reduce their emissions effectively. Failure to do so could result in additional costs and reputational risks.

At the same time, the opportunities include **innovation** and the development of cleaner and more sustainable technologies, investment in renewable energy sources, improved energy efficiency, the development of new low-carbon construction materials and the implementation of circular economy practices.

### 3.1.1.1 Commitment to Decarbonisation

Secil has made global commitments to the Roadmap to Carbon Neutrality 2050 defined by the GCCA - a roadmap in which the main cement and concrete producers around the world (representing 80% of total production outside China), have committed themselves:

- 1. The commitment to the carbon neutrality of concrete by 2050;
- 2. An intermediate target to avoid five billion tonnes of CO<sub>2</sub> emissions by 2030.

In addition, Secil has aligned its strategy with the European Cement Association's **CEMBUREAU 2050 Carbon Neutrality Roadmap** for the European cement sector and, at national level, with the Technical Association of the Cement Industry (ATIC) roadmap for carbon neutrality in 2050.

Internally, Secil has developed its roadmap for Carbon Neutrality "Secil's Path to Decarbonisation", which covers the various geographies, as part of its Ambition 2025 strategy. This roadmap defines CO<sub>2</sub> reduction targets for 2030 and a commitment to carbon neutrality by 2050 and is based on:

- Introduction of alternative fuels and composite cements;
- Increased energy efficiency and reduced CO<sub>2</sub> emissions through the Clean Cement Line (CCL) project;
- Use of Carbon Capture, Utilisation and Storage (CCUS) technologies.

**SECIL** 

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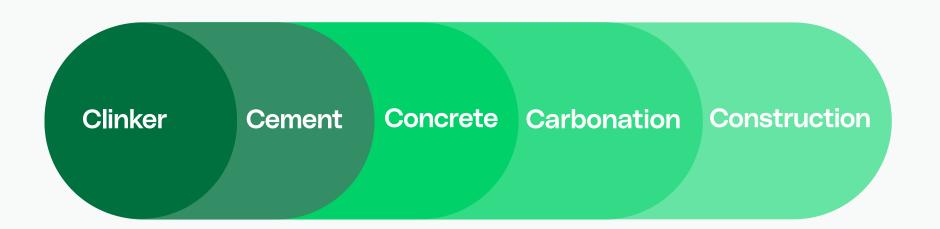






### The 5 C's

Our decarbonisation Roadmap on the 5 fronts of the value chain



To define the reduction targets, the methodology used by CEMBUREAU was used: "5Cs" - Clinker, Cement, Concrete, Re-Carbonisation and Construction (although the potential CO<sub>2</sub> reductions of the Construction element were not taken into account in this definition).

# Secil has committed to the Science Based Targets initiative (SBTi) to define science-based targets for 2030

Considering the plants in Portugal, Lebanon, Tunisia and Brazil<sup>2</sup>, the roadmap set the goal of reducing CO<sub>2</sub> emissions, compared to the base year of 2020, by around 25% by 2030 (534 KgCO<sub>2</sub>/t cement<sup>3</sup>), including scope 1 and 2 emissions.

To implement the actions set out in Secil's Roadmap for Carbon Neutrality, a total investment of Euro 106.8 million is planned, plus Euro 86 million for the CCL project currently underway at the Secil-Outão plant - totalling an investment of around Euro 192.8 million by 2030.

Secil is investing heavily in research, development and innovation (RDI), in search of new products such as Verdi Zero Concrete (see highlight) and alternative processes to reduce the carbon emissions associated with its operations, such as the production of cement with less clinker (low carbon clinker) and concrete with less cement. It should be noted that, since 2021, the company has been carrying out a major investment in the modernisation of the Secil-Outão unit - the project referred to as CCL - and that, in addition, a number of other ambitious projects are under study to meet the targets set 
Chap. 3.4.2.2

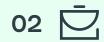
It should be noted that Secil has committed to the Science Based Targets initiative (SBTi) to define science-based targets for 2030. With the completion of the inventory of scope 3 emissions at the end of 2023, Secil is preparing to submit the targets in 2024.

It is also worth mentioning that Secil has facilities both within and outside the European Union, regions with very different policies in terms of climate change Ohap. 3.1.1. This has an impact on the timing of the progress of decarbonisation, given the difficulty of justifying the high investments in units outside the European Union, due to the absence of support and the support of a CO<sub>2</sub> market. Also, the lack of regulation allowing the use of low carbon cements in concrete and the use of alternative fuels pose an additional challenge. Support for investments to be made in these external units and cooperation from EU and external country authorities can help create the conditions to facilitate the necessary changes that will reduce the timing needed for the possible and necessary decarbonisation in these units.

<sup>&</sup>lt;sup>2</sup> Relates to all cement plants except the white cement plant in Pataias.

<sup>&</sup>lt;sup>3</sup> Scope 2 values used in the calculation are market-based.











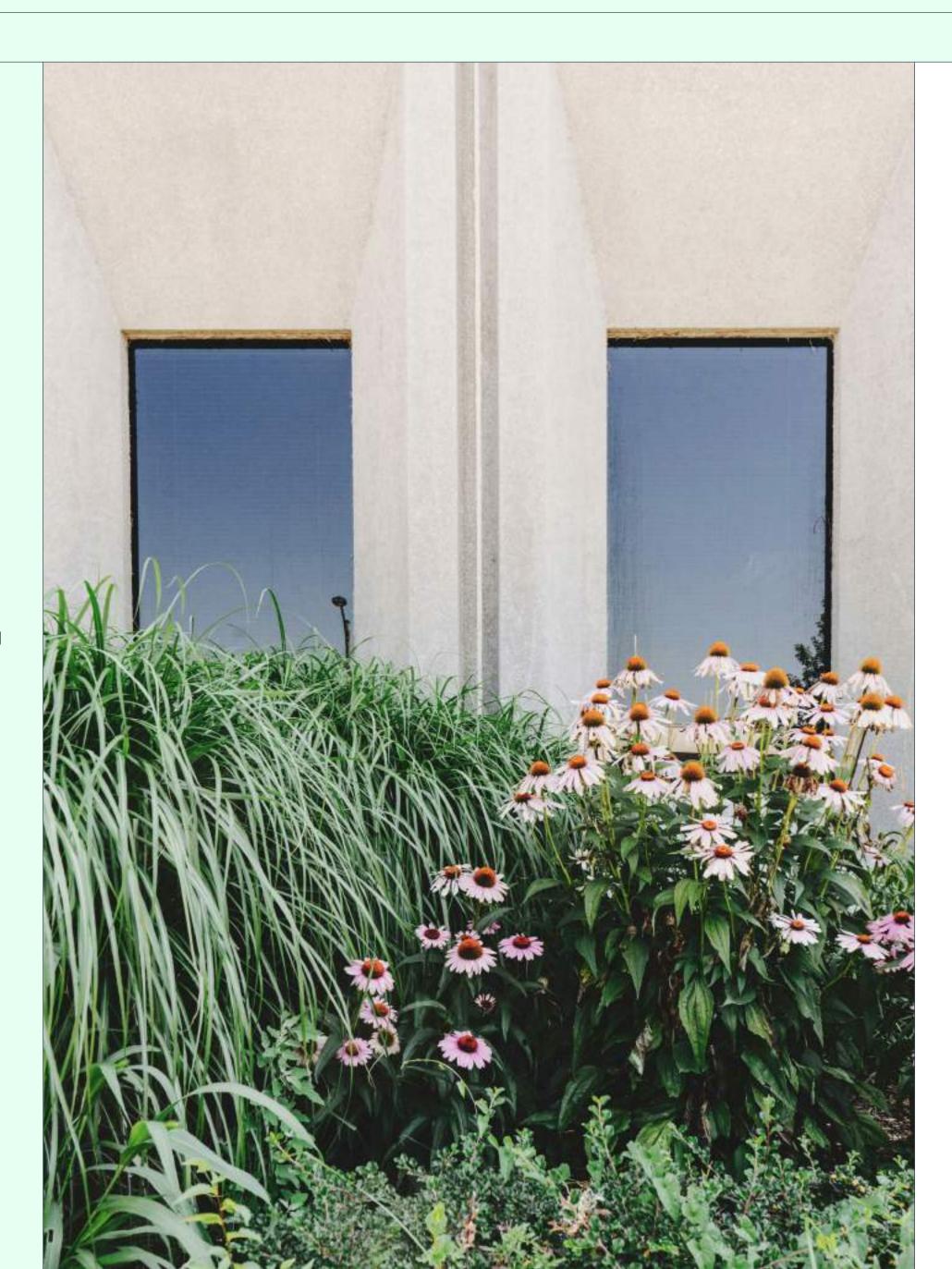














### → Main Initiatives Developed in 2023

Below we present two initiatives that are relevant to Secil's commitment to decarbonisation.

# Participation in Colab C5Lab (Portugal)

Secil, together with ATIC, Cimpor, Instituto Superior Técnico and LNEC, is taking part in Colab C5Lab, which has three research areas: CO<sub>2</sub> capture, use and deposition; energy transition and energy efficiency; and new cementitious materials and innovation in construction.

In 2023, the first three-year period of operation came to an end, with emphasis on the contribution to the characterisation of landfill ash from the Pego and Sines Thermal Power Plants and the studies carried out into the potential use of these cementitious products in the production of types of cement with low carbon content.

A new three-year cycle has also begun with funding from ANI - Agência Portuguesa para a Inovação (Portuguese Agency for Innovation), thus continuing the work already carried out.

# 1st supply of Verdi Zero Concrete

With the aim of promoting carbon neutrality in the cement industry by 2050 and the decarbonisation of the construction sector, Secil has launched the Verdi Zero Concrete. The cement used in Verdi Zero Concrete has been certified as a CarbonNeutral® product in accordance with the CarbonNeutral Protocol.

Following its launch, this pioneering product in Portugal had its first commercial use on a site belonging to Detailsmind - Engenharia e Construção, in Quinta da Marinha, Cascais, in September 2023.

This first supply fulfils new market demands, contributing to more durable infrastructures and buildings that have less impact on the environment, helping to promote new solutions for increasingly efficient and sustainable construction.



### Roadmap for decarbonising cement at Secil

2023

### 2020-2030

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- Implementation of more efficient technologies that will allow a reduction in thermal consumption and increase the use of alternative fuels with a higher biomass content, associated with the production of clinker.
- Introduction of innovative technologies resulting from internal research projects that will allow the total elimination of the use of conventional fossil fuels and activation of existing hydropower in alternative raw materials.
- Increased use of alternative decarbonated raw materials.
- Development of low carbon content cements resulting from the lower incorporation of clinker with the incorporation of alternative raw materials with hydraulicity potential in a first phase followed by the use of additives with pozzolanic properties (SCM), such as calcined clays, with a lower carbon footprint.

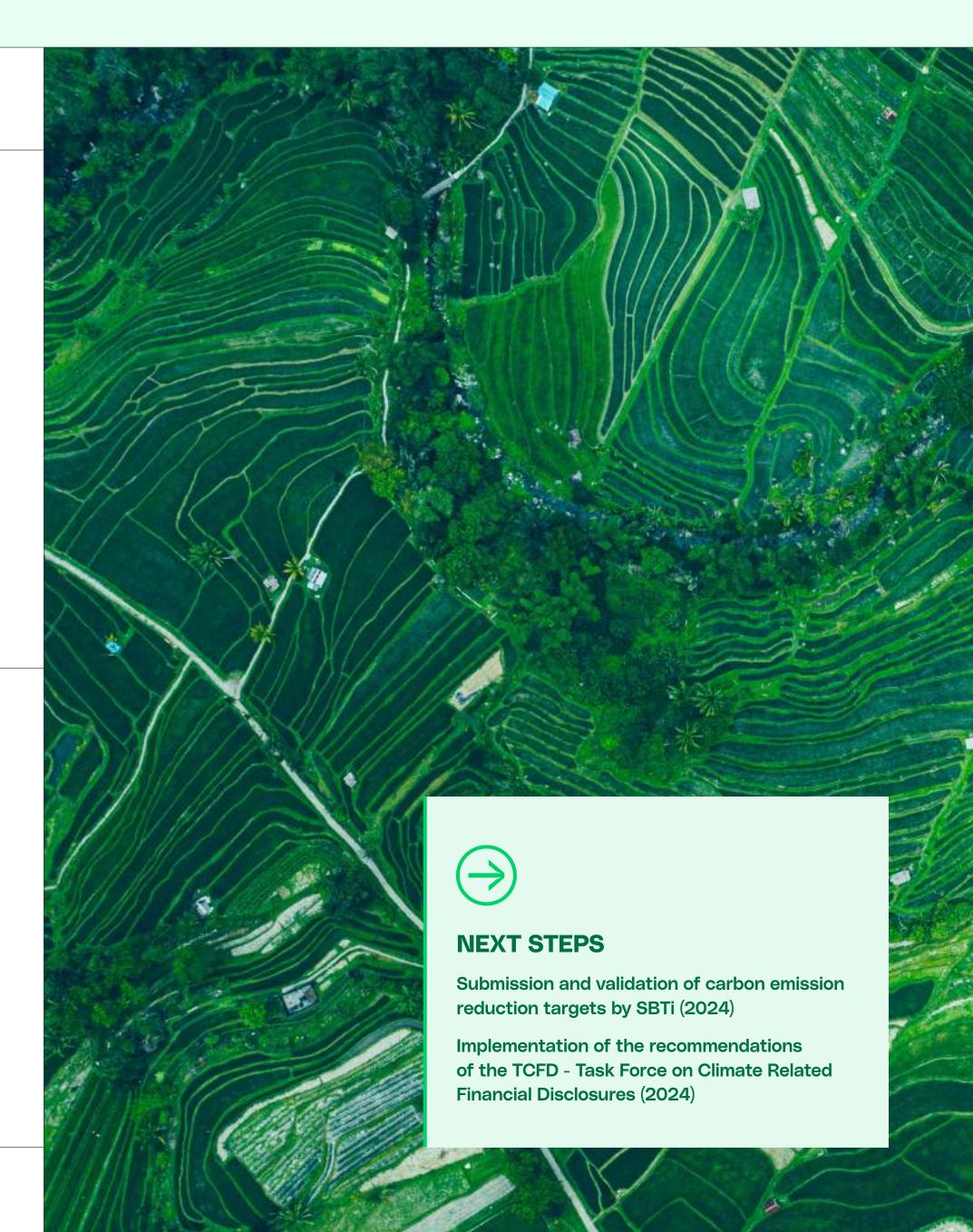
Secil is currently evaluating the possibility of realising some renewable energy projects in various geographies in addition to reducing the carbon content of electricity as expected in each country where it operates.

### 2030-2050

• Secil is committed to carbon neutrality by 2050.

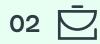
At this stage, Secil is studying and analysing the technological solutions available and under development in order to select the ones best suited to its facilities.

The possibility of utilising the captured CO2 is still open, either for use in the forced carbonation of its own materials, or possibly for the production of efuels. Secil is also in the process of identifying the necessary infrastructure for both utilisation and possible geological storage of the CO2 captured.









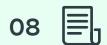
















### 3.1.1.2 Scope 1, 2 and 3 GHG Emissions

According to the first complete emissions inventory carried out for the year 2022, considering all of Secil's business areas, scope 1 emissions are the most significant, followed by scope 3 emissions<sup>3</sup>.

This data resulted from an exercise carried out in 2023, which included: a review of scope 1 and 2 emissions from the cement business area; the calculation of scope 1 and 2 emissions from the other business areas; and, for the first time, the calculation of scope 3 emissions - emissions that result from the Organisation's activity but occur from sources not owned or controlled by it.

With regard to the 2023 data<sup>4,</sup> and specifically for the cement business area, there were

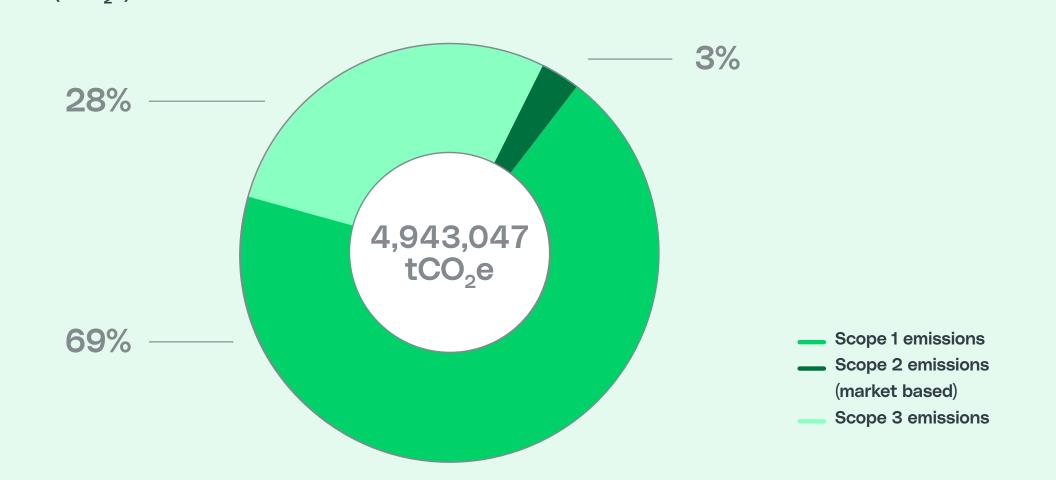
3,365,687 tonnes of scope 1 and 2 CO<sub>2</sub> (market based). And in specific terms, there were 858 kg CO<sub>2</sub>/t clinker (gross emissions, scope 1). Scope 1 and 2 emissions for other business areas and scope 3 emissions are not yet available for 2023 and have therefore not been included in this report.

It should also be noted that Secil is covered by the European Emissions Trading Scheme (EU ETS), a mechanism that sets GHG emission limits per installation and establishes a limit for the emissions of all installations and air operators covered.

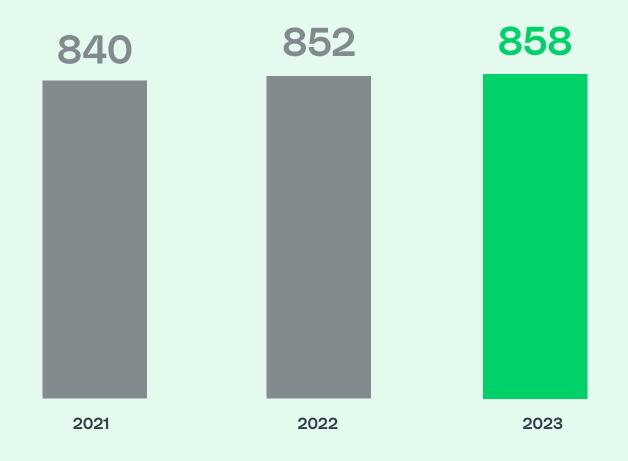
The CELE allows companies to trade the licences issued to them, within the overall limit allocated.

With regard to the 2023 data<sup>4</sup>, and specifically for the cement business area, there were 3,365,687 tonnes of scope 1 and 2 CO<sub>2</sub><sup>5</sup>.





### Gross emissions intensity by cement business (kgCO<sub>2</sub>/t clinker)



 $<sup>^{\</sup>rm 3}$  Scope 3 emissions include categories 1 to 7, 9, 10 and 12.

<sup>&</sup>lt;sup>4</sup> Secil reports CO<sub>2</sub> emissions in line with the Global Cement and Concrete Association (GCCA).

<sup>/</sup>larket based













### → Main Initiatives Developed in 2023

The initiatives developed by Secil in the various geographies to reduce its emissions are presented below.

One of the initiatives implemented in Portugal concerns improving the operational performance of production units.

# Operational performance (Portugal)

In 2023, Secil launched a long-term programme in **Portugal** to improve the **operational performance of its production units**, which will also contribute to a reduction in carbon emissions by optimising the operating conditions of the various facilities.

In this context, Secil's Manufacturing Operating Model

- Secil Way - with its contribution to the continuous improvement of production processes and Digital Transformation - which in the long term will enable the use of machine learning and artificial intelligence technologies that add a second sophisticated level of optimisation to production processes.

Portugal has also taken additional steps towards achieving carbon emission reductions by 2030.

A study was therefore carried out into the manufacture of low-carbon cement using ash and slag recovered from the landfills of the Pego and Sines power stations, including the use of calcined clays. A study was carried

out into a technical solution for drying landfill ash to facilitate its use and guarantee cement production levels. The **technical and economic study for the production of calcined clays** at the Pataias plant for consumption at the Maceira and Outão plants was also deepened.

In countries outside the European Union where Secil operates, steps have also been taken towards decarbonisation.

In Brazil, a project is underway to increase the consumption of alternative fuels. In addition, recognition was received from the Brazilian GHG Protocol Programme.

Initiatives related to the consumption of alternative fuels have also been realised in **Lebanon** and **Tunisia**.

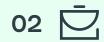
# Investment in alternative fuel consumption project

In **Lebanon**, an investment was made in the firstphase of the use of alternative fuels (CDR, Combustibles Derived from Waste). As part of this, authorisation was obtained for an initial six-month trial. Imports of CDR are not currently permitted, so production is awaited before consumption can go ahead.

# Study for the use of alternative fuels

In Tunisia, studies have been carried out for the installation and use of alternative fuels, using local production or imports. Authorisation to use alternative fuels is awaited from the official authorities before the project can go ahead. The preliminary study of upgrading the production lines to install mature and more efficient technologies has been carried out, but greater predictability of the region's market over time is needed to enable a proper economic analysis to justify the investment and the decision to proceed with the work.



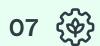


















**PORTUGAL** 

→ Featured Initiative

### Activities implemented at the units to reduce carbon emissions

In 2023, the **Outão plant** continued with its decarbonisation plan with a view to reducing carbon emissions by 20%, having installed all the equipment foreseen in the CCL project for the upgrade of furnace 9, such as a new cooler, a pre-calciner, changes to the cyclone tower and a heat recovery unit.

At Maceira-Liz, studies have been carried out into upgrading the facilities to use mature, more energy-efficient technologies and the use of Alternative Fuels (AFs), which, combined with the partial use of hydrogen as a fuel, will enable the carbon reduction envisaged in the 2030 Roadmap. This project has been submitted to the PRR funding programme, on which final information is awaited in order to carry out a final economic assessment and make a consequent decision.

### Achievement of the Silver Seal in the GHG Protocol

Supremo Secil received the Silver Seal in the GHG Protocol Brazil.

This recognition is the result of the publication of Secil's complete Greenhouse Gas inventory in the Public Emissions **Registry**. This milestone reflects the company's ongoing commitment to transparency and to mitigating its environmental impacts.ambientais.





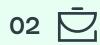




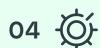
SECIL







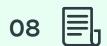
















### 3.1.1.3 Other Atmospheric Emissions

In addition to CO<sub>2</sub> emissions, Secil's production processes are responsible for the emission of other polluting gases, which have an impact on atmospheric air quality. The most significant in the sector are Nitrogen Oxides (NOx), Sulphur Dioxide (SO<sub>2</sub>) and Particulates.

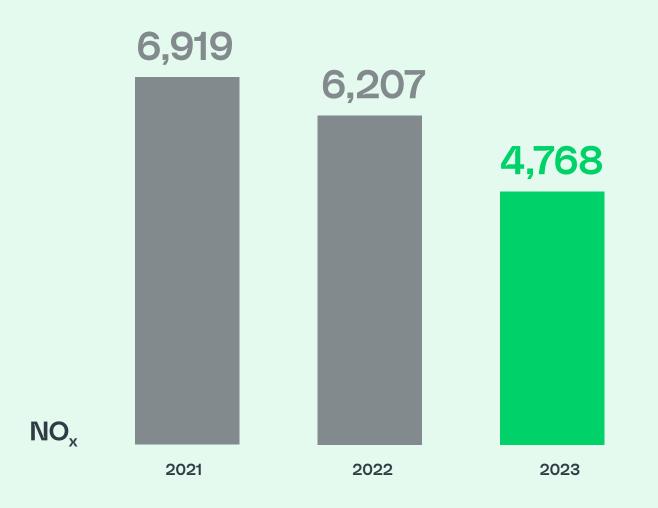
So, in order to reduce this impact, Secil has been investing over the last few decades in solutions to control and reduce the emissions of these pollutants. In addition, we seek to ensure that all the requirements of the environmental licence for our facilities are met, namely with regard to the control and prevention of pollution arising from cement production, taking into account the best practices and best techniques/technologies currently available.

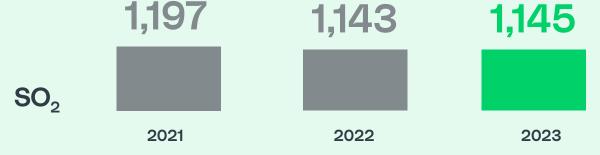
As a result of the investment made, there was a reduction of around 23.2% in nitrogen oxides and 20.1% in particulates compared to the previous year.

In addition to environmental management at installation level, Secil has signed up to the GCCA, charter of sustainability principles, which provides for the annual validation, by an independent third party, of each manufacturing installation for the production of cement, with regard to atmospheric emissions (Particulates, NOx, SO<sub>2</sub> Volatile Organic Compounds (VOC/THC), Mercury, Heavy Metals (HM1 and HM2), Dioxins and Furans), in accordance with the GCCA Guide to monitoring and reporting of emissions from cement production. The emissions relating to the atmospheric pollutants measured within the scope of the GCCA are presented in the annex Chap. 8.2.

As a result of the investment made, there was a reduction of around 23.2% in nitrogen oxides and 20.1% in particulates compared to the previous year.

### Other emissions 2023 (t)





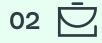






2023























ANNUAL REPORT

**Strategic SDGs** 

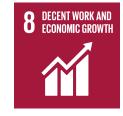






2023

**Relevant SDGs** 



Secil invests in optimising energy consumption and using alternative and renewable sources, thus helping to minimise climate change.



GRI 3-3, 302-1, 302-3



2030 Goals

53% use of alternative fuels



### Our impacts

- · Total consumption of 16,585,756 GJ of energy
- · 19% use of alternative fuels



The topic of energy and energy efficiency is crucial for the cement industry due to its significant impacts on operating costs, competitiveness, environmental sustainability - with an impact on greenhouse gas emissions and other pollutants - and legal and regulatory compliance. Although there are challenges associated with implementing energy efficiency measures, the opportunities for cost savings, emissions reductions and innovation justify the efforts made.

In this context, Secil has been investing in increasing the incorporation of energy from renewable sources, increasing the use of alternative fuels, as well as investing in the energy efficiency of its plants.

Secil is committed to operational excellence (cost/benefit) in its industry, improving every year. To this end, it is planning in detail over a five-year horizon, with a view to becoming more efficient, among other things, in electricity and thermal energy consumption, improving its performance indicators, either by optimising operations or through investment projects.



















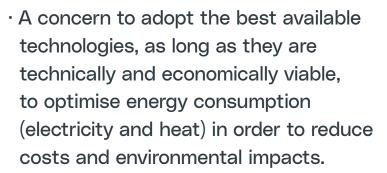




### Approach to energy management



### Efficiency of industrial processes



- · Process optimisation, waste heat recovery and investment plans (equipment replacement).
- Operational indicators are monitored and the five-year plan is reviewed annually with a view to improving the indicators.



### Alternative energy sources

- · Energy production through solar photovoltaics.
- · Implementation of Power Purchase Energy (PPA) projects to increase photovoltaic production capacity.



### **Energy Management System**

· In the process of ISO 50001 certification

With regard to **energy consumption**, a total of 16,585,756 GJ of energy was consumed in 2023, similar to 2022 and representing a reduction of around 12.5% compared to 2021, as a result of improved efficiency in industrial processes, achieved through process optimisation, the installation of new technologies and more efficient equipment.

Although energy from non-renewable sources continues to be the predominant source of energy in Secil's operations, there has been a 1% increase in the consumption of energy from renewable sources compared to 2022. However, it should be noted that for the years 2021 and 2022 the percentage of renewable energy consumed did not take into account the energy purchased, since for these years there was no breakdown of the energy purchased from renewable or non-renewable sources. For 2023, the percentage of renewable energy takes into account the consumption of renewable fuels and the energy purchased from renewable sources.

On the other hand, **energy intensity** (which only includes the cement business area) increased by 3.9% compared to 2022, standing at 3.35 GJ/t cementitious product.

With regard to energy **consumption by business area**, the Cement area has the largest share, accounting for 97.5% of total energy consumption.





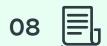








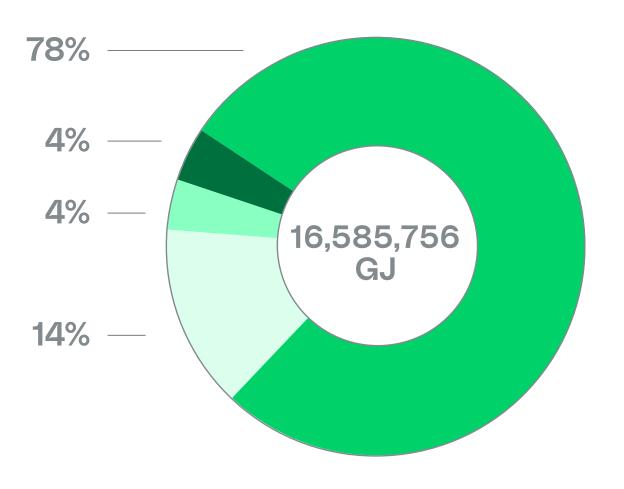






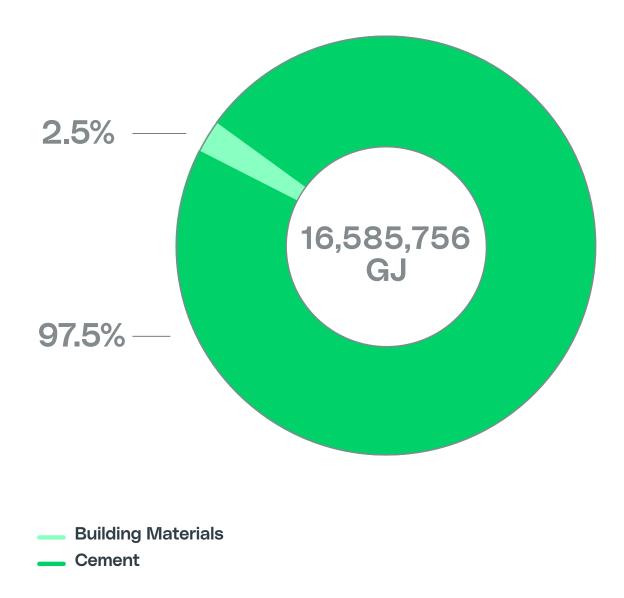


# Energy consumption per business area (GJ) 2023



- Consumption of fuels from non renewable sources
- Consumption of fuels from renewable sources
- Consumption of acquired energy (electricity) from non renewable sources
- Consumption of acquired energy (electricity) from renewable sources

# Energy consumption per category (GJ) 2023



Energy intensity:

3,35 GJ/t
cementitious product

In the field of energy, one of the most important projects is **CCL** Chap. 3.4.2.2. This is an RDI project carried out at the Outão plant (Portugal) which aims to reduce thermal energy consumption by at least 20%, generate its own electricity and reduce CO<sub>2</sub> emissions by at least 20%.



### → Main Initiatives Developed in 2023

In addition to the continuation of the CCL project, there are also a number of initiatives to highlight in different geographies that make an important contribution to increasing energy efficiency.

# Installation of photovoltaic panels (Portugal)

In 2023, Secil realised the project to install photovoltaic panels at various facilities. The plan included the installation of photovoltaic panels on six installations with a total capacity of 1 MWp.

In 2024, the company will continue to increase its own renewable energy production, with the construction of three solar parks totalling 11 MWp, under the Power Purchase Energy regime, for the Maceira, Pataias and Outão plants.

# State-of-the-art cement factory (Brazil)

Supremo Secil Cimentos, located in Brazil and opened in 2015, has state-of-the-art **technology**, using vertical mills and a state-of-the-art kiln throughout the production line, i.e. technology that is currently considered the most energy efficient. New solutions for an increasingly efficient and sustainable construction.













LEBANON

TUNISIA

# Project to reduce energy consumption

→ Featured Local Initiatives

The Sibline cement plant successfully completed the project to reduce electricity consumption at the main cement grinding facility in 2023.

The installation of technology in one of the fans made it possible to reduce electricity consumption by 20%, i.e. 86 kWh less.

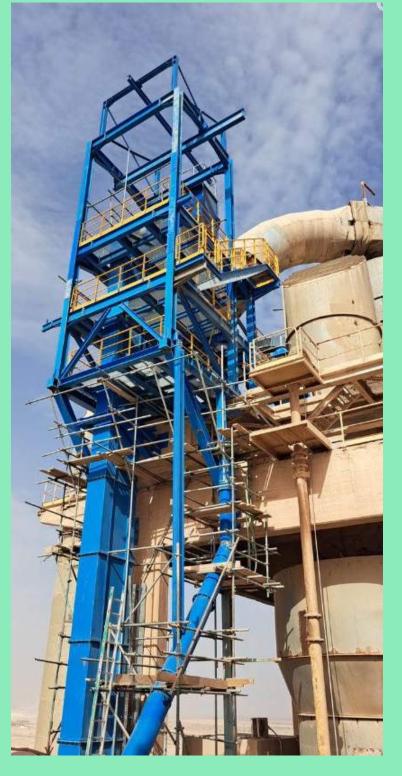
In annual terms, this saving represents approximately the average consumption of 120 families made up of four people.

# Conversion from pneumatic to mechanical conveying system

In its ongoing quest to improve the energy and economic performance of its plants, Secil has a project underway at its Gabes plant to convert the pneumatic conveying system for feeding flour to the kilns to a mechanical system.

This project is expected to reduce annual electricity consumption by 788,400 kWh for the two kilns, which is equivalent to an annual reduction of 400 tonnes of CO<sub>2</sub>, considering a factor of 0.51 kg CO<sub>2</sub>/kWh for this geography.

The project, with a total value of Euro 1.2 million, aims to replace four pieces of equipment (two pumps and two compressors) that consume around 190 kWh at nominal speed, with mechanical lifts that consume just 42 kWh.



Execution of the project for the mechanical transport of flour to the Gabes Plant Oven (October 2023)

In **Lebanon**, a project to reduce energy consumption was completed. By 2024, the Sibline plant plans to install photovoltaic panels to produce energy for self-consumption with a total capacity of over 4 MWp.

As far as **Tunisia** is concerned, there is an ongoing project to convert the pneumatic conveying system to a mechanical system

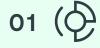


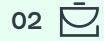
### **NEXT STEPS**

Continuing to improve the energy efficiency of processes;

Investment in solar photovoltaics in Portugal, Tunisia and Lebanon (2024).

























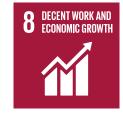
3.1.3.1 Circular Economy and Waste Management

Strategic SDGs





**Relevant SDGs** 





Support SDGs





GRI 3-3, 301-1, 301-2, 306-1, 306-2, 306-3, 306-4, 306-5



2030 Goals

53% use of alternative fuels



### Our impacts

- · 19% use of alternative fuels
- · Total consumption of 17 541 620 t of raw materials
- · Production of 47 857 t of waste
- · 81% of waste forwarded for recovery
- · 19% of waste forwarded for disposal

Secil is committed to developing its business model based on the principles of the circular economy.



The circular economy is a relevant topic for the cement industry due to its potential positive impacts on waste reduction, efficient use of resources - including the use of industrial waste or alternative materials as substitutes for traditional raw materials, thus reducing dependence on finite natural resources and the carbon footprint - and increased competitiveness through lower operating costs, mitigation of risks related to the availability of raw materials and response to market trends in demand for more sustainable products.

As part of the cement industry, Secil has a high consumption of non-renewable raw materials, namely limestone and marl. Additionally, there is a high consumption of fossil energy in our operations, due to the energy intensity of the manufacturing processes, which results in the emission of carbon dioxide (CO2) and other greenhouse gases into the atmosphere  $\bigcirc$  Chap. 3.1.

**SECIL** 























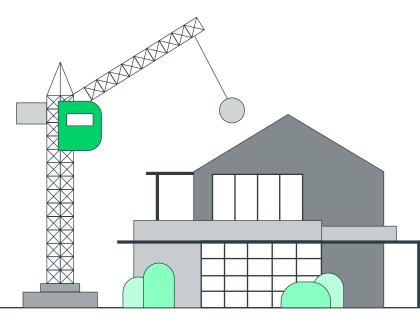
# The Secil Group and the circular economy



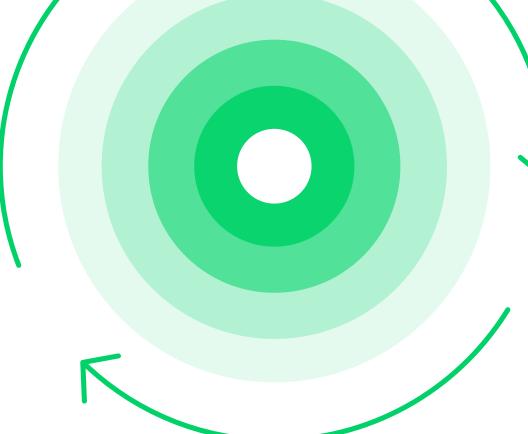


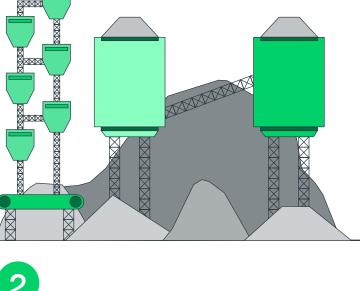
### The Exploitation of Natural Resources

Cement plants with quarries and environmental plans for landscape recovery.





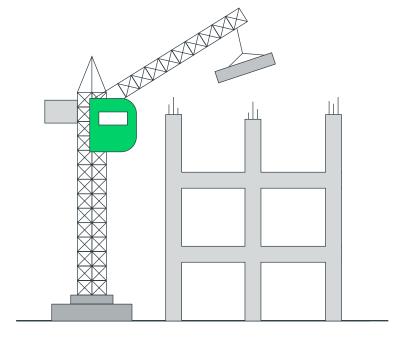






### **Production of Clinker and** Cement

Optimisation of energy efficiency. Co-processing of waste, with secondary raw materials and innovative technologies; reduction of CO, emissions with the use of alternative fuels; valorisation of materials; control and monitoring of emissions; and distribution by sea and rail transport.





### **End of Life**

Demolition and selective collection of waste for reuse as secondary raw material in clinker and cement, avoiding landfills.



### Production, and use of concrete and cement-based produts

Constrution and public works invest in materials that provide greater comfort and safety to populations. Betting on special concretes and mortars incorporating by-products such as cork. Reuse and recycling of water.

Aware of its impacts and also of the potential of its sector of activity, Secil has been adopting corporate strategies for the circularisation, reuse and recycling of materials. This allows Secil to raise efficiency gains in resource in resource consumption and, consequently, economic gains.

Secil aims to contribute to the circular economy by increasing the incorporation of secondary raw materials and the use of alternative fuels in its manufacturing process.

As part of its strategy, Secil's investment in RDI activities has enabled it to develop various projects that contribute to its objectives in this area. In 2023 Secil continued to develop new technologies and projects such as the **2** Low Carbon Clinquer (LCC), the Clean Cement Line (CCL), among others.

As part of our commitment to promote the principles of circular economy in the value chain, an innovative product was launched in 2022 - Verdi Zero Concrete, the first carbon neutral concrete in Portugal → Chap. 3.1.1. An innovative product that promotes the circular economy, incorporating 24% recycled waste in its composition and reducing the need to use virgin raw materials.





















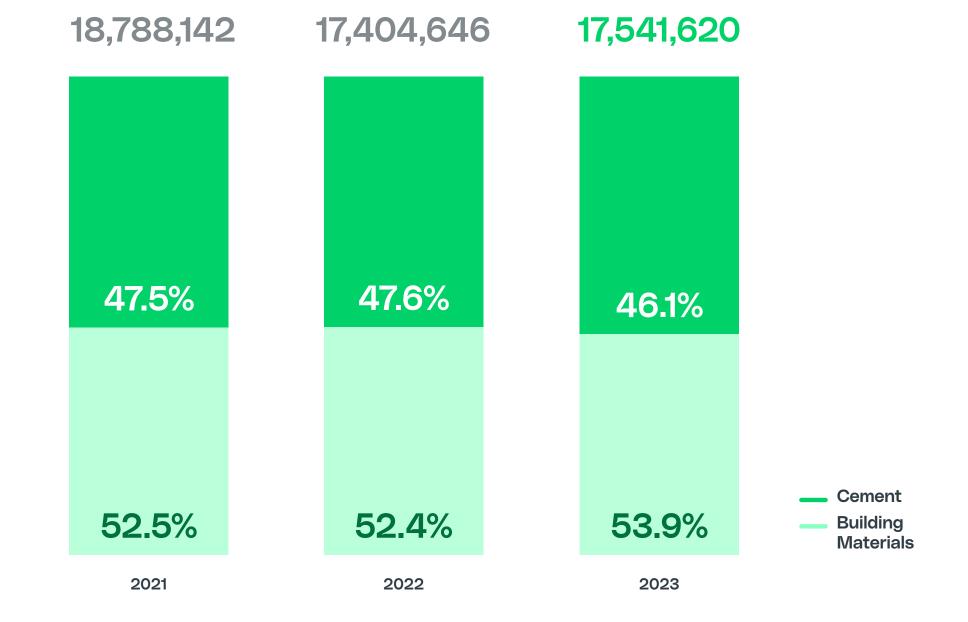


### Consumption of raw materials

In 2023, Secil consumed a total of 17,541,620 tonnes of raw materials, a similar figure to 2022, although this year the construction materials business took into account raw materials for the production of concrete, both purchased externally and produced internally by the cement business.

Consumption of raw materials also remains the same for the two business areas.

### Consumption of raw materials by business (t)



The consumption of renewable raw materials also remained constant compared to 2022, representing around 0.3% of the total raw materials consumed. On the other hand, the consumption of recycled raw materials increased slightly compared to the previous year, corresponding to around 5% of the total raw materials consumed. It should also be noted that in the cement business area the consumption of recycled raw materials corresponds to 10.8%.

It should be noted that the cement industry prioritises the use of secondary raw materials in its production systems, allowing their valorisation in central processes of its value chain, namely in the production of clinker, cement and concrete.

As such, Secil has been implementing measures to incorporate, whenever possible, waste or by-products from other industries into the various stages of the cement manufacturing process, promoting the substitution of natural raw materials by secondary raw materials rich in the oxides required for their production. Among these measures, the following stand out:

- The regular use of various by-products such as gypsum forms, blast furnace slag, artificial plaster or blasting grit from the shipping industry (replacing iron oxide);
- The incorporation of sand produced in the fluidised beds of the biomass boilers at Navigator (a Semapa Group company), used as a secondary raw material in the production of concrete and some light mortars;
- The incorporation of fly ash from coal combustion for electricity production and from the ceramic industry in Brazil, as a secondary raw material for cement production.
- The incorporation of blast furnace slag, from the metallurgical industry in Brazil, as a secondary raw material for cement production.

• The re-use of earth from large excavations for building foundations.

It should be noted that **cement and concrete** have a **long life cycle** and both products, unlike most construction materials, have the unique characteristic of being fully recyclable at the end of their life cycle. By processing waste and construction, after a separation and crushing treatment, they can be reintroduced into the cement and concrete production chain.

Despite the high potential that the incorporation of recycled raw materials from the use of demolition waste from buildings and infrastructures has - allowing a reduction in the use of virgin materials and environmental costs, arising from the exploitation and transport of waste to landfill - the insufficient legal frameworks and control system of this waste and the lack of a business model to support this activity, currently favour its current disposal in landfills, contrary to the principles of circular economy, so its incorporation in the cement-concrete value chain is still practically nil.

In **Portugal**, there is an ongoing project to incorporate **recycled aggregates** into natural aggregates • Chap. 3.4.2.

Through participation in the collaborative laboratory

C5Lab - Clinker x Cement x Concrete x Construction x Climate Lab Chap. 3.1, conditions were created to recover and use ash from thermal power stations that are deposited in landfills, thus reducing the use of primary raw materials and the Group's waste production. In 2023 there was a significant increase in ash consumption, accounting for 14,345 tonnes in cement plants in Portugal.























→ Main Initiatives Developed in 2023

Also noteworthy in Brazil is the incorporation of ash as a secondary raw material.

# Incorporation of ash as a secondary raw material (Brazil)

The Pomerode cement plant, located in Brazil, produces CPIV32RS type cement with high incorporation of secondary raw materials.

The main impact of using ash from other industries with pozzolanic properties was a 32% reduction in clinker consumption and a 12.6% reduction in specific electrical consumption compared to CPIIZ40RS cement.

Ash currently accounts for 64.4% of the alternative raw materials used in Pomerode.

### **Incorporation of alternative fuels**

Replacing fossil fuels with alternative fuels in its manufacturing processes has been one of Secil's priorities for reducing its environmental footprint. Examples are the use of tyres and refuse derived fuel (RDF) in Portugal, or the waste derived from olive pomace production in Tunisia.

In **Brazil**, the use of **RDF** as an alternative fuel has also been growing in recent years, and this trend is expected to continue in the future.

In the scope of the CCL Project Chap. 3.4.2.2, in Portugal, it is planned to use zero primary fossil fuels, and to use a new alternative fuel, Energreen, resulting from the biorefining of biomass, in order to optimise its use in cement kilns. Secil also has a number of research projects underway, including Retrofeed – Smart retrofitting in process industry Chap. 3.4.2.2 and the CLEAN4G project, which aims to convert CO<sub>2</sub> from the cement production process into a clean gaseous fuel to be used in the same process.

### **Waste management**

Secil endeavours to ensure proper waste management by **collecting and storing** waste in a segregated **manner**, in specific streams and in specific locations on its premises. Whenever possible, we favour waste recovery solutions, seeking to

respect the waste hierarchy principle. It should be noted that in the main cement manufacturing process the input materials are integrated into the molecular structure of the clinker during the baking phase, thus avoiding the formation of waste or ash.

At Secil, almost all the **waste** produced (98.3%) is **non-hazardous**.

In 2023, Secil recorded a 67% increase in waste production compared to the previous year. In relation to this increase, it should be noted that the waste reported at Secil Betão (Portugal) in 2023 includes waste that had been accumulated for 10 years in the different warehouses and which was sent for disposal this year. In addition, in Concreto (Brazil) several cleaning operations were carried out at the concrete plants, which resulted in the production of waste that was then sent for disposal. These two operations resulted in higher waste production compared to previous years.

Taking into account the different business areas of the Secil Group, it is the materials business area that is responsible for producing most of the waste (89.1%).

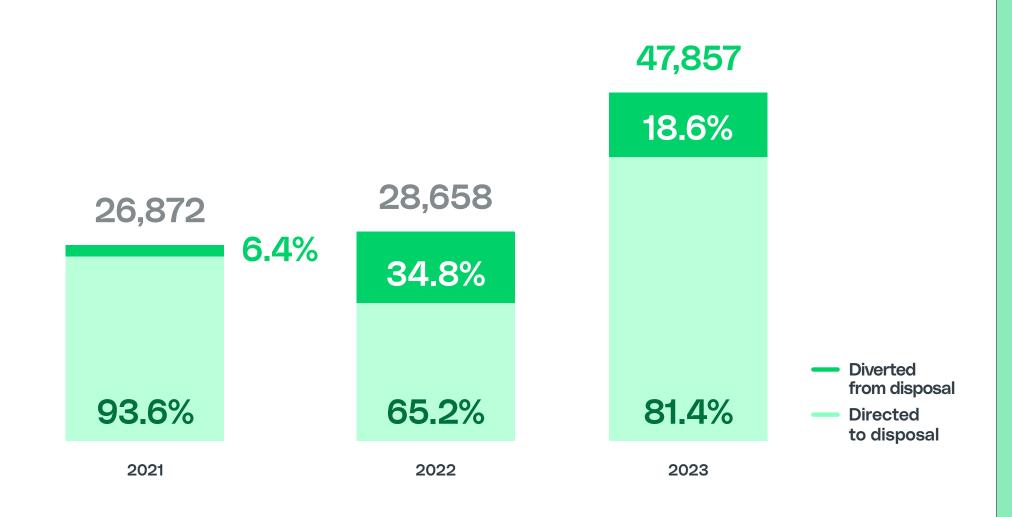
With regard to the final destination of the waste produced, this year there was an increase in **the recovery rate**, which rose from 65.2% in 2022 to 81.4% in 2023.



08

Sustainability performance

### Waste production by destiny (t)





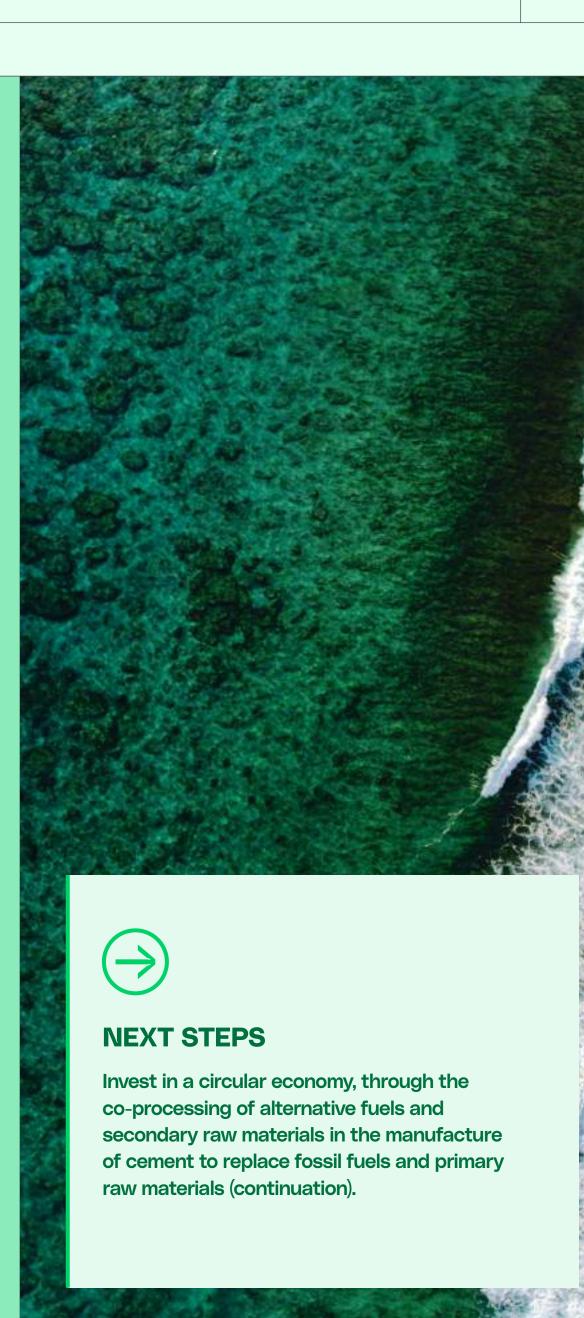
**ANGOLA** 

→ Featured Local Initiatives

# Secil Lobito promotes waste separation and valorisation

In 2023, it should be noted that the Lobito cement plant in Angola began to separate and quantify the waste generated in detail, in order to give it an appropriate destination and maximise internal and external recovery by accredited companies.

The realisation of this initiative is a very important step in Lobito, Angola.



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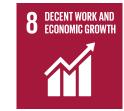


3.1.3.2 Water Use and Management

**Strategic SDGs** 



**Relevant SDGs** 



Water is an essential resource in Secil's activities, which is why the preservation and efficient management of this resource is fundamental.



GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5



### **Ambition 2025 Goals**

- · Application of the GCCA Water Positivity Index Tool to Cement **Manufacturing Plants**
- · Water risk assessment for cement plants



### Our impacts

- · 1,979,796 m³ of water collected
- · 1,812,258 m³ of water consumed
- · 167,538 m³ of water returned to the receiving environment



Water is a relevant resource for the cement industry due to its importance to the production process, the challenges related to water availability and quality, the environmental impacts associated with its use and the opportunities for operational efficiency. Companies in the sector face the need to balance the demand for water with environmental concerns, seeking solutions that minimise the risks and take advantage of the opportunities associated with the responsible use of this vital resource.

At Secil, water is used to produce cement, concrete and aggregates, to clean plants, equipment and roads, to reduce diffuse

particulate emissions and to irrigate green spaces and reclaimed quarry areas.

Water management at Secil involves identifying the respective water flows (capture, use and discharge points), with the aim of managing the quantity of water consumed and the quality of the water discharged, ensuring the appropriate treatment of effluents and complying with the legal requirements of each unit's licences.

Secil's management approach to water resources is reflected in its "2025 Ambition for Sustainable Growth", where it is committed to efficiency in the use of resources, namely



08



Sustainability performan

in the use of water and the future definition of targets for reducing its consumption, especially in areas of water stress. A water risk assessment is planned for Secil's operating units by 2025, particularly in the cement business.

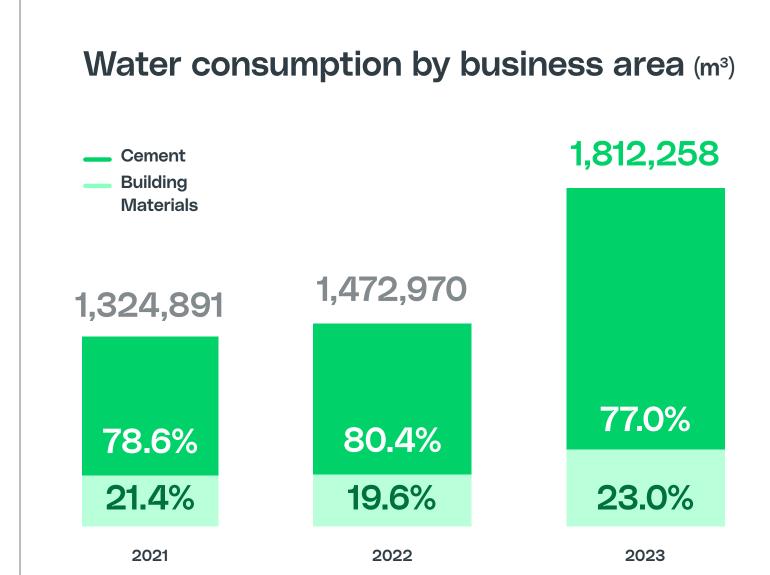
The cement plants have a roadmap defined until 2025, which is being implemented to ensure better water management. This itinerary includes:

- Awareness-raising sessions with employees on better use of water;
- Studies into the reuse of water in some units:
- Installation of water-saving taps;
- Optimisation of the water network to minimise leaks;
- Installation of meters to better control water collection and discharge.

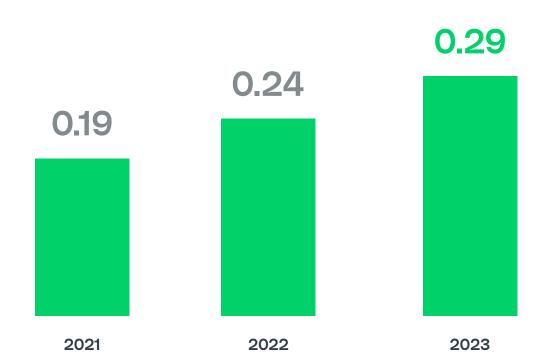
At 2023, the volume of **water abstracted** increased by 21.2% compared to the previous year. The volume of **water discarded** also increased by 4.3% compared to 2022.

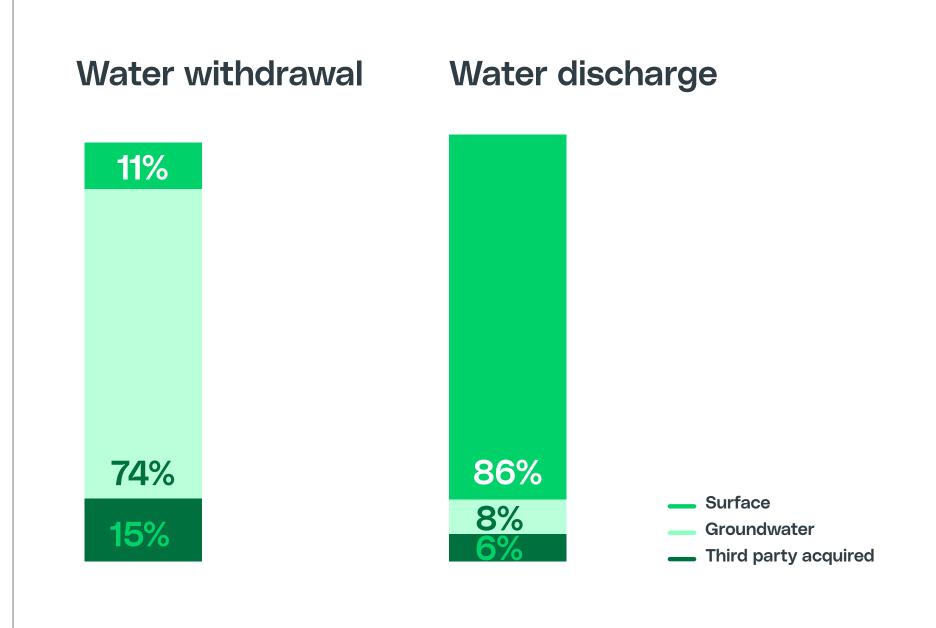
Over the years, there has also been a progressive increase in water consumption. This year, 1,812,258 m³ of water were consumed, corresponding to a 23% increase on the previous year. This increase is due to the development of new projects at cement plants and the increase in concrete production. With regard to the specific water consumption for 2023 (which includes the cement business area plants), its value increased compared to the previous year, reaching a value of 0.29 m³/t cementitious products.

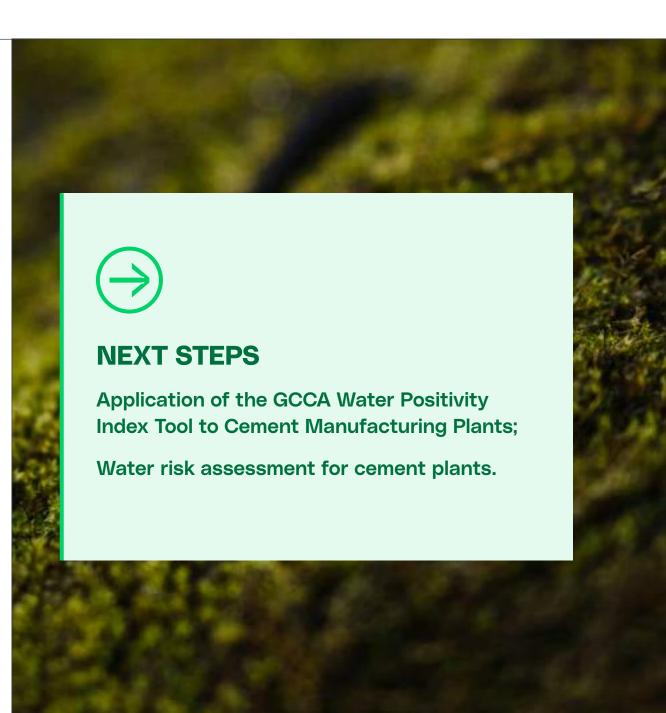
The cement business area is the one associated with the highest water consumption, accounting for 77% of total consumption.



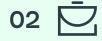






























2023

3.1.3.3 Biodiversity

ANNUAL REPORT

**Relevant SDGs** 





**Support SDGs** 



Secil sees the valuing and protection of biodiversity as a fundamental commitment to ensure the sustainability of the planet and of future generations.



GRI 3-3, 304-1, 304-2, 304-4



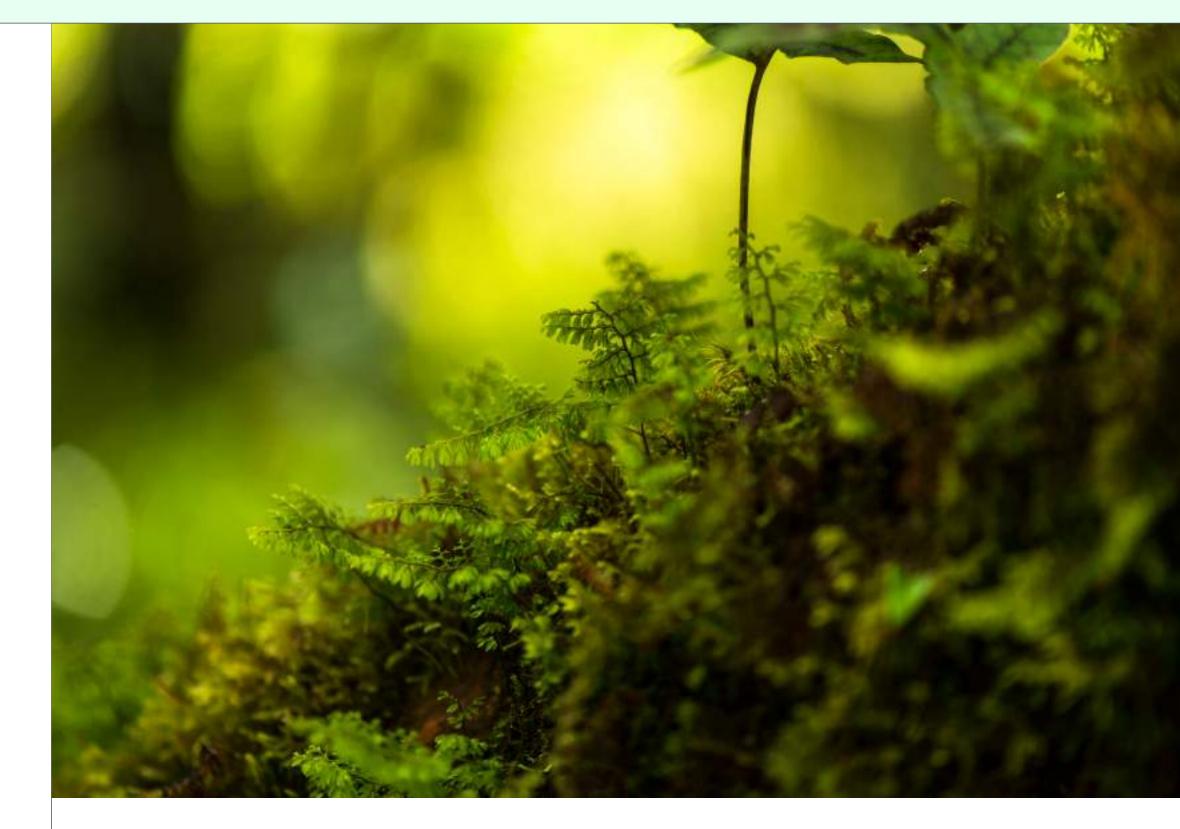
### **Ambition 2025 Goals**

- Implementation of quarry rehabilitation plans in 100%
- Implementation of biodiversity management plans in 100% of quarries with high ecological value



### Our impacts

- 83% of quarries with rehabilitation plans in place
- · 33% of quarries with high ecological value have biodiversity management plans in place
- · 491 ha in or near protected areas or areas of high biodiversity value
- · 56 ha total restored habitats5



Quarrying has recognised **impacts** on the landscape, altering the relief, removing soil and vegetation cover, which consequently result in threats to local **biodiversity**, especially in areas considered sensitive in terms of biodiversity, namely through: habitat loss and fragmentation, direct mortality and disturbance, as well as the dispersal of invasive exotic species.

Secil recognises the importance of biodiversity in the management of the sustainability of the company's activity. The strategy for managing the impact on biodiversity involves applying

the "Mitigation Hierarchy" framework<sup>6</sup>, with the restoration of reclaimed areas playing a fundamental role in minimising the impact.

Biodiversity is recognised as an intrinsic natural value, and above all for its unassailable value in regulating the services it provides that can be exploited in the context of environmental recovery (e.g. regulating water quality) and ecological recovery (e.g. dispersal, pollination or pest control services).

<sup>&</sup>lt;sup>5</sup> Cement business area

<sup>&</sup>lt;sup>6</sup> The Mitigation Hierarchy is a methodology for managing impacts on biodiversity, defining it as a "sequence of actions to anticipate and avoid impacts on biodiversity; and where avoidance is not possible, minimise; where impacts occur, restore; where significant residual impacts remain, compensate" (CSBI, 2015).









In both processes, environmental and ecological recovery, there are a number of challenges and opportunities that can promote local biodiversity and contribute to a positive environment for the areas explored in their surroundings.

The recovery objectives should be supported by a comprehensive knowledge of the exploration area and its surroundings and should aim for long-term biodiversity management objectives that are ambitious and realistic, in line with recent sector strategies, so as to reflect a zero net impact on biodiversity (No Net Loss - NNL) or point to a net gain in biodiversity (Net Positive Impact - NPI).

Secil's vision for the biodiversity strategy centres on five main objectives.

### Vision Secil for the biodiversity strategy

Currently, the Secil Group's units are at different stages of evolution when it comes to integrating biodiversity into local and corporate planning processes.

Secil's vision by 2025 is, firstly, to define a common biodiversity management policy and, secondly, to define a set of guidelines for biodiversity management, which should determine the level of biodiversity management at all extraction sites, taking into account specific local characteristics.

Secil currently has Quarry Rehabilitation Plans in place in 83% of its quarries and Biodiversity Management Plans in 33% of its quarries with high ecological value. The development of Quarry Rehabilitation Plans for the quarry in Brazil and the gypsum quarry in Portugal is scheduled for 2024.

In 2023, a protocol was signed with the University of Évora to implement Biodiversity Management Plans for the Sesimbra quarries in Portugal.

It should be noted that the quarry at the **Outão** plant (**Portugal**) has been **gradually recovering** during operation since the 80s and 90s. The native species used in revegetation are produced in the plant's own nursery, created by the company in 1983, where 17 native species are currently propagate.

Some of the areas where Secil operates are ecologically sensitive. At Secil we have 491 ha of property that lies within protected areas or areas of high biodiversity value, namely the Arrábida Natural Park and the Madeira Natural Park in Portugal. Although this figure has remained constant over the years (as no new quarries have been acquired in protected areas), we have instead increased efforts in the restoration of our quarries, with the aim of re-establishing natural habitats.

Secil currently has 56 hectares of **reclaimed** land in Portugal. Although there are no new areas to be reclaimed, reclamation work continues, for example with maintenance of reclaimed areas and production of species in nurseries (Outão).

# 56 ha

### of recovered area in 2023

# Secil's vision for the biodiversity strategy centres on five main objectives.



Building a knowledge base on the biodiversity of the Secil Group's quarries, as well as identifying potential risks and opportunities



Investing in ecological restoration as a tool for adapting ecosystems and a mitigation strategy to improve the social and ecological resilience of exploited areas, through the development of Rehabilitation Plans



Implement actions to promote biodiversity and mitigate the risks identified, through the development of **Biodiversity Management Plans** in areas considered sensitive due to their biodiversity



Working with local stakeholders and experts through partnerships, in order to generate synergies and act together to strengthen the effectiveness of Secil's actions



Setting targets and commitments for Secil Group units

























The involvement of local institutions - universities or NGOs - with basic knowledge of local ecosystems and ecology, is a relevant contribution to the success of biodiversity management at Secil, ensuring the achievement of higher quality standards in terms of biodiversity recovery.

At the Outão plant, the existing partnerships with scientific institutions, namely the protocols with the University of Évora and the Faculty of Sciences of the University of Lisbon (FCUL), and at the Pataias plant, with local associations such as APFCAN - Associação de Produtores Florestais dos Concelhos de Alcobaça e Nazaré, are a good example in this respect.

In 2023, the 6<sup>th</sup> phase of the Study and Valorisation of Biodiversity, Fauna Component at the Outão plant will be completed. The continuation of the protocols with FCUL and the University of Évora is being prepared.

The year 2023 was marked by two important environmental impact studies, carried out in Portugal and Brazil, and by celebrations in different countries dedicated to International Biodiversity Day, as a way of raising awareness of the issue.



### → Main Initiatives Developed in 2023

The following are the initiatives relevant to the valorisation and protection of Biodiversity implemented by Secil in different geographies.

### **Environmental Impact Assessment** for the Vale de Mós quarry merger project at the Secil-Outão plant in Setúbal (Portugal)

In 2023, Secil presented an Environmental Impact Assessment (EIA) on the project to merge its Vale de Mós quarries at the Secil-Outão plant in Setúbal.

The proposal presented to merge the marl and limestone quarries into a single one aimed to prepare the future of the Secil-Outão Plant quarry by designing a more sustainable solution throughout its life cycle, with a more efficient operation integrated into plant production, with less impact on the landscape and lower environmental costs, especially associated with transport.

The potential advantages of this change were identified:

- A better landscape in operation, with an innovative hidden ploughing method;
- A better final configuration of the quarry, with a shorter exploitation period;
- A smaller overall quarry area and less depth of final exploitation, allowing more options for the future use of this land.

In addition, it is estimated that the change would reduce GHG emissions resulting from the external transport of material.

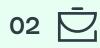
It should be emphasised that Secil has already environmentally restored an area of 36 hectares that could no longer be classified as industrial. Not only would this change result in an overall reduction in the quarry area of around 17 hectares in the future, but its existence demonstrates that the use of mineral resources is something transitory in a space that can later be reused.

The project was presented for public consultation and, in order to promote a more participatory and transparent consultation, Secil produced a summary document of the EIA that can be consulted on its website.

As with its Clean Ciment Line project to modernise and decarbonise the Secil-Outão plant, which will transform it into one of the most sustainable and innovative in Europe and the world, or with the launch of Verdi Zero Concrete, the first carbonneutral concrete in Portugal, Secil is firmly committed to increasing the sustainability of its operations, investing in facilities, equipment, work processes and management methods that improve its performance with regard to the environment, on the way to fully decarbonising its activity by 2050.

Secil collaborated with respected experts on the EIA, innovating technical solutions to further reduce the effects of the activity. Despite the advantages identified, the proposal was rejected by the Evaluation Commission, which issued an unfavourable Environmental Impact Statement (DIA).

Secil will continue to endeavour to find innovative solutions that promote the sustainability of its operation and is confident that, in the future, this environmental impact will be truly assessed.

















### **International Biodiversity** Day

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2023

In 2023, between May and June, and in order to mark International Biodiversity Day, the various geographies carried out various activities in favour of biodiversity. These included the creation of green areas, the promotion of workshops with Secil employees and dialogues on the environment and biodiversity.

In Portugal, workshops were held at the Outão quarry and estate, under the protocol with the University of Évora and FCUL -Net Impact Assessment.

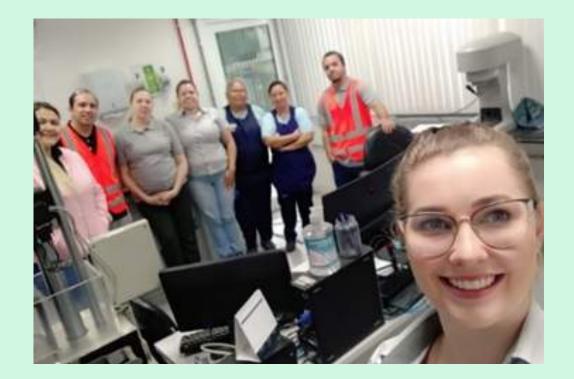
Assessing the net impact on biodiversity is a fundamental tool that measures the negative impact of human activities and the positive impacts resulting from environmental recovery efforts, allowing companies to develop and adjust their sustainability strategies. This tool is widely known by experts in the field, CEMBUREAU and GCCA.

The Outão plant was chosen as a pilot quarry to test and validate these protocols, initially by technicians from the ecology area and, in a second phase, by technicians with no specialisation in the ecology or biodiversity areas, including several Secil employees. More than 35 people took part in these workshops.

In Brazil, Supremo regularly monitors the behaviour of wild fauna - mammals, birds, amphibians and reptiles - and as part of the celebration of International Biodiversity Day it also held several dialogues at all its units on the importance of biodiversity.



In Lebanon, the Sibline site organised a walk to commemorate Environment Day and Biodiversity Day. The event brought employees and their families together for a walk by the river, soaking up the beauty of the surrounding nature.



One of the highlights of the walk was the planting of trees to symbolise the commitment to a greener future. Each tree planted represented a seed of hope, nourishing the environment and contributing to the general well-being of our planet.

With this walk, Sibline aimed to make a positive impact not only on the environment, but also socially, bringing joy, camaraderie and awareness to all those who took part.



Tunisia organised two events to celebrate Environment Day and Biodiversity Day. On Environment Day, they organised, in collaboration with APAL (Coastal Protection Agency), an "I am a responsible citizen" initiative to collect rubbish on EL Arbi beach in Gabès.

To celebrate International Biodiversity Day, and with the participation of the Gabès team, they carried out a planting at the plant, where they chose the Paulownia species.

This species was chosen because it is fast-growing, adapted to the soil and doesn't need much water.

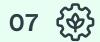
### → Watch the video of this initiative!





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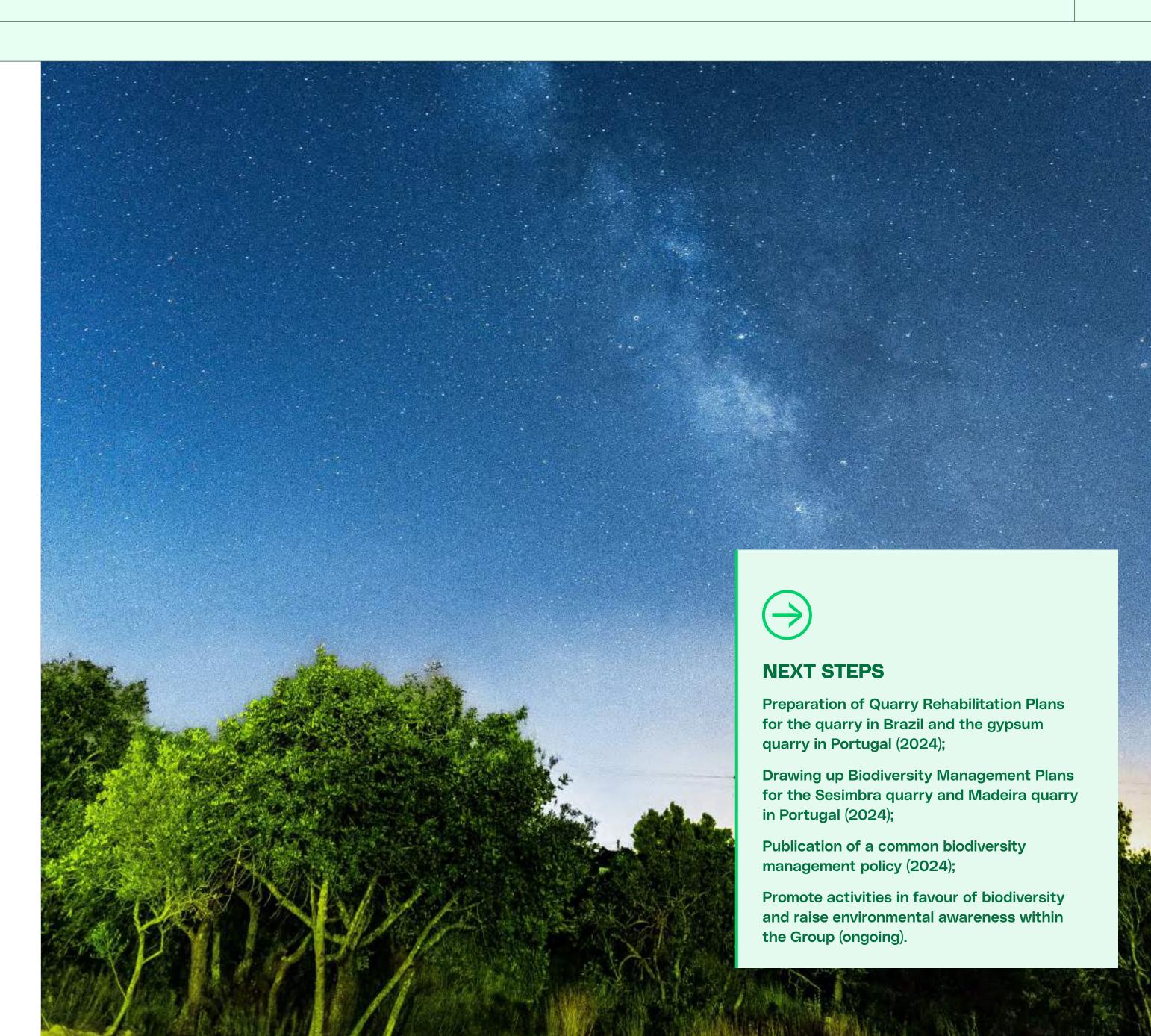
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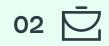
The Environmental Impact Assessment (EIA) is an essential tool for environmental diagnosis and for defining measures and actions that can be adopted to mitigate and compensate for negative impacts and enhance positive impacts.

In 2023, a multidisciplinary team finalised the EIA and the respective Environmental Impact Report (RIMA) for the expansion of the mining activity located in the municipality of Adrianópolis in the state of Paraná. The quarry's rehabilitation plan will subsequently be developed.





















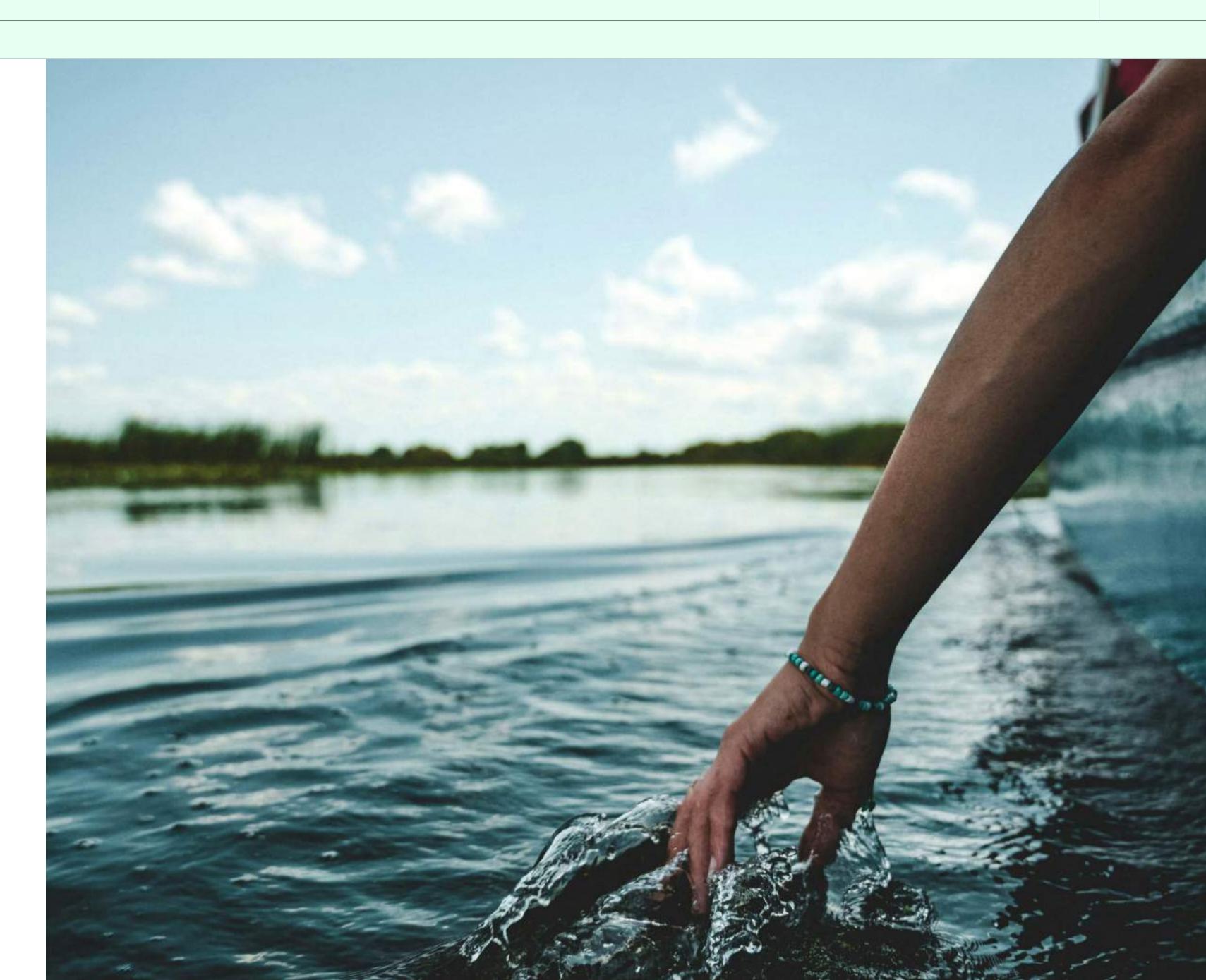






The year 2023 was a landmark year for Secil in the Social Pillar because, in addition to continuing its strategic action in terms of talent management, as a fundamental asset for sustainable growth, it demonstrated its commitment to the future in the following way:

- a. created a wellbeing area:
- b. approved its Human Rights Policy;
- c. approved the Global Principles of Compensation Management;
- d. defined the employer brand strategy;
- e. increased investment in communities;
- f. increased representation of women in the labour force;
- g. continuously measured, with the aim of improving, the level of satisfaction of its people;
- h. finished the health and safety framework, which makes it possible to measure health and safety performance proactively.



























2023

**Support SDGs** 

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GRI 2-29; 3-3



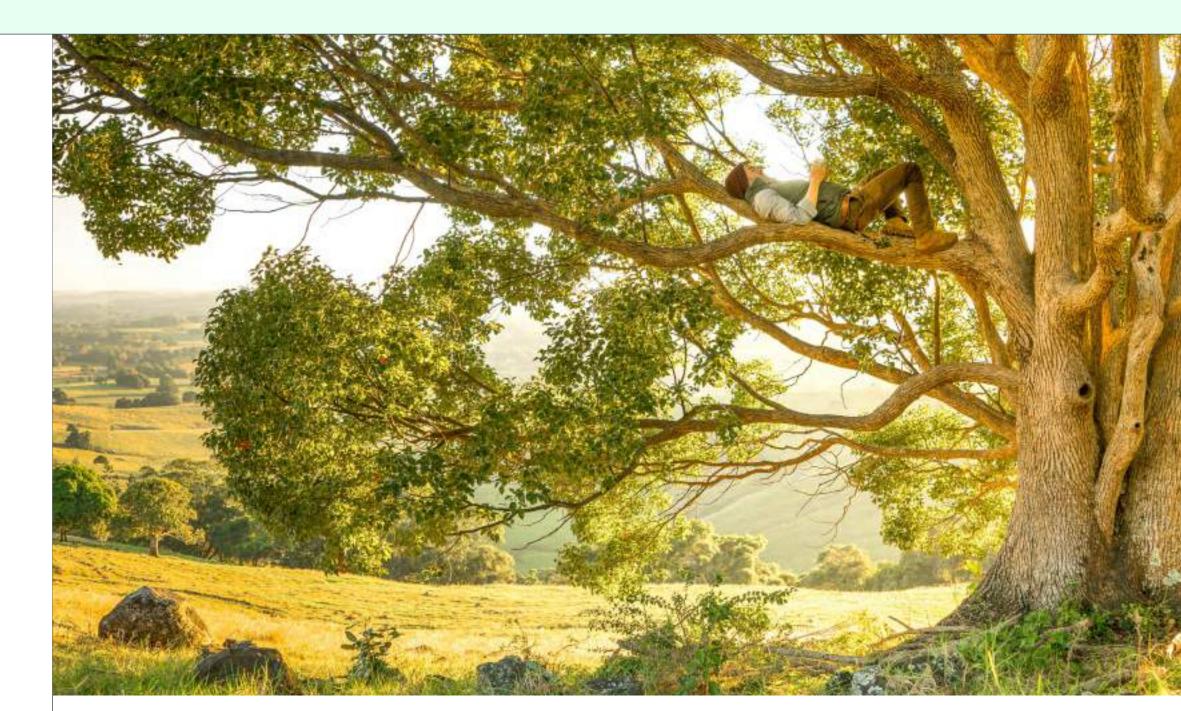
### **Ambition 2025 Goals**

- · Have a Stakeholder Engagement Programme defined and implemented
- Carry out periodic materiality studies
- Create moments for the various stakeholders to be consulted between global materiality assessments.



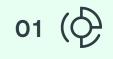
### Our impacts

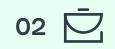
- · Satisfied employees- e-NPS
- · Satisfied customers NPS
- · Suppliers and Service Providers seen as Partners Talkdesk
- · Caring Communities and Listening to Accompanying Commissions



Secil exists to improve the infrastructures that support life in society. It endeavours to maintain a close and mutually beneficial relationship with its stakeholders, taking their needs and expectations into account in its actions. It's no coincidence that the mission revolves around its stakeholders:

"Shaping ideas, providing cement solutions to its customers, stimulating careers to its people, responsible citizenship to its communities and value to its shareholders."





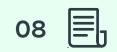
















In "Ambition 2025 - Sustainable Growth", stakeholders are considered, in the company's strategy, to be the partners with whom Secil shares value:

### Relationship with stakeholders

	Stakeholders	Main communication channels and forms of involvement	Creating long-term value
Periodic Focus Group consultations Customer portal Satisfaction surveys (NPS) Complaints Website and Social Media  Periodic Focus Group consultations Customers  Responding to market needs New products and services, focusing on customer needs Offering construction solutions that promote greater energy efficiency Relationships of proximity and trust that generate value for consumers Focus on problem solving  Disclosure and performance monitoring and relationship management meetings  Contracting of supplies and provision of services and payments under agreed term		<ul> <li>Frequent communications (intranet, e-mail marketing)</li> <li>Newsletters (Group and local)</li> <li>Webinars (example: Ambition Talks)</li> </ul>	<ul> <li>Stimulating careers (mission)</li> <li>Payment of salaries</li> <li>Capacity building and professional development</li> <li>Fostering a culture of diversity and inclusion</li> <li>Creating safe working conditions that promote well-being</li> </ul>
		<ul> <li>Periodic Focus Group consultations</li> <li>Customer portal</li> <li>Satisfaction surveys (NPS)</li> <li>Complaints</li> </ul>	<ul> <li>Responding to market needs</li> <li>New products and services, focusing on customer needs</li> <li>Offering construction solutions that promote greater energy efficiency</li> <li>Relationships of proximity and trust that generate value for consumers</li> </ul>
• Technical visits and appropriate reception procedures for better supply of goods and services  • Sharing values and good practice	Suppliers	<ul> <li>Talkdesk (service channel for suppliers via telephone and e-mail)</li> <li>Technical visits and appropriate reception procedures for better supply</li> </ul>	<ul> <li>Contracting of supplies and provision of services and payments under agreed terms</li> <li>Generating employment and boosting the local business fabric</li> <li>Sharing values and good practice</li> </ul>







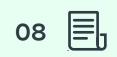














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Stakeholders	Main communication channels and forms of involvement	Creating long-term value
OOO 11111N Community	<ul> <li>Environmental Monitoring Committees (Portugal, Tunisia and Brazil)</li> <li>Social Committee (Brazil)</li> <li>School Councils</li> <li>Protocols and patronage</li> <li>Visits</li> <li>Portas Abertas Programme</li> </ul>	<ul> <li>Employment promotion</li> <li>Responsible citizenship (mission)</li> <li>Offering more sustainable construction solutions with less environmental impact as promoting greater energy efficiency</li> <li>Contribution to climate change risk mitigation</li> <li>Promotion of circular economy principles, seeking new fuel and raw material solutions for cement production</li> <li>Reducing the impacts of atmospheric emissions, noise and odours, and waste generation</li> <li>Ecosystem restoration</li> </ul>
Authorities	<ul> <li>Sharing of documentation</li> <li>Formal response to legal requirements</li> <li>Meetings and responses to notifications</li> </ul>	<ul> <li>Responsible fiscal policy</li> <li>Boosting local business fabric and promoting exports</li> <li>Focus on achieving the country's carbon neutrality targets with concrete proposal action plans</li> </ul>
Partners	<ul> <li>Environmental Monitoring Committees (Portugal, Tunisia and Brazil)</li> <li>Protocols and partnerships/patronage</li> <li>Meetings</li> <li>Visits (cement museum, plants)</li> <li>Process and Product Synergies</li> </ul>	<ul> <li>Investment in R&amp;D</li> <li>Knowledge generation and dissemination</li> <li>Partnerships with Universities and Institutes for the production of knowledge in a regime of co-creation and preservation of biodiversity</li> </ul>
Shareholders	Monthly meetings of the Board of Directors	General value for shareholders.























### **Partnerships**

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The Secil Group collaborates with various partners, both national and international, in terms of industry and also corporate sustainability. This cooperation includes regular participation in conferences and seminars, the dissemination of publications and scientific articles - both in the area of biodiversity and atmospheric emissions - as well as cooperation in several academic studies and theses.

2023

Some of the most relevant partners include the following:

### **Industry Partnerships**



#### The ATIC - Associação Técnica da Indústria de Cimento

was created in the 60s to represent the Portuguese cement industry and promote better use of cement.

In 2021, the association presented the National Cement Industry Roadmap to Carbon Neutrality 2050, this being the formal commitment to the decarbonisation and sustainability targets set by the Portuguese Government, in line with the European Ecological Pact.

As a member of ATIC since it was founded in the 1960s, the Secil Group is following the path outlined by the Portuguese organisation for the cement industry to achieve neutral emissions in the cement and concrete value chain.





GRACE - Empresas Responsáveis is a non-profit association whose mission is to promote and develop a sustainable business

Founded in 2000, this Portuguese business association is part of the European EVPA and CSR Europe networks, leaders in sustainability and corporate responsibility. These international platforms support industry sectors and companies globally in transforming and finding practical solutions for sustainable growth. Secil has been a member of GRACE since 2010, participating in its annual congress, thematic meetings and other events.



#### The CEMBUREAU - The European Cement Association

is the organisation that represents the cement industry in Europe. This association acts as a spokesperson for the cement industry before the European Union institutions as well as other public authorities. The Secil Group, as a member representing ATIC at CEMBUREAU, monitors the lines of action outlined by the European association, particularly with regard to carbon neutrality or the transition to a circular economy, among other sustainability objectives.

Secil participates in the following CEMBUREAU working groups:

- Climate change and energy
- Circular Economy and Processes
- Markets and Products
- Health and Safety



The BCSD Portugal supports Portuguese companies on their journey towards sustainability, inspiring and helping them to build organisations and business models that are competitive, innovative and sustainable.

The organisation's strategic themes are biodiversity, value chain, sustainable cities, circular economy, carbon neutrality and sustainable finance.

Secil has been a member of the BCSD since 2003. As such, it is involved in the following BCSD working groups:

- Biodiversity
- Climate and Energy
- Value Chain and Circular Economy
- Diversity, equity and inclusion (DEI)
- Sustainable Reporting & Finance



#### The GCCA – Global Cement and Concrete Association

aims to boost the cement and concrete industry and improve the sector's socio-environmental responsibility, at a global scale.

Since its inception in 2018, the Secil Group has been a member, sharing its objectives and continuing the work started by the CSI - Cement Sustainability Initiative, an association founded in 1999, which Secil joined in 2003 to respond to the ever-increasing challenges posed to the cement industry in terms of sustainability.

Secil is involved in the following GCCA working groups:

(1) Health and Safety; (2) Thought leadership and policies; (3) Communication and dissemination; (4) Innovation in cement and concrete; (5) ESG

The ITUC was the first industry association to draw up a roadmap for decarbonisation in 2009. A roadmap that has been periodically revised and updated with the introduction of best practices and technologies, extended to the concrete and construction chain, in order to be the central document for the sector's biggest challenge, which is decarbonisation.

















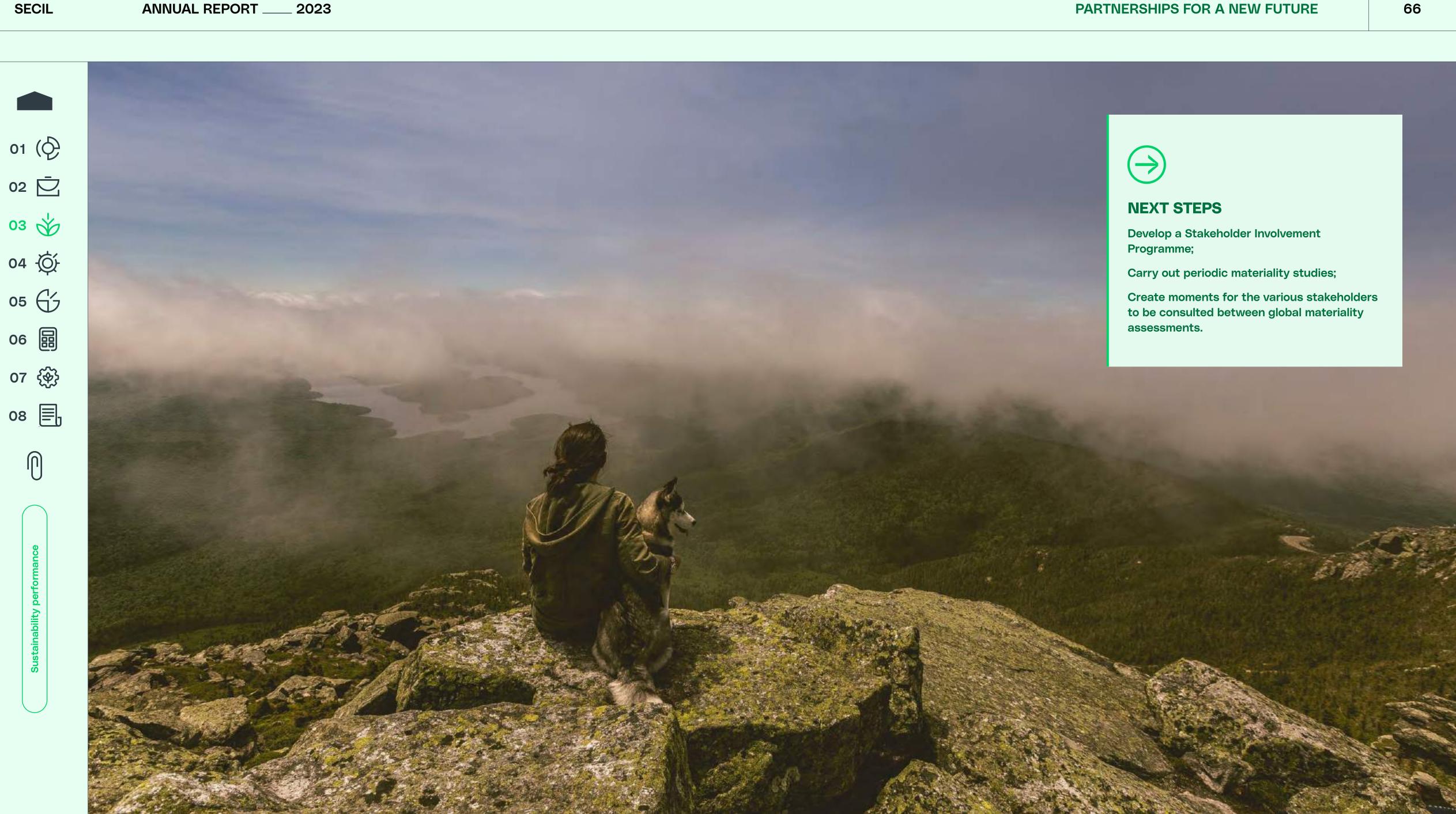
→ Highlighted Corporate Initiatives

### **GCCA** commitments

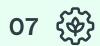
The GCCA has a charter of commitments, which must be signed by its members when they join, with a set of duties that are periodically checked through an audit every 4 years. In January 2023, Secil was audited in this regard, concluding that its sustainability performance is in full compliance with the principles outlined in the GCCA charter.

The main activities carried out in 2023 that contributed to alignment with the GCCA's charter of commitments are presented.

















### **Strategic SDGs**

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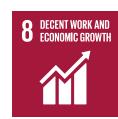




2023

#### **Relevant SDGs**







### **Support SDGs**



Secil fosters a close relationship with the communities where it operates, supporting initiatives that encourage local development.



GRI 3-3; 413-1



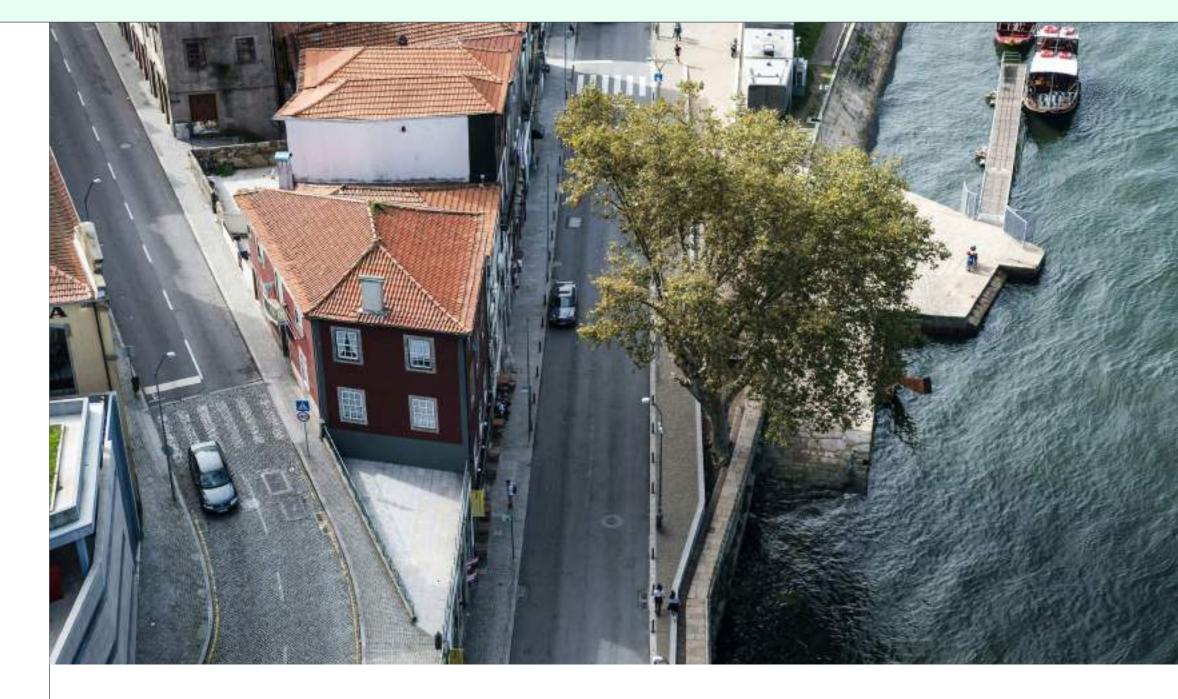
### **Ambition 2025 Goals**

Double investment in communities (base year 2020)



### Our impacts

· 638,200.0 € of investment in the community (+12.9% compared to 2022)



Secil believes that sustainability is an intrinsic Pillar of its business strategy and an essential factor for differentiation, revenue generation and value creation. It endeavours to develop its business in a sustainable manner, seeking to grow without abandoning strong environmental and social foundations.

The extractive nature of industrial activity provides for a spectrum of social action that covers both the people who actively collaborate with the company and the surrounding communities impacted by the negative effects

of our activities. The company is no stranger to problems and believes that it has a duty to give back to local communities as much as possible, making sure that its presence has a positive impact on the lives of citizens.

The company endeavours to develop a policy of social responsibility that translates into a substantial improvement in the quality of life of its employees and the communities in which it operates, whether by stimulating the local economy or by contributing to the cultural, sporting and social development of the region.



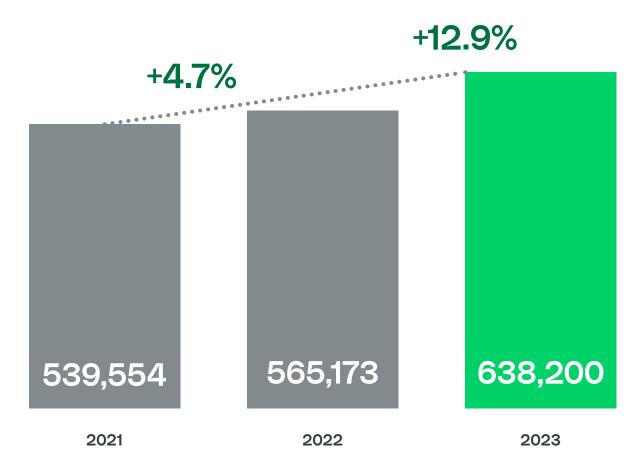






Sustainability performano

### Investment in the community (in €)



The company's mission, vision and values reflect this positioning: a sustainable and responsible path for an organisation that seeks to positively impact the world, with a 137% increase in investment in communities in 2023 compared to the base year (2020) where €464,788.0 was invested in the community.



→ Main Initiatives Developed in 2023

### **Delivery of collaboration protocols**

On 27 June, Secil held the 20th edition of the ceremony to hand over collaboration and funding protocols to the associative movement in Setubal. To celebrate the 20th anniversary of the initiative, Secil teamed up with the Port of Setúbal, which celebrated its 100th anniversary, and brought together more than 90 sports, cultural and social solidarity associations from Setúbal at Pier 3.

The ceremony was attended by the chairman of Secil's executive committee, Otmar Hübscher, who emphasised the symbolism associated with the location of the ceremony: "the birth of Secil is strongly linked to the creation of the modern Port of Setúbal. Setúbal would certainly not be the same city without this harbour and Secil. We are therefore very pleased with this opportunity to honour the Port of Setúbal for its centenary."

During the ceremony, Secil's CEO also emphasised the importance of the long-standing relationship between Secil and the associative community in Setubal, highlighting the centrality of social responsibility in the Secil group's activities: "Over these 20 years, we have contributed to more than 100 institutions and have thus managed to positively impact tens of thousands of Setubalans and Azeitão residents through their activities." To mark this 20th anniversary, and also to compensate for inflation over the last year, we have decided to update most of our support. It's a significant effort that the company is making, but we believe that this occasion, and the moment we're going through, deserves it."

In this, the 20th edition of this project, 7 new supported associations were included, including social inclusion, cultural and sports associations.

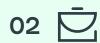
New associations supported:

- Comissão de Festas Nossa Srª da Conceição
   Aldeia da Piedade
- · Associação Sebastião da Gama
- Academia de Patinagem de Setúbal
- · Ritmus Dança
- · Vitória Futebol Clube Secção Futebol de Praia
- · Os Africanos
- São Domingos Futebol Clube

Otmar's speech also mentioned the numerous projects that the company has developed in addition to its social role: "Environmentally, we are totally committed to reducing our carbon footprint and to the energy transition of our production processes: through CCL, we are making the Outão plant one of the most sustainable in the world. We designed a more sustainable plan with a better final landscape for the exploitation of the quarry that we presented in the Environmental Impact Study."

























The XI Secil Civil Engineering Prize was awarded by Secil and the Order of Engineers to Marisa Ferreira, a structural engineer at the company Fase- Estudos e Projectos SA, for the design of the

Lisbon Cruise Terminal. For the first time in the almost 30-year history of the Secil Prize, this award, recognised as the benchmark prize for civil engineering in Portugal, has gone to a woman.

"It's gratifying to see that every hour of work pays off. The Lisbon Cruise Terminal should be seen as an element that respects the city, promotes architecture and values the best that engineering can give" says Marisa Ferreira.

For Otmar Hübscher, Chairman of Secil's Executive Committee, "the choice of this project represents the recognition of concrete as an innovative, circular and sustainable product, applied in a challenging project where it is necessary to guarantee seismic resistance and resistance to the aggressive environment".

Secil established the Secil Architecture Awards in 1992 and the Secil Civil Engineering Awards in 1995. Its aim is to foster and promote public recognition of the designers of solutions that have been applied in practice and that represent significant elements of the enrichment of civil engineering and that are recognized for their appropriate use of cement, a material whose production is Secil's main area of business.

### Recognition of the Aluno Supremo **Programme (Brazil)**

Supremo Secil Cimentos, through its Aluno Supremo programme, won recognition from the Apiaí - SP Region Education Board for its contribution to technical guidance on "Youth Protagonism and the Universal Declaration of Human Rights (UDHR)". The programme trained 30 young people in its first edition in 2023. In its second edition, it has 46 young students from the Adrianópolis PR and Ribeira SP regions.

The aim of this initiative is to prepare young people in the 3<sup>rd</sup> year of secondary school for the labour market.





### Cash donations to students' families and donations of school equipment (Tunisia)

As part of its commitment to social responsibility, Secil Tunisia has begun to valorise some of its industrial waste by converting a quantity of waste wood and scrap metal into simple and useful equipment:

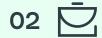
- · 2 football goals for the school field;
- · Doors and windows to the mosque and school;
- · 2 covers for two abandoned deep wells on the students' way to school;
- · Local dispensary waiting room;
- · Equip parks and schoolyards with benches and rubbish bins;
- · Kindergarten swing for children and various other devices.



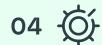








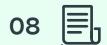


















**BRAZIL** 

→ Featured Local Initiatives

### **Achievement of the SESI** SDG 2023 Seal



Supremo Secil, through the Pedro Queiroz Pereira House of Culture project, won the SESI ODS 2023 Seal in the social category for medium-sized companies. This seal represents the recognition

of Supremo's exemplary social practices in favour of the Sustainable Development Goals (SDGs), as well as the commitment, dedication and effort of the entire team, which has worked to promote initiatives with a positive impact on the community.

The aim of the initiative is to reinforce Supremo Secil's ongoing commitment to transparency and the Sustainable Development Goals.



### Iftar (meal to break the fast) for 200 children from an orphanage during the holy month of Ramadan

This activity is part of SIBLINE's charitable and social values, which reflect its commitment to helping those in need and providing them with the support they need. Sibline believes in the importance of charitable and voluntary work, which is why it makes an effort to organise charity events and activities throughout the year, especially during the holy month of Ramadan, which is considered the month of giving, tolerance and solidarity.



**LEBANON** 

They believe that co-operation and solidarity between communities is the key to achieving development and prosperity.

In 2023, an activity was organised with the Islamic Orphanage of Ketermaya (Chouf, Lebanon), which included an iftar for 200 children from the orphanage, as well as for the educational staff, a theatrical performance of "The Enchanted Forest" and a puppet show about Ramadan, presented by the "Youth Smile" association.

Involved were 200 orphans from the Lebanese Social Welfare Institutions and the Islamic Orphanage; 20 employees from the Islamic Orphanage; 10 Sibline employees and 20 employees from the "Young Smile" association.







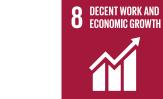












3.2.3

and Inclusion

**Relevant SDGs** 

Secil values all its employees, in their similarities and differences, encouraging equal opportunities and non-discrimination.

**Employees** 

3.2.3.1 Diversity, Equity



GRI 3-3, 405-1, 405-2, 406-1



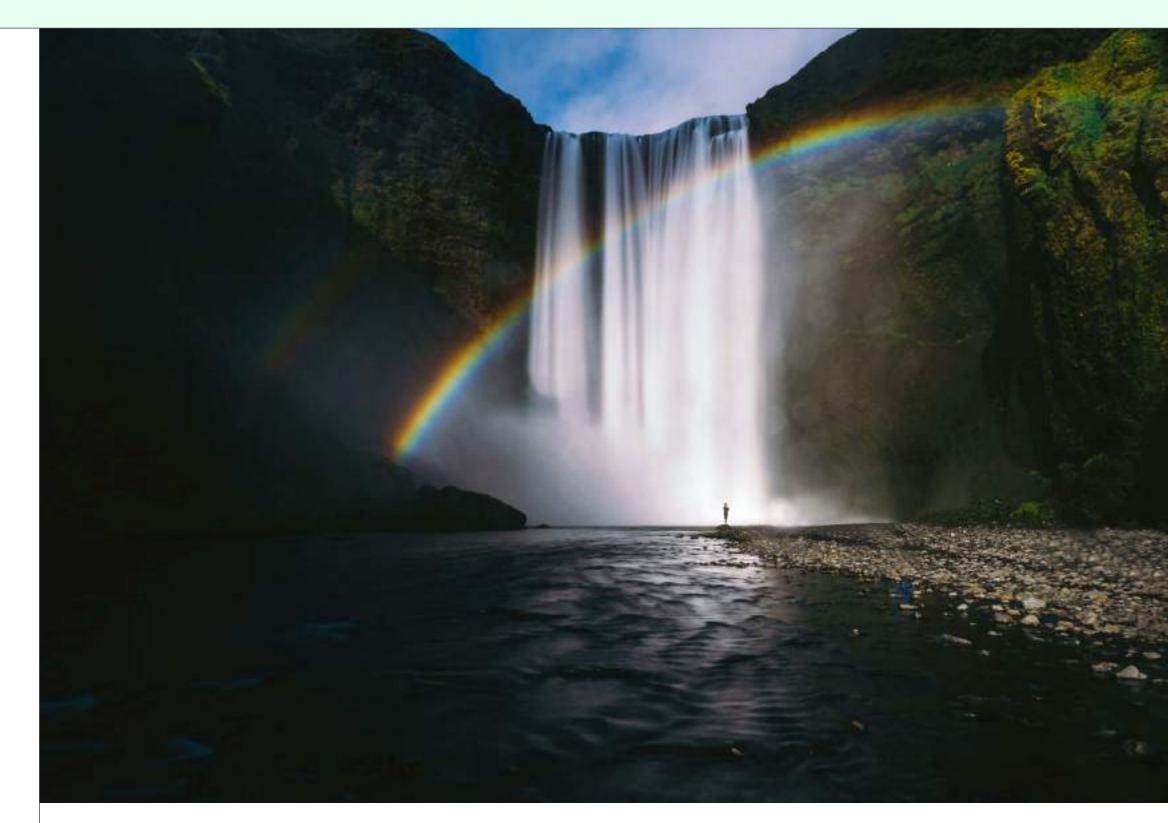
### **Ambition 2025 Goals**

- Support equal opportunities and promote diversity in management decisions
- · 14.5% female employees
- · 700 €/FTE investment in training and development



### Our impacts

- · + 2,400 employees in 8 countries and 4 continents
- · 13.7% female employees
- · 91.4% of women with permanent contracts (in relation to the total number of women)
- · 3% of women in management positions
- 0 incidents of discrimination
- · 357€/FTE investment in training and development

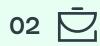


The theme of Diversity, Equity and Inclusion is of fundamental importance to the Secil Group. Cultural diversity is present in the company's day-to-day work, as it has more than 2,000 employees spread across eight countries on four continents. Secil is also aware of the importance of creating a culture of fairness and inclusion, promoting equal opportunities among its employees and in the communities where it operates. In 2023, the Secil Group set itself the macro objective of supporting equal opportunities and promoting diversity in management decisions.

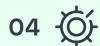
All the countries where Secil operates have a common challenge, which is also a challenge for the cement industry itself. The issue of gender equality is relevant given that, for historical and operational reasons, this sector has been predominantly male, with women representing between 13% and 18% of the overall workforce in this sector. For this reason, the specific objective for promoting gender equality was established, to increase the presence of women in the Group's workforce to 14.5% by 2025.























In 2023, this specific global gender equity objective was broken down into a roadmap with actions that cut across the entire group and also geographies, as a way of meeting the specific needs of each business.

Roadmap 2023

interviewed.

**Brazil:** 

Lebanon:

Cross-

cutting

actions

Geography-

specific

actions

Adapting the recruitment process to ensure greater

representation of women in the

Review all internal and external

communication campaigns to

Reviewing the salary structure

to assess and adjust any gaps between the salaries of men and

· Guarantee the payment of the full annual premium to women

Allow women to work remotely

on maternity leave.

after maternity leave.

· Allow female employees

to include their husbands

in their health insurance.

ensure gender equity.

women in the same job.

final list of candidates to be

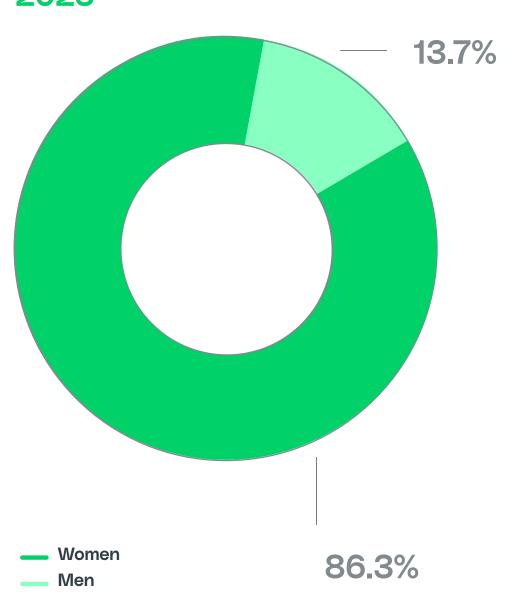
In addition to the roadmap, the Secil Group organised a number of transversal and local engagement actions, adapted to each geography, on the theme of DEI, involving employees.

On International Women's Day (8 March), two webinars were held (one in English and one in Portuguese) to introduce employees to Secil's focus on gender equality. Managers from Philip Morris International in Portugal were invited to share their policies for promoting gender equality in the industry. In 2023, the invitation to the session was extended to men, as in previous years only women were involved in the Women's Day celebrations and discussions on gender equality. 200 employees took part in the two sessions.



The DEI Days took place in December and two webinars were also held, one in English and the other in Portuguese. They aimed to update the organisation on the Secil Group's focus on the DEI issue and involve employees in identifying and implementing actions to address this issue. 250 employees took part in the two sessions. As well as working on diversity, equity and inclusion, this day, called DEIB, also included the theme of belonging, where the "B" stands for

### Distribution by gender (%) 2023



In 2023, women represent 13.7% of the Secil Group's workforce and 3% are in management positions. It is also important to emphasise that in 2023, the Secil Group had a woman on its Executive Board for the first time in its history. Helena França joined the Group in March 2023 as a member of the Board of Directors, the Executive Committee and as CEO of the Portugal Business Unit.

It should be noted that in the Ambition 2025 objective, the percentage figure for female employees at Secil is 14.5%, but in 2023 there is already a percentage of 13.7%. It should also be noted that 91.4% of women have open-ended contracts.

belonging. This is made up of five Pillars: feeling welcome, known, included, supported and connected.

Belonging is a feeling of connection and security

that Secil wants to emphasise.

within a community, and is most present when you are

among family, close friends or colleagues, a position

emphasise that in 2023, the Secil Group had a woman on its Executive Board for the first time in its history. Helena França joined the Group in March 2023 as a member of the **Board of Directors, the Executive Committee and** as CEO of the Portugal **Business Unit.** 

It is also important to



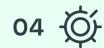


**SECIL** 



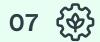


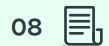








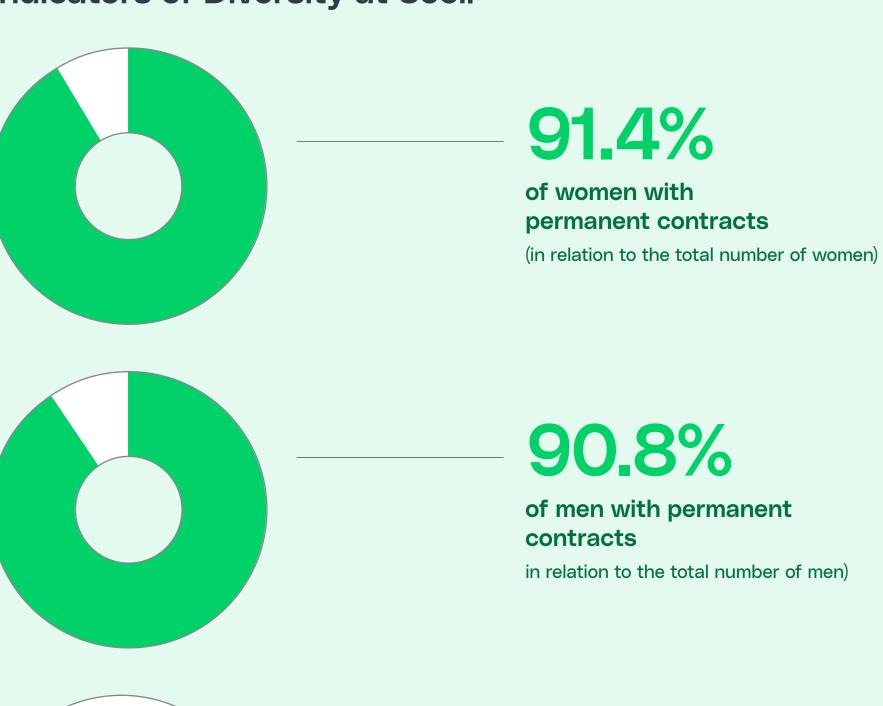








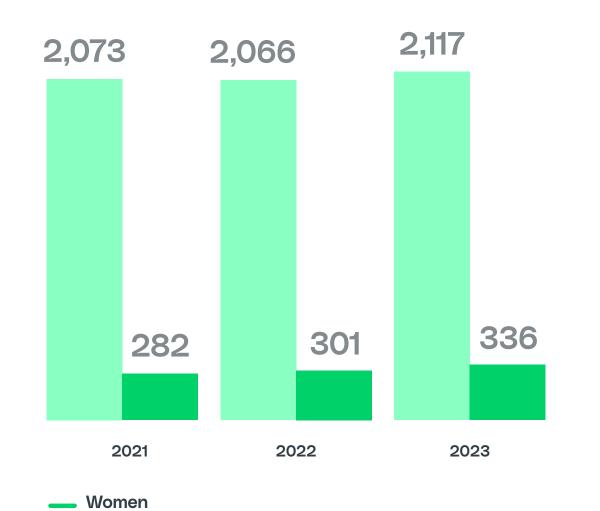
# Indicators of Diversity at Secil



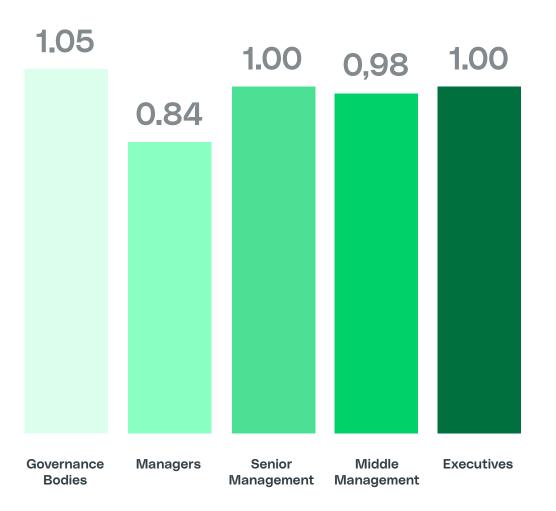


<sup>&</sup>lt;sup>1</sup> To measure the percentage of women in management positions, the functional categories of Governing Bodies and Managers were considered, compared to the total number of women.

# Distribution of employees by gender<sup>2</sup>



# Ratio of wage and salary between women and men<sup>3</sup>



# Diversity in governance bodies and employees

	Gend	er		Age	
Functional category	Men	Women	< 30	30 to 50	> 50
Governing Bodies <sup>4</sup>	80%	20%	0%	30%	70%
Managers	82%	18%	5%	20%	75%
Senior Management	80%	20%	3%	50%	47%
Middle Management	72%	28%	10%	74%	16%
Administrative	65%	35%	19%	54%	27%
Executives	96%	4%	8%	55%	37%

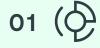
<sup>&</sup>lt;sup>2</sup> Does not include trainees, members of the Governing Bodies.

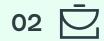
<sup>&</sup>lt;sup>3</sup> It should be noted that only salaries in Portugal are used to calculate this indicator and the figures refer only to the members of the board of directors assigned to Secil, since there are no figures for the members of the supervisory board.

<sup>&</sup>lt;sup>4</sup> This category includes the Executive and Non-Executive Directors of Secil who sit on the Board of Directors.



























#### → Main Initiatives Developed in 2023

The following are initiatives from different geographies, exploring the theme of Diversity, Equity and Inclusion in Portugal, Brazil and Lebanon.

# **Business Unit Meeting** (Portugal)

At the annual management meeting of the Portugal Business Unit, which took place in September and brought together around 300 employees, the DEI theme was the centrepiece of the Social Sustainability moment. Colleagues were shown the actions that the business unit is implementing on the issue of gender equality and also on the issue of including foreign colleagues in operational positions, which has been increasing over the last year.



# Self-defence training for women on Women's Day (Sibline - Lebanon)

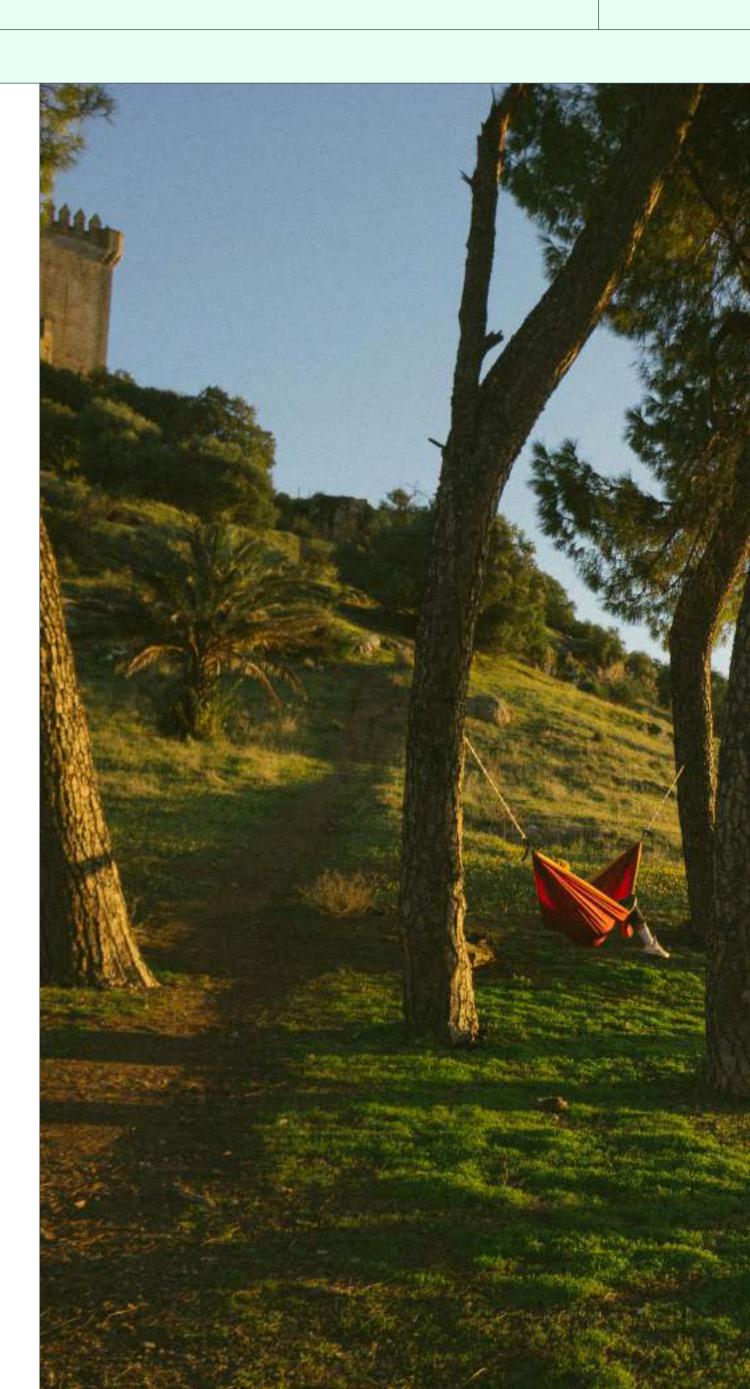
In honour of International Women's Day (8 March 2023), we invited the Women of Sibline to a self-defence training session presented by Master Abir Jurdi.

This session is designed to equip the women of Sibline with the skills and knowledge they need to protect themselves in the event of an attack or harassment - SheCanProtect herself.

The training covered practical techniques that can be used in real-life situations, including how to defend yourself against physical aggression, how to detect and avoid potential threats and how to react quickly and effectively in the event of an emergency.

The training was given by Master Abir Al Jurdi and was attended by 30 Secil employees.

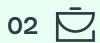




**BRAZIL** 

























→ Highlighted Initiatives

## **Inclusive Recruitment**

In 2023 Secil defined its position on diversity, which it now includes in its recruitment processes:

"Diversity, represented by 2,453 employees in eight countries, is a reality for us. We are aware of the importance of promoting a culture of diversity and inclusion that supports equal opportunities, regardless of gender, age, ethnicity, religion, marital status or any other characteristic. We want our people to feel good about being themselves, regardless of their differences."

Secil has established a partnership with the Salvador Association as part of the Integration Project: Destination Job.

Through this project, the Salvador Association ensures that candidates are sent to job vacancies by matching the profile of the candidates with the profile required.

In Portugal, Law No. 4/2019, of 10 January 2019, establishes a compulsory system of hiring quotas for people with disabilities, with a degree of incapacity equal to or greater than 60%.

In the case of Secil - Companhia Geral de Cal e Cimento, which has 451 employees, it must hire more than 9 disabled workers. The company currently employs 15 people with a disability

of over 60%.

**PORTUGAL** 

Secil Betão, with 158 employees, must hire at least 2 disabled workers. The company currently employs four people with a disability of over 60%.

In the case of Secil Agregados, which has 142 employees, it must also hire at least 2 disabled employees, corresponding to 1% of the total workforce. The company currently employs two people with a disability of more than 60% and is therefore in compliance with the law.



# Mamãe Supremo **Programme**

The Mamãe Supremo Programme started in 2023 and aims to guide and prepare mothers-to-be about the maternity leave period, reintegration into work and improving their benefits. In this first edition, eight mothers took part in the programme.

At the end of their maternity leave, employees whose jobs are compatible with remote working have the option of taking holidays, can return to work for 30 days or work remotely for a period of 30 days, for those who can work remotely.

In addition, at the start of maternity leave, all pregnant women receive a "Mamãe Supremo" gift card worth R\$500.00 (five hundred reais), to help with the costs of buying a trousseau.

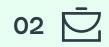
In addition, employees do not suffer any kind of deduction under the Profit Sharing Programme (PPR - annual bonus distributed according to results) during this period of leave.



Mum Ruthe Maria Luft and son Miguel

The Mamãe Supremo **Programme started in 2023** and aims to guide and prepare mothers-to-be about the maternity leave period, reintegration into work and improving their benefits. In this first edition, eight mothers took part in the programme.























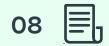
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3.2.3

**Relevant SDGs** 

2023























GRI 2-7, 3-3, 401-1, 401-2, 404-1, 404-2



#### **Ambition 2025 Goals**

- · To be the preferred company for the people we want to attract, develop and retain in order to operate and thrive.
- · ↑ **Development:** Invest EUR 700 per person in training.
- · ↑ Retention: Voluntary turnover of 9.2%, compared to total turnover.



## Our impacts

- · 2,453 direct jobs
- · 87,638.6 m € in employee salaries and benefits
- 90.9% of employees with permanent contracts
- · 76,907 hours of training
- $\cdot$  97.1% of employees with performance assessment
- · 10% turnover



The Secil Group's People, as well as being described in the mission statement, are also one of the group's five values, alongside Collaboration, Performance, Responsibility and Integrity.

At Secil, the priority is to boost people's development through:

- Talent management;
- Valuing Diversity, promoting Equity and Inclusion; and
- Investment in the Health and Safety of its Employees.



**Employees** 

3.2.3.2 Attracting, Managing

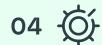
and Retaining Talent







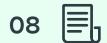










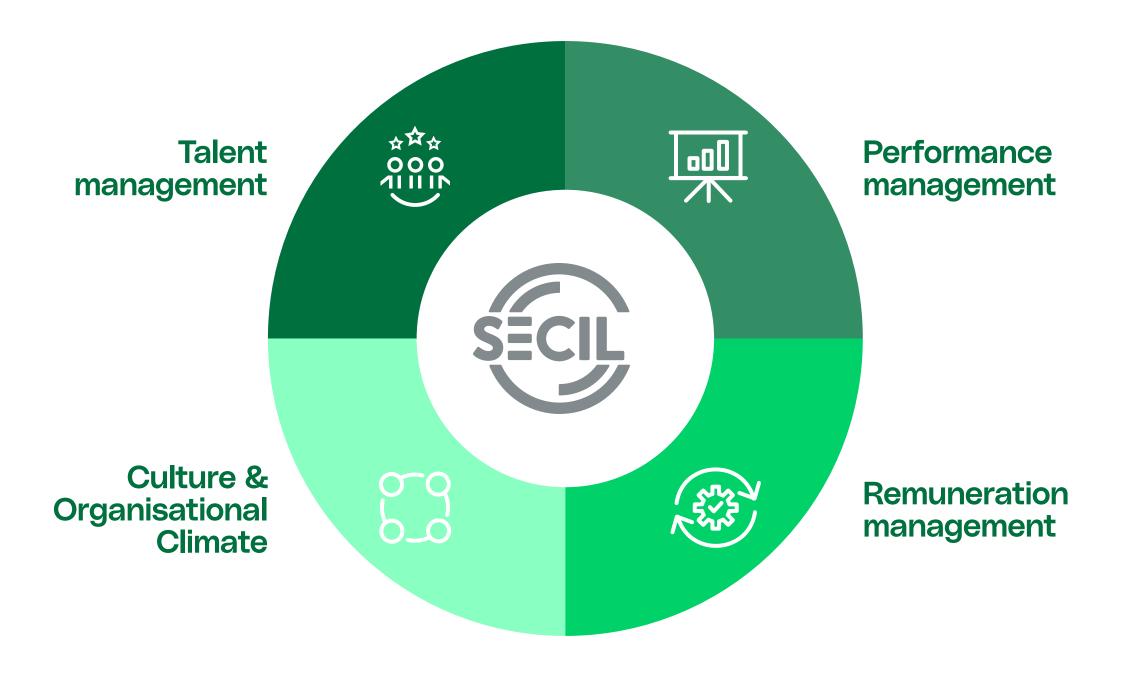




Sustainability performanc

The Secil Group has more than 2,000 direct employees spread across eight countries and four continents. In this way, people management is one of the levers for achieving the Ambition 2025 - Sustainable Growth" goal of becoming the people's favourite company that needs to attract, develop and retain people

in order to operate and grow with excellence. Four structuring projects are underway to establish the principles, policies, processes and procedures of people management at Secil. Of these four projects, three stand out: Talent Management, Remuneration Management and Culture & Organisational Climate.



The People of Secil Group, as well as being described in the mission, they are also one of the Group's five values, alongside Collaboration, Performance, Responsibility and Integrity.

#### 3.2.3.3 Talent Management

One of the Pillars of Secil's cultural change is to be better at developing, empowering and recognising its People. In 2023, the Talent Management project made progress on important fronts to bring about this cultural change.

In terms of people development and empowerment, the Secil Academy was implemented and the Individual Development Plans were continued.

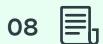
As a way of recognising people, the internal mobility programme showed consistent results in 2023.

And in order to attract the necessary talent and fulfil the company's objectives, the Employee Value Proposition (EVP) was defined.















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2023



In the development and empowerment of people, Secil Academy was implemented, and **Individual Development** Plans were continued.

### Developing and empowering people -**Secil Academy**

Secil Academy has three schools of expertise: Leadership, Management and Technique, with the main aim of providing employees with a common set of knowledge, skills and competences. It focuses on the professional life cycle of employees, providing personalised learning paths for their development, in line with the Secil Group's values.

In 2023, through its leadership school, the Secil Academy organised two training courses for Secil Group leaders: "Líder Coach, Líder Secil" and "How to Give Feedback". These two programmes covered around 80 employees, including senior management leadership and successors.

### Individual development plan

The Individual Development Plan (IDP) makes it possible to define specific objectives for improving performance and/or acquiring new skills and knowledge associated with each employee's professional and personal growth. The IDP consists of an agreement and a commitment to carry out development actions and is made by each employee with the support of their leader. At the Secil Group, we also offer two additional development support processes as support for drawing up a more focused IDP: the Talent Management Exercise (TME) and Feedback 360.

## Talent Management Exercise (TME)

In 2023, 38 people from the Secil Group underwent the Talent Management Exercise (TME), a selfknowledge process that integrates several stages and tools and aims to provide data to enhance the development of our People in leadership skills. This programme has been developed in recent years by the Secil Group with the support of an external consultancy.

At the end of the exercise, each participant receives a report describing the strengths and development needs of the competences that make up the Secil Group's framework. This report serves as input for the creation of the Individual Development Plan (IDP) between the participant and their leader.

In addition to the areas identified in the EMT report, the performance evaluation also provides the identification of development areas for the IDP.

The TME is part of the Talent Management cycle and is held annually with the participation of different target audiences. Over the years, more and more employees are included and whenever possible and appropriate, the exercise is repeated every 4 years).

#### Feedback 360

In 2023, 72 people managers across the Secil Group took part in 360 feedback, one of the most powerful tools for individual improvement, which promotes a deeper understanding of ourselves through the views of other colleagues (leaders, subordinates, peers and project colleagues) with whom we relate within the scope of our role. This is not a time for evaluation, but rather for reflection, construction, commitment and alignment, as it allows us to understand the impact of our behaviour on others.

The six key behavioural competences (\*) of Ambition 2025 - Sustainable Growth were analysed. At the end, each participant received a report with all the inputs and took part in a session with an external expert to analyse the opportunities for improvement and prepare to share them with the leader to agree on the actions to be included in their IDP (Individual Development Plan).

Feedback 360 has been held at the Secil Group every two years and has reached a larger number of employees each year.

(\*) developing people; promoting teamwork; promoting change; promoting customer focus; leading performance; and fostering the ability to adapt

























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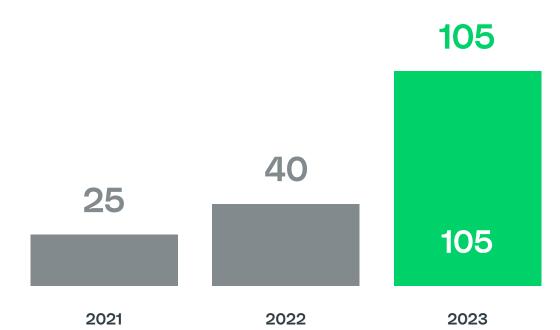
The focus on valuing internal talent has intensified in recent years at the Secil Group, through the promotion of internal mobility processes, which include publicising new opportunities first-hand to employees, and collaborative work between leaders and Human Resources.

2023

These mobility opportunities arise in two ways: i) during the annual Talent Review process, employees are identified who have the potential and motivation to take on roles in different areas and/or with greater responsibility and/or ii) internal applications for vacancies arising from organisational needs.

When this front started in 2021, 25 people were invited to take on new challenges. In 2023, there were more than 100. The following graph reflects this evolution in the number of people who accepted internal mobility.

## **Internal mobility:** Number of employees



In 2023, three cases of international internal mobility stand out.

Leonardo Botelho (pictured right) and André Krutsch (pictured left) left Supremo Secil in Brazil to join the Digital Transformation team in Portugal.





André Krutsch Leonardo Botelho

Diana Ghosn, who was at Sibline in Lebanon, has joined the global Sustainability team to lead the Secil Group's Health and Safety area.



Diana Ghosn

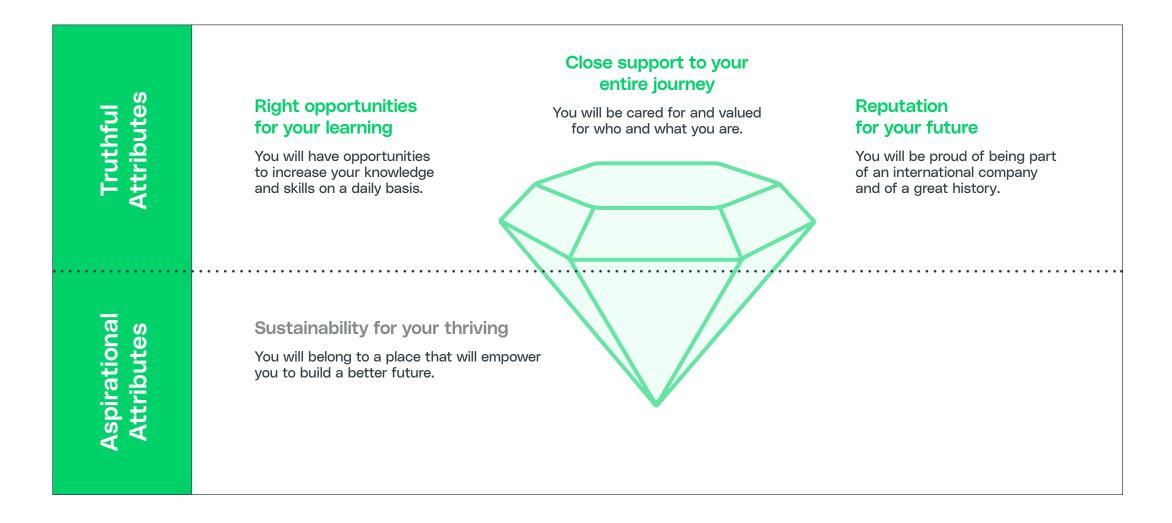
#### Attracting and retaining talent

With the aim of attracting and retaining the best talent, the company began defining its Employee Value Proposition (EVP) in 2023. EVP is the unique value that the company offers as an employer in exchange for the skills, experience and commitment of its employees. It includes tangible components, such as salary, benefits, bonuses and development opportunities, and intangible ones, such as Secil's organisational culture, i.e. the personality of the organisation and the way in which results are managed and delivered.

By getting to know Secil's value proposition as an employer brand, a potential employee has the opportunity to get to know the company even before joining it, allowing them to gauge the degree of alignment with its expectations and values. The aim of EVP is to provide a healthy relationship between employer and employees, resulting in a win-win situation.

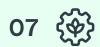
In 2023, an extensive diagnosis was carried out to define the Secil Group's attributes as an employer brand. In-depth interviews and focus groups were held with Secil leaders, employees from all geographies and businesses, former employees, potential employees and candidates who had taken part in selection processes. Three true attributes and one aspirational attribute were defined, as shown in the diamond image below.

True attributes include the development of people, the closeness and support that employees receive and the fact that it is an international company with a good reputation in the markets in which it operates. As an aspirational attribute, the commitment to sustainability was highlighted, inviting current and future talent to embark on the transformational journey towards.



05 🔓

06



08







**2,453**Employees\*

+3.6% compared to 2022

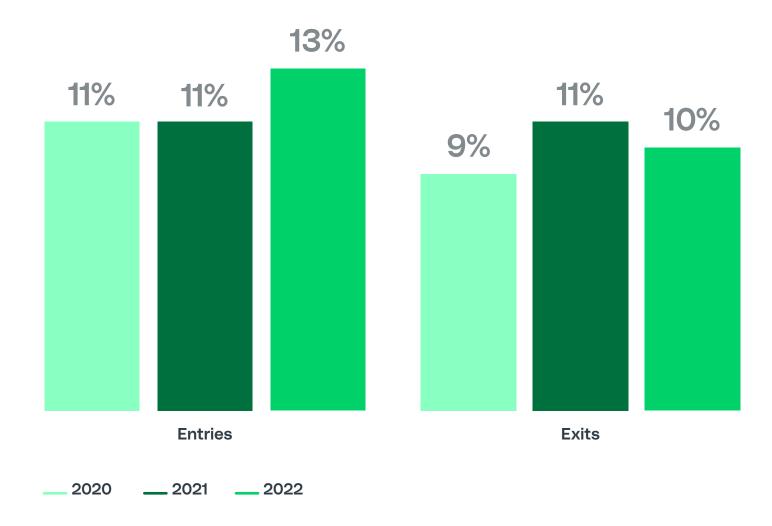
97.1%
Employees with performance appraisals

+ 41.6% compared to 2022

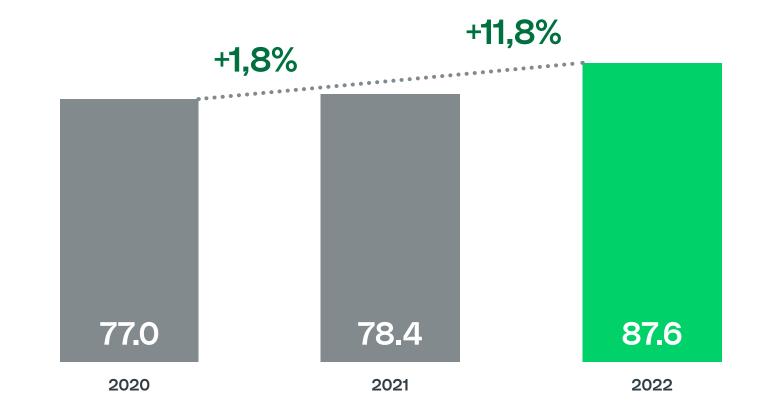
31h
of training on
average per
employee

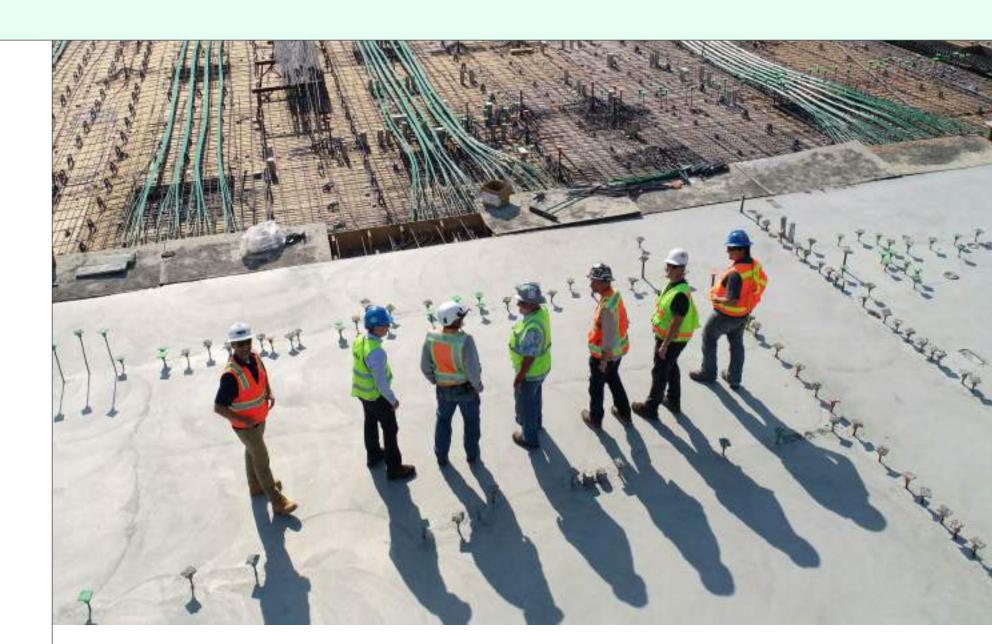
+139,9% compared to 2022

# **Evolution of entry and exit rates**



# Evolution of employee salaries and benefits (millions of euros)





There was an increase in hires at Secil (13%) and a decrease in departures (10% turnover). It should also be noted that there was an 11.8% increase in the overall value of employee salaries and benefits, totalling Euro 87.6 million in 2023.

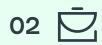
The Remuneration Management project took important steps in 2023 by defining Secil's seven global remuneration management principles.

In addition, it took into account the inputs from the job grading work and the internal equity and external competitiveness studies carried out in 2022 in the salary review analyses.

<sup>\*</sup> This does not include trainees, members of the Board of Directors, the Supervisory Board, the Remuneration Committee and the Internal Committees created within the Board of Directors.







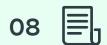
















# Global remuneration management principles

2023

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1	Equal pay for equal work	Ensuring that employees are paid fairly for the same or similar functions, regardless of their gender, race, ethnicity or other characteristics.
2	Privacy and confidentiality	Respect the privacy of employees and guarantee the confidentiality of information on remuneration.
3	Market alignment	Regularly review and update the salary policy to adapt to changes in the organisation, the sector and the expectations of the workforce to ensure that remuneration remains competitive.
4	Compliance with local regulations and collective agreements	Ensure that the salary policy complies with labour laws, collective agreements and local regulations to avoid legal problems.
5	Education and Training	Invest in educating employees about pay transparency, including how pay is determined and the factors that influence pay decisions.
6	Open communication	Communicate salary information clearly and make it easily accessible to employees. Promote a culture where employees can openly discuss remuneration issues with managers and HR without fear of reprisals.
7	Internal transparency	Promote internal transparency by sharing information about salary practices and policies with employees.

This year, 85% of Secil employees responded to the survey, which made it possible to measure employee satisfaction through the eNPS (Employee Net Promoter Score).

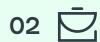
#### 3.2.3.4 Culture & Organisational Climate

Between March and April 2023, the Secil Group carried out the Organisational Climate survey "Your Opinion Counts!", together with the other companies belonging to the Semapa Group. This year, 85% of Secil employees responded to the survey, which made it possible to measure employee satisfaction through the eNPS (Employee Net Promoter Score), and also to monitor the progress of action plans, since 18 questions out of a total of 32 had already been asked in 2021, in the first edition of the survey carried out in all the countries where we operate.

Since Organisational Climate is a component that depends a lot on the current context, and which changes from geography to geography and even within each geography, from area to area, the action plans to implement the opportunities for improvement identified are created and implemented locally in each geography.









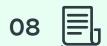
















At group level, the results that showed the greatest growth compared to the survey carried out in 2023

- 1. People's growth and development (30%): "know what I need to do to progress in my career."
- 2. Resources and support (11%): "I know what is expected of me at work"
- 3. Empowerment (10%): "I have the autonomy to do my job."

Also in 2023, three Group-wide actions were implemented on the basis of analysing the results:

- 1. Feedback training for leaders (more information on this in the subchapter on the Secil Academy);
- 2. The return of the DEI Days to increase common understanding of diversity, equity and inclusion → Chap. 3.2.3.1;
- 3. New guidelines to make meetings more effective and collaborative. All the leaders made commitments and were the protagonists of the communication campaign that was distributed to all employees in November 2023.



#### → Main Initiatives Developed in 2023

Below are three initiatives that are representative of the work carried out in this area.

## Internship programme (Brazil)

Supremo Secil's Internship Programme's main objective is to develop talent by providing active participation in the operational routine, in organisational processes and in the design of projects aimed at improving the company.

Started in August 2021, the project has a duration of 12 months, with the possibility of renewal for a further 12 months. This period offers trainees a robust and wide-ranging experience, contributing significantly to the professional and personal development of each participant. Three cycles have already started and five trainees have been hired in different areas: mechanical maintenance, processes, technical, projects and legal. In 2023, 6 trainees took part in the programme, of which 4 have already been hired and 2 remain as trainees.

The Human Resources department, in collaboration with managers, monitors the Individual Development Plan, both collectively and individually. This aims to prepare all trainees to face challenges and overcome them through innovative initiatives that contribute to Supremo Secil's progress.

The programme includes the opportunity to rotate through different business areas, performance assessments, specific training, self-knowledge workshops and career development training. It also provides for the implementation of improvement projects in different sectors of the company.





**Started in August** 2021, the project has a duration of 12 months, with the possibility of renewal for a further 12 months. This period offers trainees a robust and wide-ranging experience, contributing significantly to the professional and personal development of each participant.

**PORTUGAL** 







"One team, one dream"

The launch of the Sibline Football Team marks a new chapter in the organisation's journey. Following a survey of employees' hobbies and interests, a significant number of football enthusiasts were discovered. As a result, they decided to create this team, symbolising their commitment to promoting camaraderie, teamwork and a healthy work-life balance.

The Sibline Football Team began to actively participate in tournaments and contribute to community sports activities, promoting a sense of community within and outside the organisation.

The initiative took place on 22 May 2023 and was attended by 25 employees of the Sibline football team and the AL Irshad sports club.



→ Highlighted Initiatives

# **Supervisor Leadership Programme - Building the Future**

Secil Portugal is training 64 supervisors in the Supervisor Leadership Programme - Building the Future, which began in July 2022 and ends in 2024. The programme has three main objectives:

- 1. Reinforcing the role of supervisors as drivers of internal change, and personal and team development;
- 2. Promote a universal language among employees;
- 3. Encourage the development of technical management, leadership and safety skills.

The programme is also running on the 70 (for example, supervisors spent a day working in each of the businesses - cement, concrete, mortar and aggregates), 20 (mentoring sessions), 10 (leadership training) model.

In 2023, the supervisors dedicated themselves to sharing good practices and knowledge, visiting all of Secil's businesses in Portugal. These actions became known as "Cement Day", "Concrete Day", "Aggregates Day" and "Mortar Day". They also had the opportunity to visit one of the plants of The Navigator Company, a Semapa Group company.

The participants also began the mentoring programme - which included three sessions in 2023.

There were 4 "Day of..." sessions; 3 mentoring sessions; and 1 visit to another company, totalling 43 hours of training.

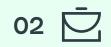
For 2024, training is planned in Leadership and Feedback, Safety and Technique, as well as the continuation of the mentoring programme.











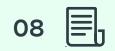












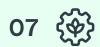






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Sustainability performar



3.2.3.5 Health, Safety and Well-Being

**Relevant SDGs** 





For Secil, it is essential to ensure the safety, health and physical and psychological well-being of its employees by providing them with suitable working conditions.



GRI 3-3, 403-1/5/6, 403-8/9/10



## **Ambition 2025 Goals**

- · To have a health and safety culture that allows an Occupational Accident Frequency Rate below 1.5 and zero fatalities
- · ↓ Reduction: of 75% in the Frequency Index of accidents at work, compared to 2020 (base year)



## Our impacts

- 51 Accidents at work with sick leave
- · 6.0 Accident frequency rate at work
- · 1,264 days lost (84 less than in 2022)
- · 1 confirmed occupational diseases (out of 3 reported)
- · 2 fatalities

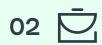


At Secil, health and safety are values that must be present in all our activities. Since 2015, the construction of a health and safety culture has been based on a combination of the condition of infrastructure and equipment and the attitudes and behaviour of workers.

The behavioural part has been underpinned by training, but above all through the implementation of projects and initiatives aimed at developing the health and safety awareness that we have matured over the years.







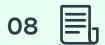
















#### **Ambition 2025 Goals**

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In 2020 Secil set itself the target of achieving a Frequency Index (FI) for accidents at work below 1.5 by 2025, taking into account the benchmarking carried out with the best examples among peers.

2023

In 2021, the second Security Roadmap was defined for the 2022-2025 period (the first having been in force from 2017 until 2021), which is based on a set of actions needed to help the Organisation achieve the defined objectives.

However, by 2023 and despite the fact that the internal culture is considered to have made great progress (measured in 2022), this is still not fully reflected in the results of the accident rates. With the increase in activities and projects, the complexity of the times and the impact of the pandemic, it was realised that the time needed to consolidate a safety culture was still not enough. For this reason, the targets were revised in 2023 and a commitment was made to improve each year, variable for each installation or business, taking into account the respective historical data and the path mapped out.

## **Health & Safety Working Group**

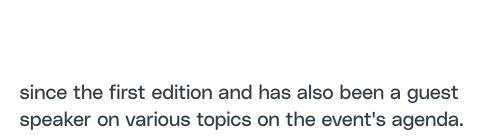
For Secil, the work it does within the 7 Global Cement and Concrete Association (GCCA), particularly with regard to Health and Safety. Secil has been participating in the meetings of the Health & Safety working group (WG1- H&S) since 2018, represented by the Group's Health and Safety manager, who has also been co-chair of this working group since 2020.

We emphasise the alignment with the 2 guides of the GCCA and the specific application in the case of the Handbook Road Safety and in the case of the Regulations for Service Providers (Sustainable Supply Chain Management).

One of the focuses of this working group is also to report the KPIs in accordance with the GCCA guidelines (Guidelines for the monitoring and reporting of safety in cement and concrete manufacturing), and Secil has been fully aligned with the GCCA reporting criteria from the outset.

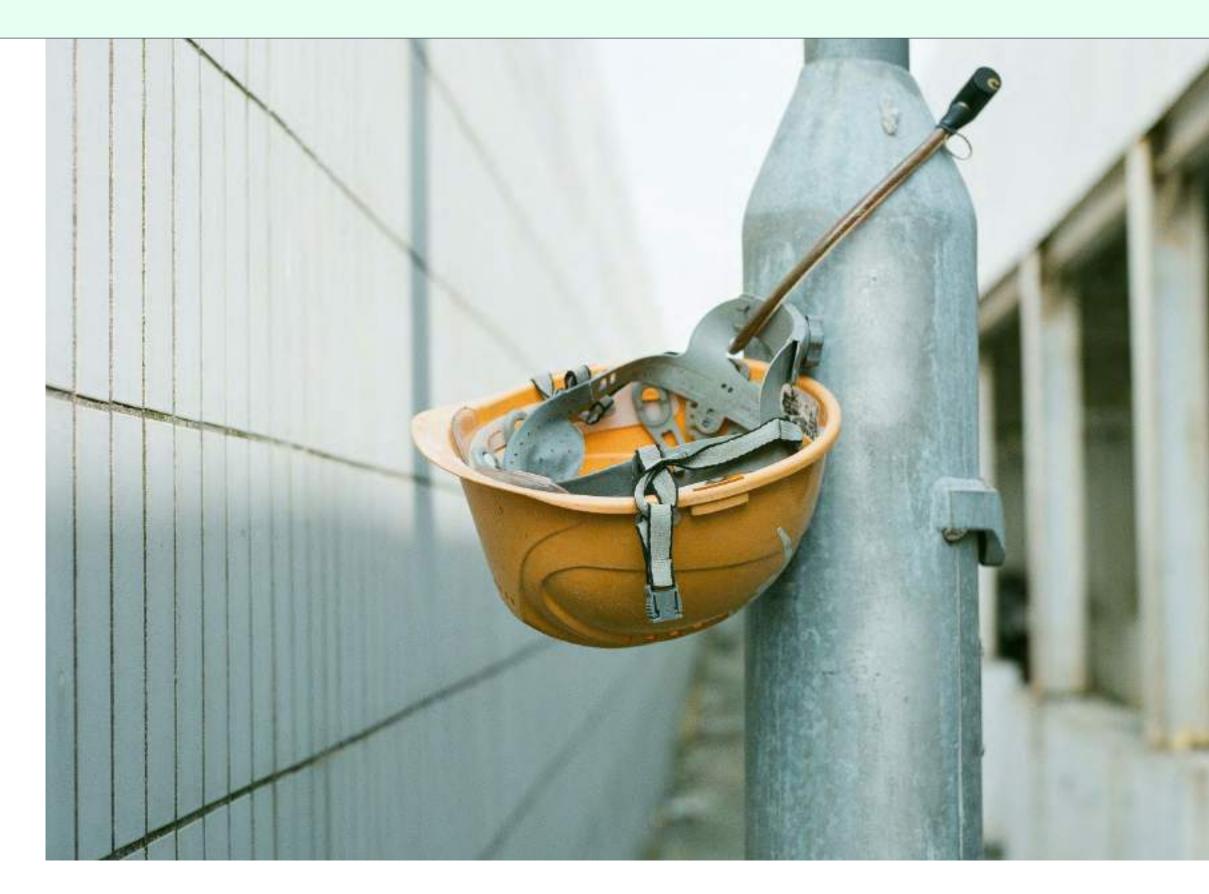
This working group has a 3- and 5-year strategic plan, which is essentially based on drawing up guidelines for various relevant topics within the Health and Safety theme. It also aims to promote the sharing of good practices between members, including lessons learnt from less positive situations, such as accidents or fatalities. In order to make the sharing of good practices more widespread, since 2020 this group has held an Annual Forum on 28 April (World Day for Safety and Health at Work), bringing together the entire health and safety community of the GCCA's member cement industries. Secil has been involved in the organisation





At Secil, the corporate Health and Safety area is responsible for liaising the GCCA guides with internal policies and procedures, as well as checking that all geographies and their respective Health and Safety Roadmaps are aligned.

The GCCA carries out an audit every 4 years to ensure compliance with the commitments made. In January 2023, Secil had its first audit, which concluded that its performance in the area of sustainability is in full compliance with the principles outlined in the GCCA charter, meaning that no deviations were found in any area (it should be noted that the topic of Health and Safety did not have any notes or recommendations to point out).







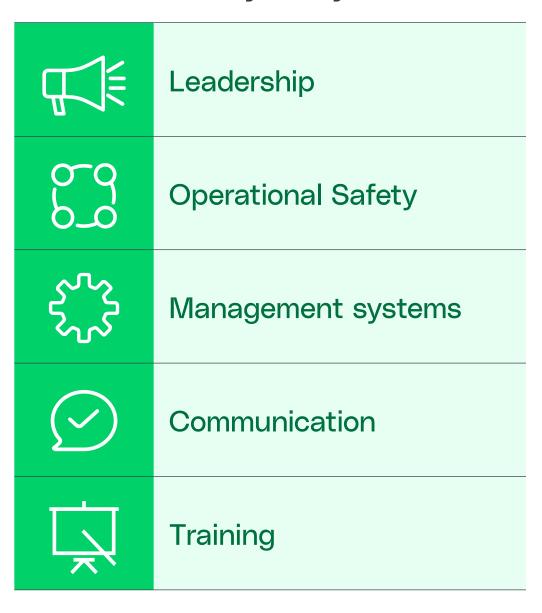


At Secil, we view health and safety as a shared responsibility in which all individuals are personally involved in the prevention of incidents.

The nature of our industrial operations can generate negative short and long-term impacts on the health and well-being of our Employees. The occurrence of accidents at work and occupational diseases have potential consequences on the lives of our people and their families, as well as on Secil's competitiveness and reputation.

At Secil, we have a Health and Safety Policy - which is based on the continuous improvement of processes, through the implementation of an effective management system and strong leadership underpinned by five Pillars:

### **Health and Safety Policy**



There is an Occupational Health and Safety Management System (OHSMS) implemented in accordance with the ISO 45001 standard in all geographies. However, Brazil does not have the certification, which implies:

Implementation: 100% coverage for all Group employees and all businesses.

**Certification:** 83% coverage for total Employees [calculate % on total employees and non-employee cement]

Note: The total number of employees includes indirect employees.

#### **Health and Safety Roadmap**

With the new strategic cycle at Secil, the Health and Safety area follows the Ambition and, for 2025, we have defined new objectives and a Health and Safety Roadmap - a global and transversal tool that unifies the Group's strategy concerning health and safety at work. Each country has its own Roadmap with actions common to the Group and specific to its location, and is responsible for their implementation. A quarterly follow-up of these Roadmaps is promoted with each geography/business, as well as the sharing and dissemination of initiatives and good practices.

Of the initiatives underway, four projects stand out as having had continuity and a positive impact over the years:

- Daily Safety Dialogues (DDS)
- Safety Walks (SW)
- Safety Moments
- STOP/GO Card



In addition to these projects, the ELOS project also stands out as a corporate initiative that has been gaining importance throughout the Group.

# **ELOS Project: Operational Liaison Officer**

The "ELOS" project, launched in 2015 at the Portugal Cement Unit, was created as part of the programme to change culture, attitudes and behaviour in the area of Health and Safety. This initiative aims to create active safety agents in the various areas and facilities, who in performing their daily tasks, promote individual safe behaviour and a sense of responsibility for their own and their colleagues' safety.

In 2021, the initiative was extended to the entire Group and is currently implemented in all the Group's cement plants in the various geographies. In the spirit of "I care about my safety and the safety of others", the programme has already had the collaboration of more than 200 ELOS, who have taken responsibility for taking an active role in maintaining a rigorous safety culture.

The mission of an ELO is to incorporate the following behaviours and attitudes into their daily work routine:

- To encourage and influence safe behaviour and attitudes in themselves and in their colleagues;
- Promote the implementation of correct safety practices;
- Report all incidents and promote observation by others;
- · To identify intervention needs;
- Bridge the gap with the security team.

The intention is to form a chain of ELOS and thus "bind together" the Health and Safety culture in the care of others.

## **Annual Safety Training Plan**

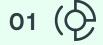
Every year, SAFE (the Group's Corporate Health and Safety Area) has challenged the Group's geographies to provide all employees, including external staff, with specific training, including defining a set of minimum hours, training methodologies and recommended content. These trainings contribute to an overall objective and are considered basic in this area.

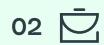
Each year is dedicated to a global theme:

2021	Risk Perception
2022	Preliminary Risk Analysis
2023	Hazard identification and risk assessment

In 2024, Secil intends to continue promoting employee training, as it considers this to be a fundamental Pillar of its Health and Safety culture.





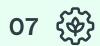


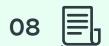


















Integrating robust safety measures into Secil's sustainability plan not only safeguards the well-being of the workforce, but also ensures the long-term resilience and continuity of operations, reinforcing the commitment to a sustainable and responsible organisational future. This is why Secil is introducing its Security Framework.

Secil's Safety Framework is a customised system designed to meet the organisation's Occupational Health and Safety (OHS) needs. Made up of 37 elements organised into three Pillars, it provides guidelines, criteria and indicators for better OSH practices:



#### People" Pillar

focuses on human elements, emphasising leadership, training, communication and risk perception.



## **Operational Excellence**" Pillar

investigates essential processes, hazard identification and safety protocols, emphasising efficiency and effectiveness.



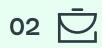
## Management Excellence" Pillar

addresses strategic supervision, compliance, resource allocation and continuous improvement, promoting an organisational culture centred on safety.

# **Secil Safety Framework**

O 1D People		Operational Excellence		کریک Management Excellence	
Leadership	Training	Operational Safety	& Key Issue	Management Systems	Communication & Reporting
Safety Leadership Programmes	Technical Safety Training	Internal Circulation Plan	Works at Height	Legal Requirements Compliance	Safety Moments
Safety Talks	(include Key Issues Training Contractor's training Driver's training)	Safety Signs	LOTOTO	Non-legal Requirements Compliance  (includes associative requirements)	Lagging & Leading Indicators
Safety Walks	Behavioral Safety Training (include Safety Ambassadors)	PPE	Confined Spaces Entry	Norms, Procedures & Documentation	Incidents Alerts & Lessons Learned
Boots on Ground	Risk Perception	Risk assessment	Hot Works	Audits	Good Learnings
		Safety Observations (Near misses + unsafe situations)	Work Equipment Inspection	Consequence Management	Thematic Campaigns
		ELOS	Lifting Operations		Conversation Circles
		STOP/GO Card	Preheaters		
		PRA Preliminary Risk Analysis	Contractors Rules & Initiatives		
		Psychosocial Risk Assessment	Driver Rules & Initiatives		
			Emergency Management		





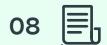














Sustainability performar

The aim of the Framework is to enable SECIL sites to assess their OSH management system and guide continuous development towards safer workplaces. An associated Maturity Questionnaire enables a quantitative assessment of the success of the implementation and facilitates learning between the different sites.

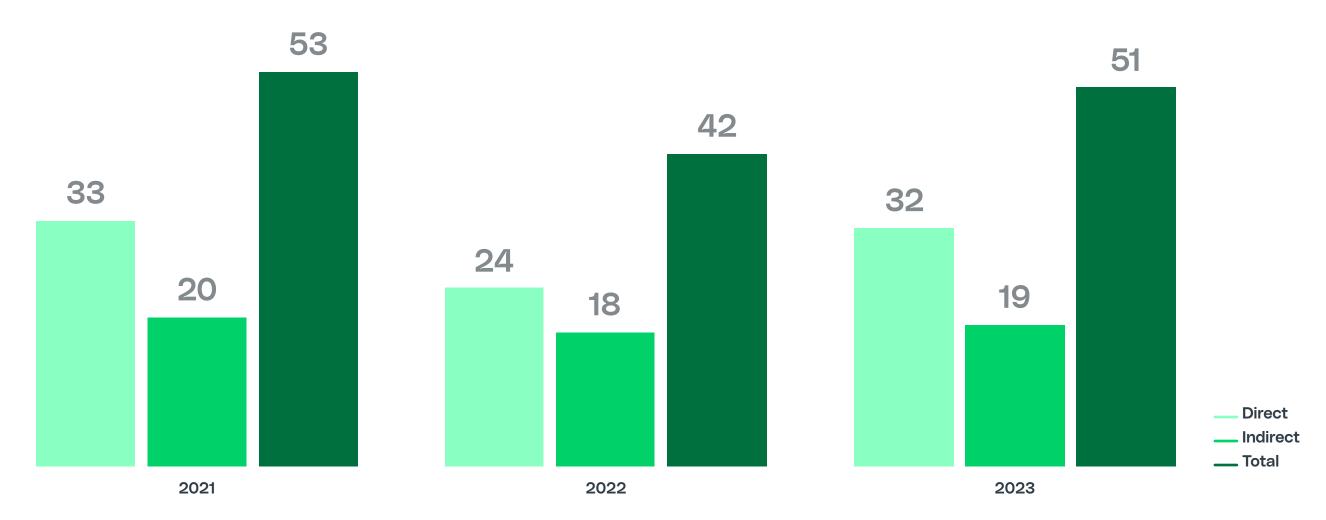
The maturity questionnaire is made up of a set of questions that assess the maturity of the issues in each of the topics in the various locations. With this result, it will be possible to assign a score to each of the facilities and draw up an action plan to remedy any deviations. From now on, all facilities will be able to know their Health and Safety performance value and what is lacking in each of the elements, thus aligning their Roadmaps.

Secil's plan is to carry out a comprehensive assessment of current security practices, identifying key areas for improvement and developing a roadmap based on recognised standards and the organisation's specific needs. Clear communication channels will be established, providing relevant training and promoting a culture of accountability to ensure the successful integration and sustained effectiveness of the Security Framework.

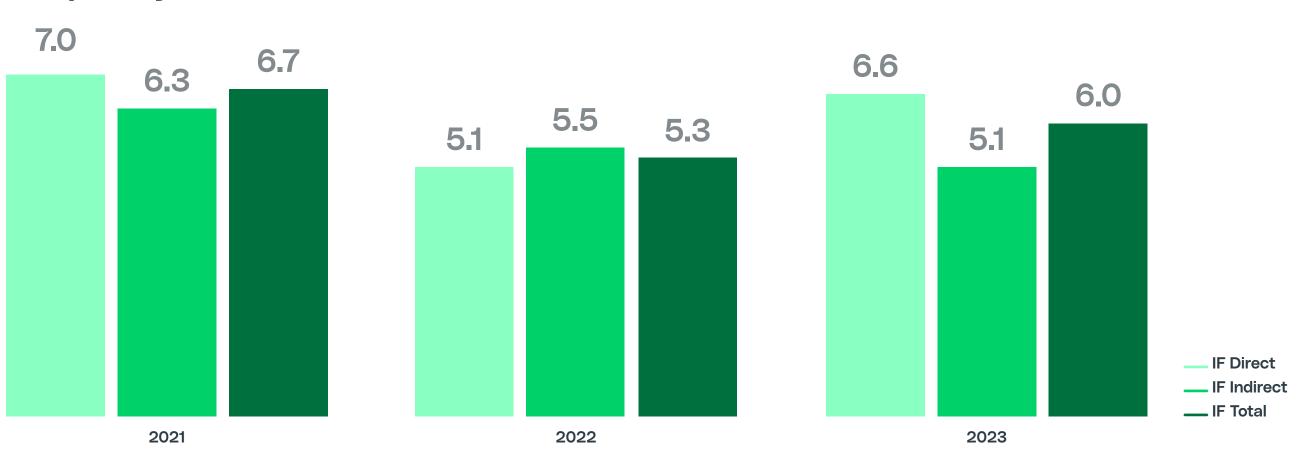
To summarise, this Safety Framework is a comprehensive tool aimed at creating safer workplaces, promoting continuous improvement and guaranteeing adherence to the best OSH practices on company premises. The dedication to safety initiatives underlines the commitment to promoting a working environment that prioritises well-being and long-term sustainability.

## Accidents at Work and Occupational Diseases

Number of accidents at work with sick leave



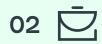
## Frequency rate of accidents at work<sup>1</sup>



<sup>&</sup>lt;sup>1</sup> For the calculation of the Work Accidents Frequency Index, accidents with sick leave were accounted for and the normalisation factor of hours worked of 1,000.00 was used.























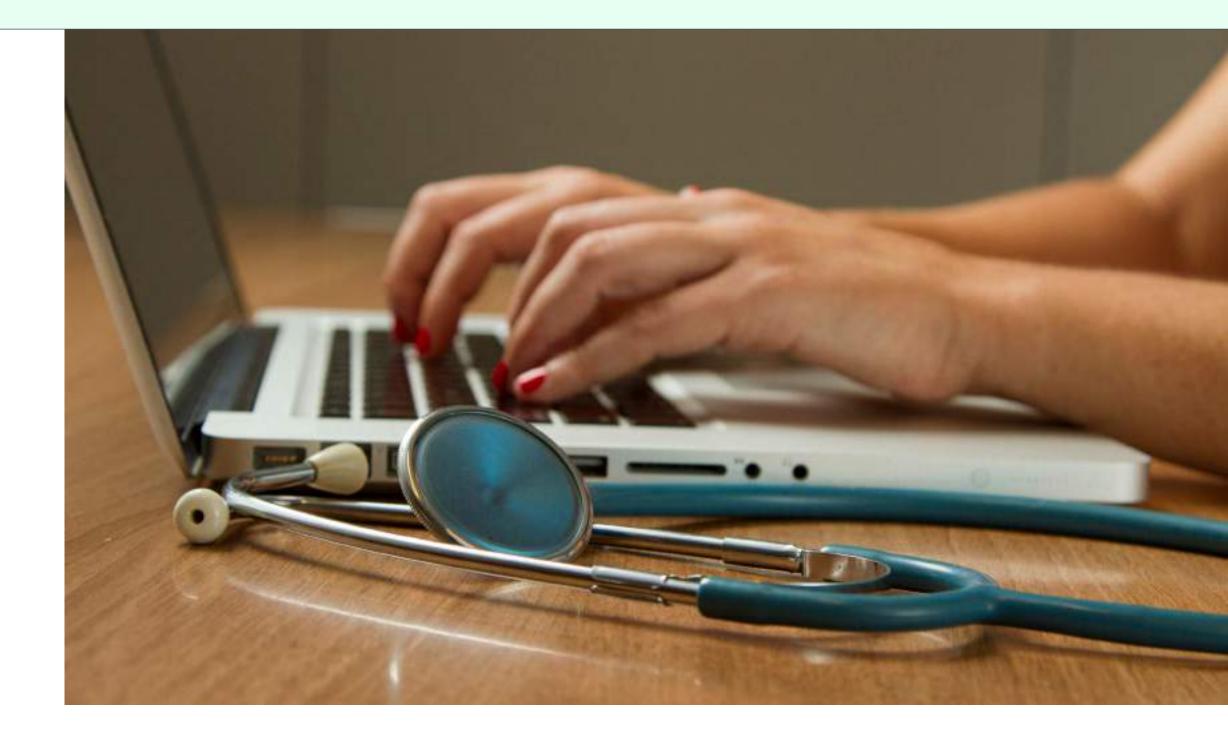
## Accidents at work with sick leave

#### **Direct causes of accidents**

Slipping, tripping, falling from heights	45.1%
Falling or moving objects	19.6%
Other causes or multiple causes	13.7%
Lifting, overloading or excessive effort	7.8%
Burns due to heat, chemicals or incandescent material (thermal contacts)	3.9%
Falls from heights (> 1.80m)	3.9%
Contact with caustic and/or corrosive substances	2.0%
Hand or power tools or electric equipment	2.0%
Stuck in or collisions with fixed equipment	2.0%
Root causes (TOP 10)	
Multiple Causes	25.0%
Deficiencies in risk assessment and control	13.6%
Other causes	11.4%;
Deteriorated facilities	9.1%
No information	9.1%
Inadequate access	9.1%
lack of risk assessment and control	6.8%
Poor work organisation and planning	6.8%
Poor order and cleanliness	4.5%
Inadequate working space	4.5%

# Occupational diseases

Total number of	2021	2022	2023
Deaths resulting from occupational diseases	0	0	0
Cases of occupational diseases reported	8	3	3
Cases of occupational diseases confirmed	1	0	1



With regard to accidents at work and occupational illnesses, there has been an increase in the number of accidents at work with sick leave (especially among direct employees), with 9 more accidents at work than in 2022.

Of 51 accidents with casualties recorded in 2023, 2 were serious (serious accidents are accidents with more than 120 days off work) and there were 2 fatalities - one in Portugal and one in Angola.

The frequency rate of accidents at work was 6, an increase on the previous year's figure of 5.3.

The two main causes of accidents at work were identified as "Slipping, tripping, falls at the same level" and "Falling or moving objects". And the main root causes were "Multiple causes" and "Deficiencies in risk assessment and control".

With regard to occupational diseases, there were no related deaths and 3 diseases were reported and 1 was confirmed.

In terms of mitigation actions, we are maintaining the actions defined in the Security Roadmap. We will reinforce the elements of the framework related to accidents at work, particularly LOTOTO the cause of the fatality the group suffered in 2023. We are launching the Boots on Ground initiative because we believe it will consolidate the Health and Safety culture we want.

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### → Main Initiatives Developed in 2023

Below we present two initiatives that are relevant to promoting health and safety among employees and their families.

## April, the safety month

April was Safety Month at the Secil Group. In 2023, the theme was Sharing Good Learnings.

Sharing lessons learnt, from good practices or failures, is fundamental to expanding knowledge, taking preventive action and thus evolving the Safety Culture.

Security teams in all geographies shared information at the quarterly global Security meetings, extending this Sharing Good Learnings initiative to all colleagues.

Once a week, each geography conducted two half-hour sessions, one in English, the language of the Group, and the other in the local language of the geography responsible for the sharing.



## October, Health Month

To celebrate Health Month at the Secil Group, which took place in October, the geographies developed initiatives on health issues in order to raise awareness of the topic, stimulate debate and promote well-being among colleagues.

During this month, Secil reflected on healthy practices, shared knowledge and strengthened ties in favour of a healthier environment.

The following are some of the Health Month activities in the various geographies:

### **Portugal**

- DDS (Daily Safety Dialogues) on Mental Health and podcast sharing;
- Walks with the family;
- Paddle tennis tournament;
- Kart racing;
- Webinar on Mental Health.



#### **Brazil**

- Pink October: breast cancer prevention;
- Mental health: diagnosis campaign with employees.



#### Lebanon

- National Apple Day;
- Campaigns: Blood collection, breast cancer awareness, medical examinations, nutrition and diet;
- Sibline Marathon;
- Conversation circles on health.



#### Tunisia

- Raising awareness of blood cancers;
- Raising awareness of colon cancer;
- Blood donation day.

#### **Angola**

- Collective physical exercise;
- Weight and height measurement;
- Measurement of blood pressure, glycaemia.



Sharing lessons learnt, from good practices or failures, is fundamental to expanding knowledge, taking preventive action and thus evolving the Safety Culture.























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→ Highlighted Corporate Initiatives

# **Good Learning E-book**

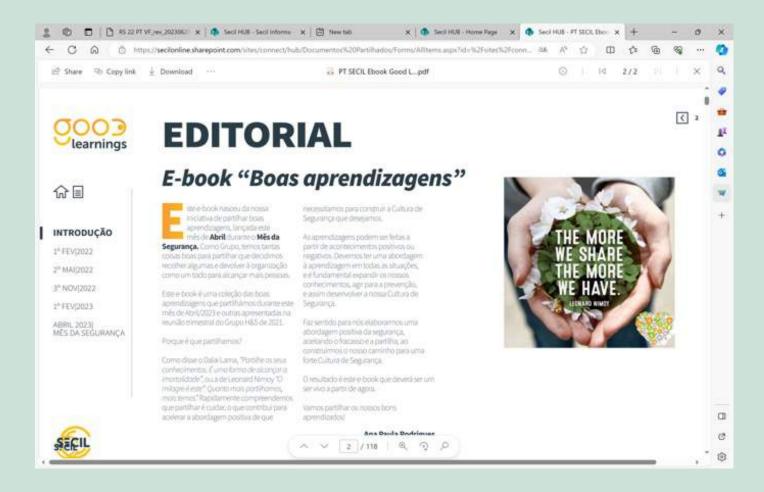
This e-book is a collection of good lessons learnt from the sharing initiative launched in April (during Safety Month).

2023

This e-book was born out of the Secil group's health and safety committees. These are quarterly follow-up meetings to the safety roadmap that have been taking place since 2017, where they quickly began to realise that there were good safety practices that could be shared among the committee members. As a result, there is now an agenda item for sharing good practices in these committees, in which each geography in the group brings 2-3 adopted good practices to share. The relevance of this sharing became clear to employees who were not involved in the committee, as they asked for access to this information. So that good practices could be shared with more people in the organisation, in 2023 a compilation was made in an Ebook of the good practices shared in the health and safety committee during 2020, 2021 and 2022, as well as the good practices shared during the safety month in 2023 (the theme of the 2023 safety month was sharing good learning).

Good practices continue to be shared during the health and safety committees and a commitment has been made to update the Ebook every year during safety month.

Secil believes that sharing is caring, which helps to accelerate the positive approach to building the Safety Culture they want, although lessons can be learnt from positive or negative events.



## 3.2.3.7 Well-being

#### Promotion of workers' health and well-being



A new area called wellbeing was created in 2023.

#### Mission

The Wellbeing area is dedicated to promoting the balance and integral health of employees, with the aim of creating a working environment that encourages people's physical, mental and emotional wellbeing, with the aim of improving quality of life and, consequently, increasing job satisfaction.

Our mission is to support leaders in empowering their people to reach their full potential, promoting a working environment that nurtures physical, mental and emotional health.

We are committed to creating a culture where work-life balance is valued, inspiring well-being and happiness, resulting in more committed, productive and fulfilled teams. Thus, the purpose of the wellbeing area is:

"fostering full personal and professional development, building an environment that prioritises balance, health and happiness, to boost well-being, generating more motivated, healthy and productive teams."









This area is made up of three structuring Pillars:



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#### Pillar 1 Health

#medicinanotrabalho #medicinacurativa #reg.substanciaspsicoactivas #segurodesaude #acidentesdetrabalho

2023



#### Pillar 2 Well-being

#conexãopessoas #apoiopsicológico #famíliasSECIL #flexibilidade #diversidadeequidadeeinclusão #recrutamentoinclusivo



#### Pillar 3 Social

#voluntariado #pensionistas

Our mission is to support leaders in empowering their people to reach their full potential, promoting a working environment that nurtures physical, mental and emotional health.

#### Pillar 1 | Health

"Health is more than the absence of disease, it is a state of complete physical, mental and social well-being."

World Health Organisation

To ensure that physical health, mental health and working conditions are healthy, safe and appropriate, contributing to employees' quality of life, Secil has two complementary areas in the health pillar:

- 1. Occupational medicine
- 2. Curative medicine

## Pillar 2 | Well-being

Employee support, offered by the wellbeing area, aims to promote people's holistic wellbeing both inside and outside the workplace.

Secil focuses on creating a favourable environment for people to thrive in their professional and personal lives.

## Pillar 3 | Social

Volunteering is the area highlighted in this third pillar.

Through its Volunteering Policy, Secil aims to strengthen the close relationship between employees and the community, promoting a responsible, supportive and participative corporate culture and citizenship



#### → Main Initiatives Developed in 2023 in the area of wellbeing

Below are three corporate initiatives that represent Secil's concern for the health, safety and well-being of its employees.

# Prevention and control of psychoactive substance use - Portugal

Since health and safety is a value for the Secil Group, it is the company's responsibility to do everything in its power to prevent possible accidents at work and ensure health conditions for everyone

The Regulation on the Prevention and Control of the Level of Consumption of Psychoactive Substances came into force on 3 July. These regulations are in line with Law no. 102/2009 of 10 September.

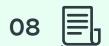
The aim is to prevent the risk of accidents and serious incidents by controlling the consumption of psychoactive substances, particularly alcohol or narcotics, which could affect the physical and mental faculties of employees and jeopardise their safety or that of third parties, as well as the safety of operations. The aim is to improve employee health and operational safety levels.

Among the actions provided for in the Regulation is a ban on the sale or consumption of alcoholic beverages or other psychoactive substances during working hours and on Secil's premises. In addition, the regulations provide for alcohol and drug tests, which are compulsory for Secil employees.

Awareness-raising and training sessions on these topics were also organised in collaboration with the Occupational Health services.













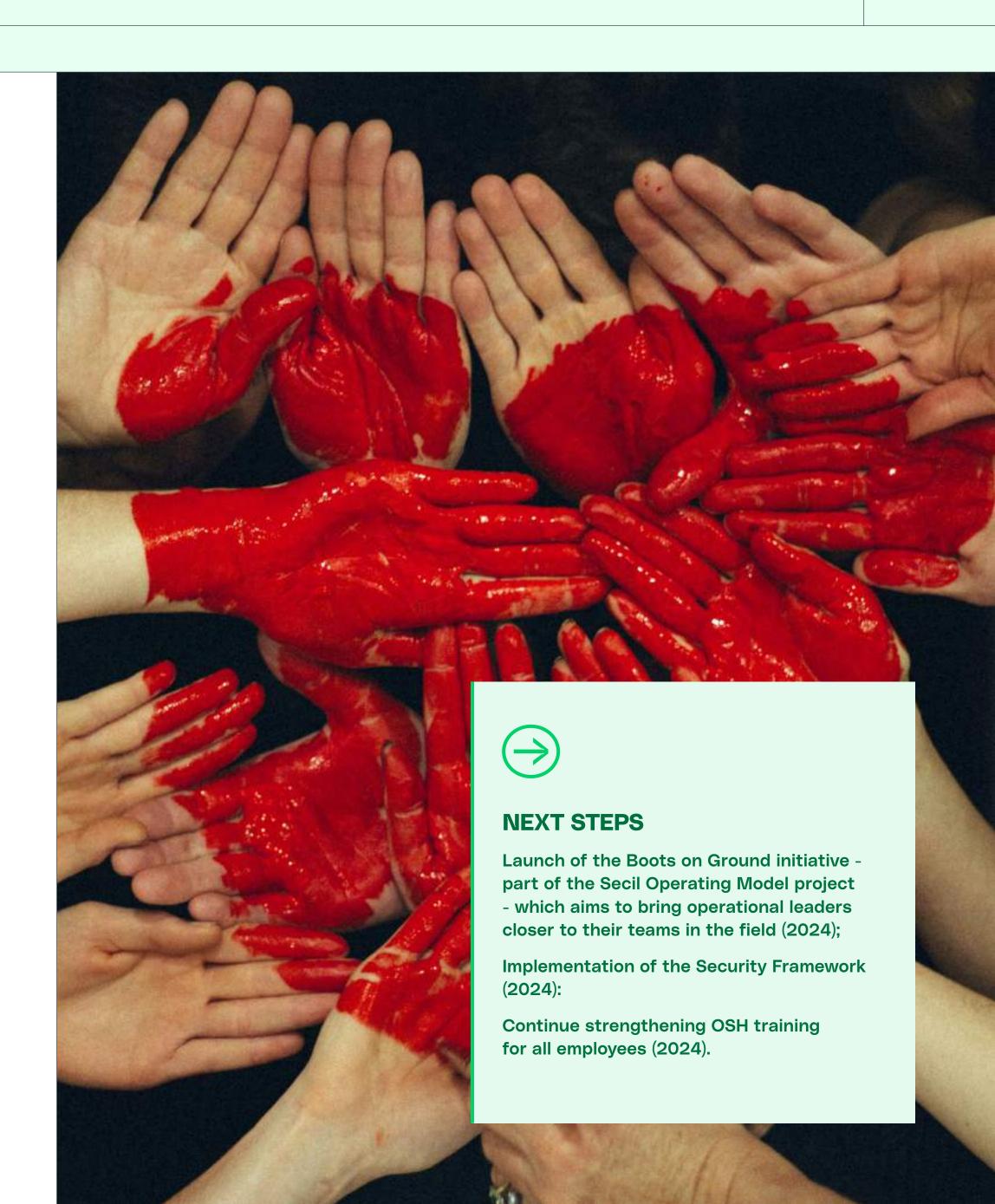
After the pandemic, in 2023, Secil opted for a "Flexwork" approach. Flexwork is the result of analysing and making available alternatives to the conventional working hours and location at Secil, insofar as the duties allow, granting employees, on the agreed days and in compliance with the defined rules, the possibility of adopting a schedule with greater flexibility than that stipulated in the initial employment contract, as well as the possibility of carrying out their duties from a location other than the facility to which they are assigned.

# One Secil, One Community" project

This project has the following motivations:

- strengthen the spirit of solidarity and sharing;
- broaden the scope of commitment and social responsibility;
- to be a benchmark Company in Solidarity.
- embrace a more diverse portfolio of causes.
- strengthen cohesion and bonds between employees;
- strengthen the bond with the community;
- contribute to solving and/or minimising existing problems in society.
- the voluntary participation of Employees.

Secil encourages employees who want to volunteer more often, helping them to include this practice in their daily lives in a spirit of co-responsibility.























At Secil we believe that human rights, as universal rules of conduct, should be applied in order to guarantee a better quality of life for all people, contributing to a fairer and more dignified society at all levels.



Strategic SDGs









**Ambition 2025 Goals** 

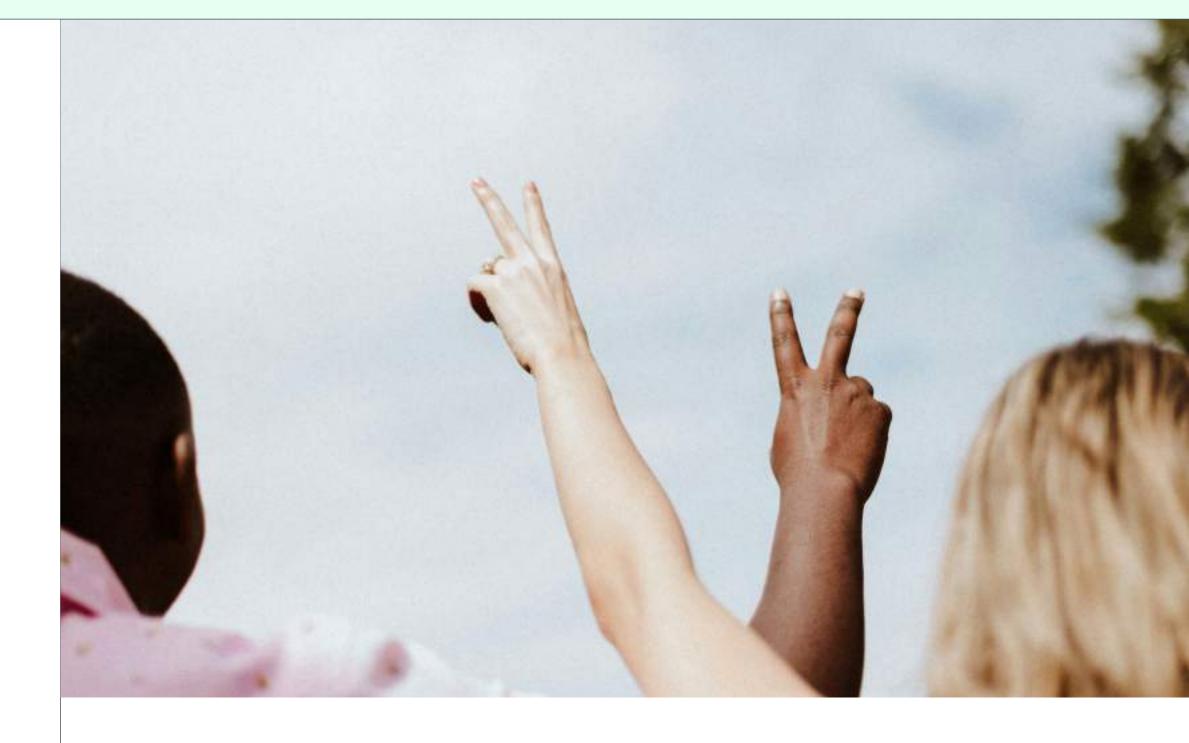
· Approve and implement the Human Rights Policy.



## Our impacts

GRI 2-23; 2-24

· Approval of the Human Rights Policy in November 2023



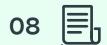
The Secil Group has included Human Rights as a material topic, describing it as "fundamental rights and freedoms inherent to all human beings, regardless of race, nationality, sex, ethnic origin, religion or any other condition. They are considered universal, indivisible and interdependent, seeking to guarantee dignity, justice and respect for all."

Secil has made a commitment for 2023 to update its policy to ensure that compliance with the universal principles established by the United Nations is a priority and that the violation of these rights in its operations and by its stakeholders is strongly condemned.

In updating Secil's Human Rights Policy, five key areas were identified and taken into account as a result of the exercise carried out by PwC as part of the stakeholder consultation on sustainability topics.

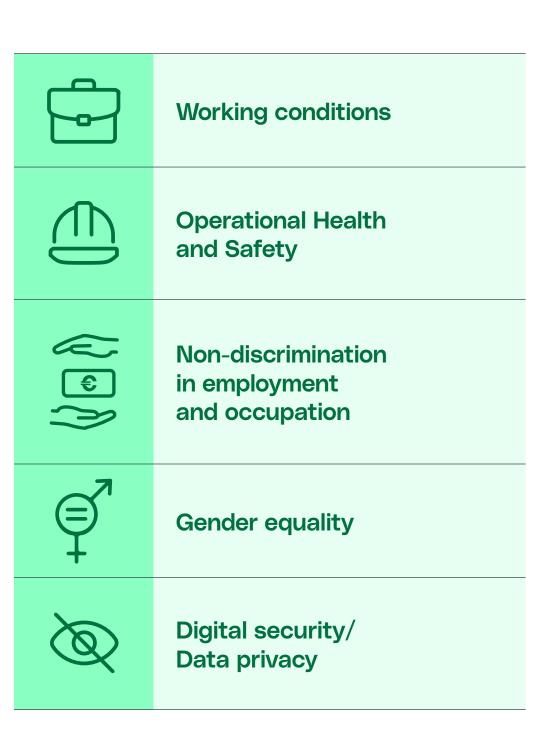












2023

ANNUAL REPORT

Respect for human rights, including labour rights, is a structuring principle of Secil's business. In this way, this policy expresses the commitment to promote respect for human rights and labour rights and to promote their observance.

Secil has signatories to the Portuguese version of the "CEO Guide on Human Rights", launched by BCSD Portugal, since 2019. In the Secil Group Code of Conduct, launched in 2019, which is applicable to all Employees, respect for human rights is expressed in the principles of action: urbanity and integrity; non-discrimination; and legality.

The policy was defined according to:

- The principles set out in the OECD Guidelines for Multinational Enterprises;
- The United Nations Guiding Principles on Business and Human Rights - namely the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO);
- The ILO's eight fundamental conventions; and
- The International Bill of Human Rights.

A A Human Rights Policy was thus approved by Secil's Board of Directors on 23 November 2023.

Secil will organise training courses for its employees to ensure that they are incorporated into the company culture

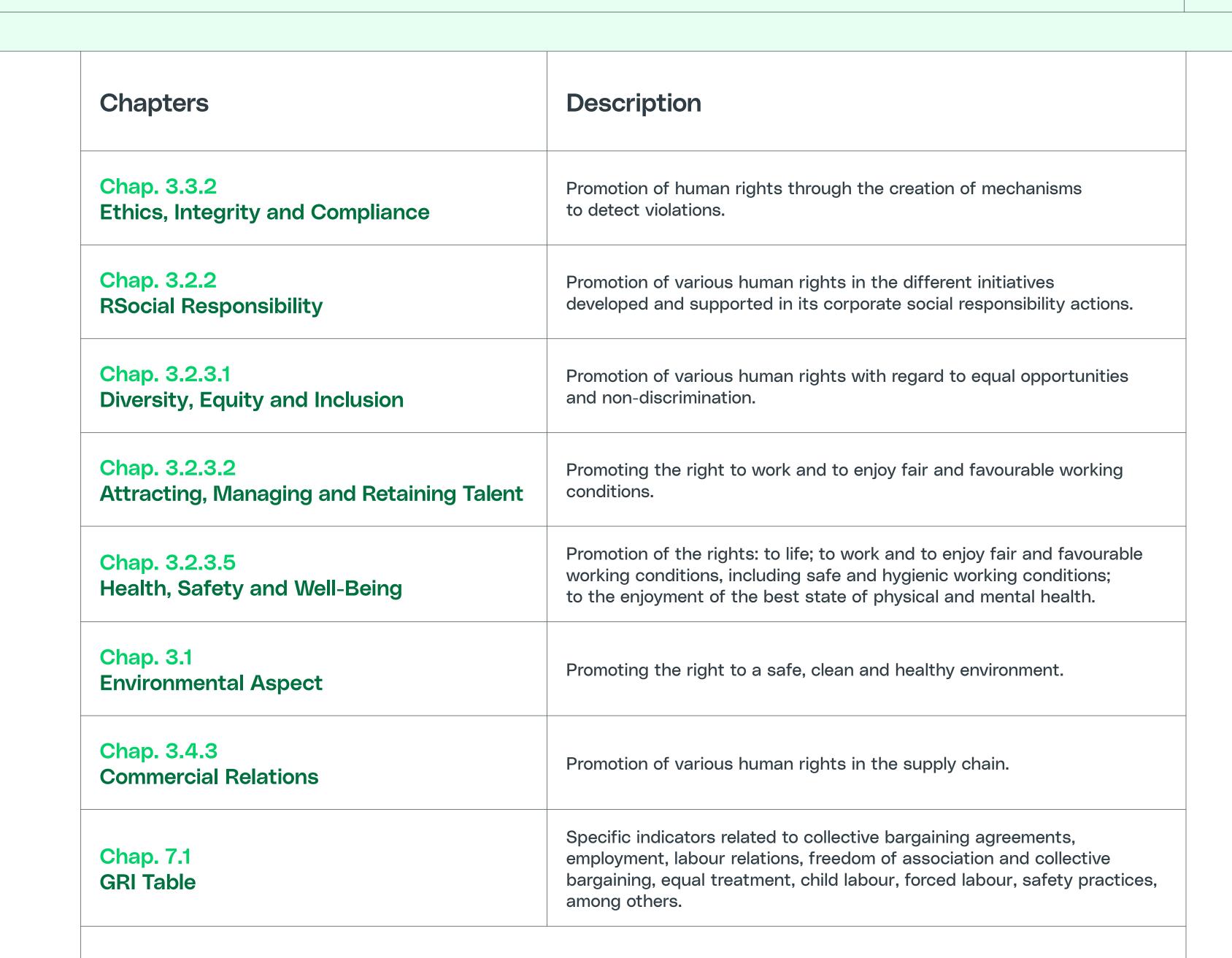
The Board of Directors shall be responsible for adopting preventive and corrective measures and procedures for assessment of compliance with this policy, with a view to identifying the main impacts and potential risks of Secil's activity in terms of human rights.

In Secil's Human Rights Policy, 8 commitments have been made with regard to human rights, including labour rights:

# 8 Commitments made by Secil with regard to human rights, including labour rights

1	Implement good practices	and act with respect for human rights, including labour rights, and comply with the applicable laws and regulations in the course of its business, in particular with its workers, employees, partners, suppliers, customers, other counterparties and local communities.
2	Respect freedom of association	of workers and the right to collective bargaining, recognising the importance of maintaining a constructive and beneficial dialogue between all parties.
3	Promoting dignity and respect for human beings in the workplace	not allowing discriminatory behaviour towards its employees, namely on the basis of ancestry, race, religion, language, gender, sexual orientation, disability, age, nationality, political convictions or economic or social situation, and valuing diversity, gender equality and inclusion as a way of ensuring effective equal opportunities, particularly with regard to people with disabilities.
4	Prevent all forms of harassment, abuse and violence in the workplace	reprimanding and sanctioning any behaviour that has the purpose or effect of humiliating, threatening or intimidating.
5	Do not resort	in any way to child labour or forced or coerced labour.
6	Providing access to decent employment	guaranteeing its employees a safe and healthy working environment, from a physical and psychological point of view, fair and equitable remuneration, personal development and ongoing training, privacy of their personal data, respect for rest periods, access to applicable social protection schemes and respect for the right to parenthood, and encouraging the reconciliation of professional, family and personal life.
7	Respect human rights	with all the local communities in which it operates, in particular by adopting measures to minimise any negative impacts of its activities, taking into account their values, culture and traditions.
		of operations suspected of involving a violation of the rules and good





# You can read more about human rights in this report:

This report describes various aspects of Secil's direct activities and commercial relations that can have an impact on human rights and the preventive actions taken.

Therefore, in addition to the information in this chapter, you can find more information at:

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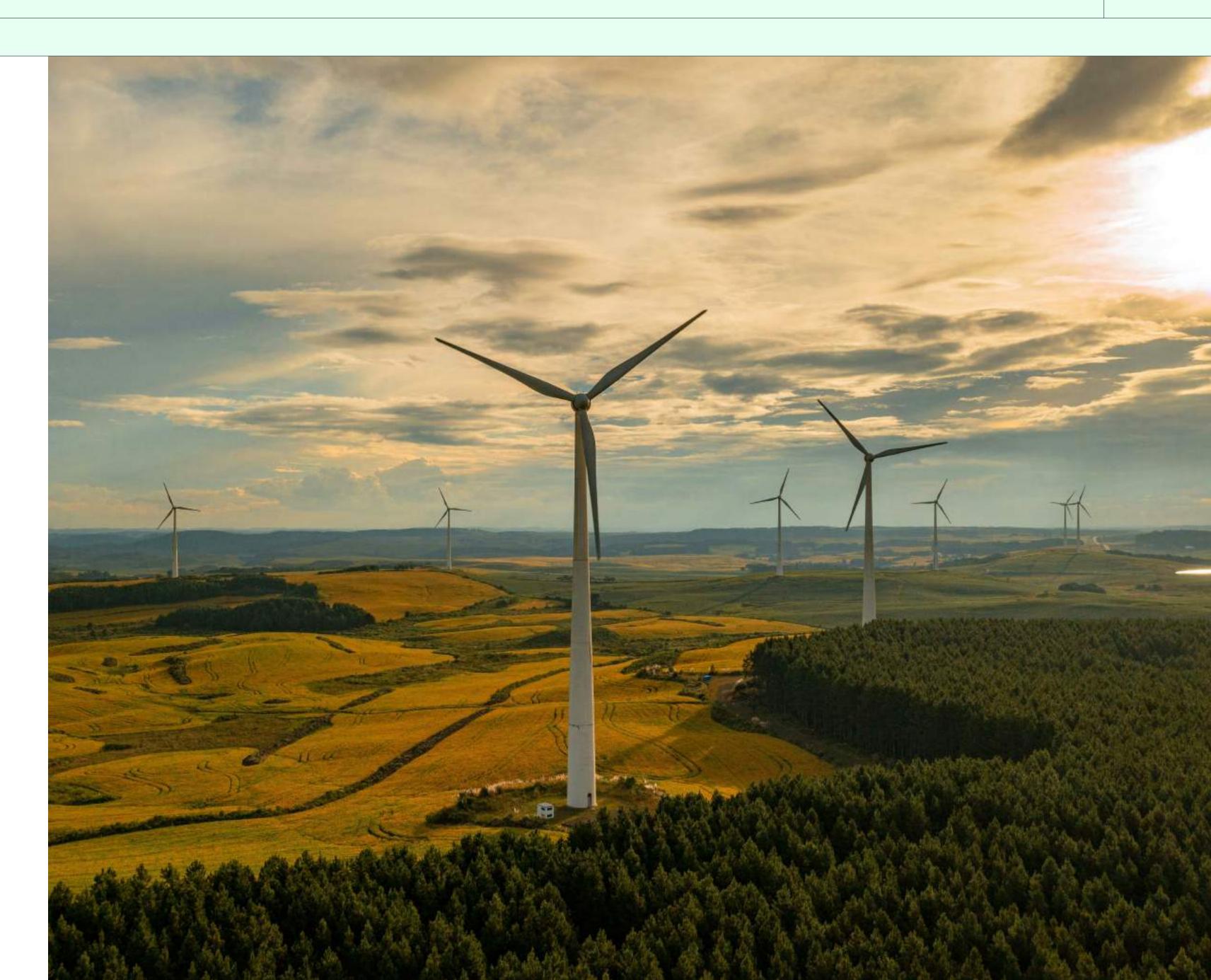




The progress made in Secil's governance in 2023 has been significant. With the creation of the Sustainability area in 2023, the governance pillar and its themes were centralised, making its content and interaction with the other pillars clearer. In the same year, Secil carried out a dual materiality analysis for the first time. In addition, the Group has implemented management processes for three emerging risks:

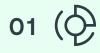
Adverse Climate Event Risk, ESG Performance Risk, and Climate Transition Risk; and developed 6 new policies that were approved by the Board of Directors, reinforcing the principles of ethics, integrity and compliance.

The governance pillar is seen at Secil as transversal to the other sustainability themes, since the other pillars incorporate governance principles. In this way, this pillar is structural to the entire sustainability strategy.



Nationality























3.3.1 \_\_\_ Company Governance

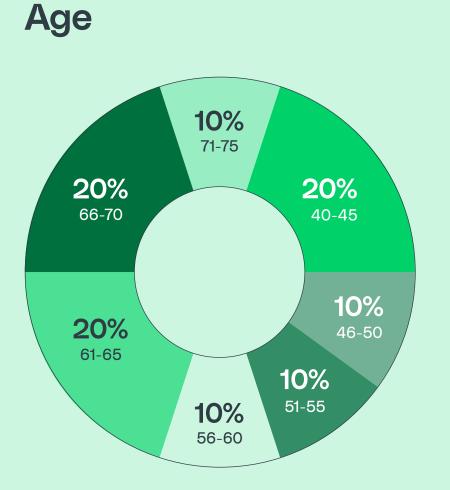


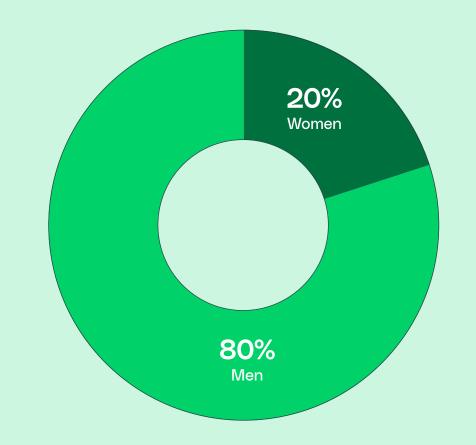
Secil believes that in order to face environmental, social and economic risks and opportunities it needs a structured governance model.

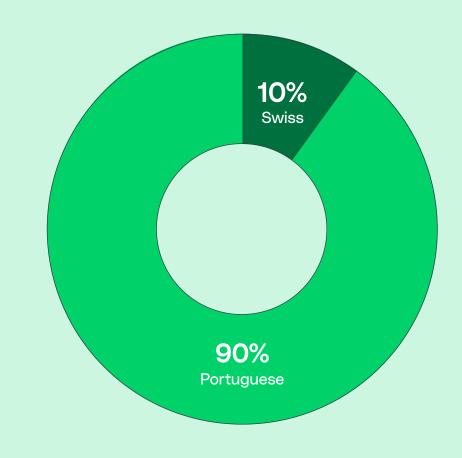
Secil is aligned with the best practices of governance, in terms of its structure, maintaining a Board of Directors (BoD), which has delegated management in an Executive Committee (EC).

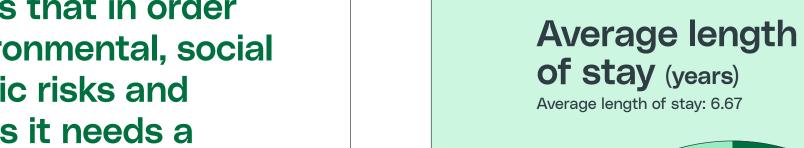
At the end of 2023, the CA consisted of ten members: six non-executive directors and four executive directors. In 2023, two women joined the CA.

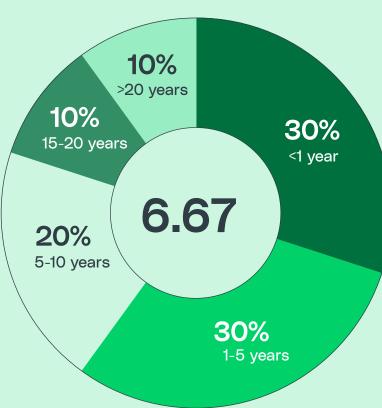
# **Meetings of the Board of Directors**

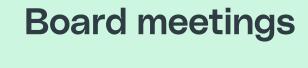






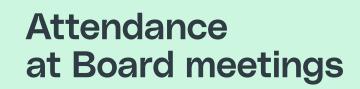






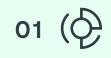
Gender

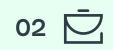












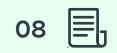


























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Ricardo Pires

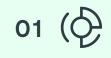
Otmar Hübscher Carlos Medeiros Abreu

Carlos Coelho Alves

Carlos Correia de Barros

Position	Chairman	Vice-Chairman / CEO	Executive Director	Administrator	Executive Director / CFO
Biographical Data	Portuguese, 47 years old	Swiss, 60 years old	Portuguese, 67 years old	Portuguese, 74 years old	Portuguese, 42 years old
Gender	Male	Male	Male	Male	Male
Date of appointment/term of office	01/07/2015 8 years and 5 months	15/11/2016 7 years and 1 month	31/03/2003 20 years and 9 months	01/10/2020 3 years and 2 months	30/06/2020 3 years and 6 months
Attendance at meetings 2023	100%	100%	100%	100%	100%
Key competences					
Business Leadership					
Financial and Risk Management					
Mergers and Acquisitions					
Internationalisation					
Commercial management					
Strategic Planning					
Talent Management					
Research and Development					
Information Technology					
Industrial experience					
Environment and Sustainability					
Legal					

































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Helena França

Hugo Pinto

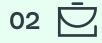
Isabel Viegas

Sérgio Martins

Vítor Paranhos Pereira

Position	<b>Executive Director</b>	Administrator	Administrator	Administrator	Administrator
Biographical Data	Portuguese, 51 years old	Portuguese, 47 years old	Portuguese, 65 years old	Portuguese, 64 years old	Portuguese, 66 years old
Gender	Female	Male	Female	Male	Male
Date of appointment/term of office	01/04/2023 8 months	13/02/2023 10 months	13/02/2023 10 months	27/04/2006 17 years and 8 months	28/02/2020 3 years and 10 months
Attendance at meetings 2023	100%	100%	100%	100%	100%
Key competences					
Business Leadership					
Financial and Risk Management					
Mergers and Acquisitions					
Internationalisation					
Commercial management					
Strategic Planning					
Talent Management					
Research and Development					
Information Technology					
Industrial experience					
Environment and Sustainability					
Legal					























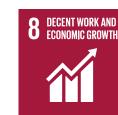
**Strategic SDGs** 







**Relevant SDGs** 





Secil manages its business with integrity and transparency, in compliance with existing laws, rules and regulations, promoting ethical values among employees, customers and partners.



GRI 2-23, 2-24, 2-26, 3-3, 205-3



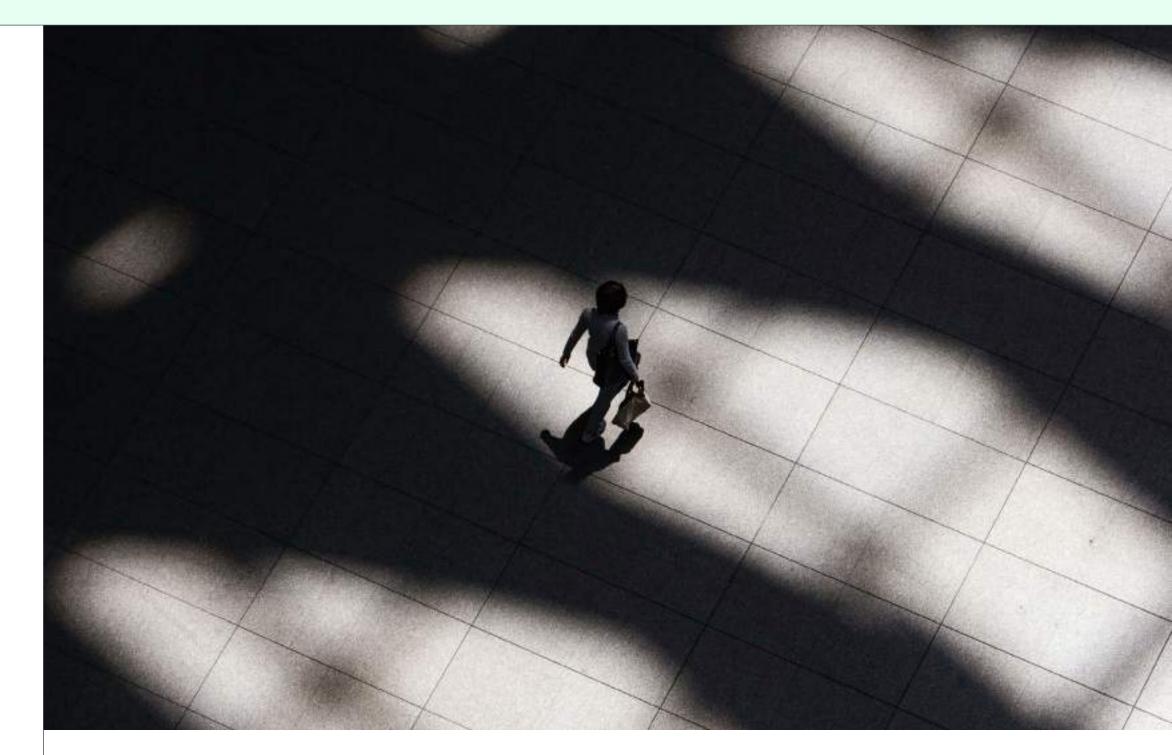
#### **Ambition 2025 Goals**

· Approve and implement structuring policies for Secil's Governance



### Our impacts

- · Approval of Policies:
- · Human Rights;
- · Corruption Prevention;
- · Prevention of Money Laundering and Terrorist Financing;
- · Tax;
- · Free competition;
- · Engaging with stakeholders.
- · 15 complaints received through the integrity channel
- · 0 cases of corruption reported



The Secil Group emphasises the importance of integrity, ethics, responsibility and honesty in the conduct of its business and activities, and has defined a governance model that encompasses all the countries in which it operates, based on principles of ethics, compliance and respect for human rights.

Throughout its almost 100-year history, it has cemented a relationship of trust and proximity with its stakeholders, based on the way it carries out its activities.

To ensure that these daily activities and the management of the value chain in all the Group's companies reflect these high ethical standards and the application of the laws and regulations by which they are governed, a set of mechanisms and instruments has been defined. These aim to guarantee the transparency and integrity of the Group's practices and the internalisation of the values of business ethics at all levels and by all Secil employees. This guarantees compliance with legislation and the commitments made to its stakeholders.









Internally, Secil has a number of policies, codes, regulations and other structuring documents that serve as a basis for the development of its activity and integrate the commitment it has made to sustainable development to sustainable development. For example:

2023

Anti-fraud policy;

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- The Code of Conduct;
- Supplier Code of Conduct;
- As well as mechanisms and procedures in place for reporting irregularities, such as the Integrity Channel.

In 2023, in order to reinforce the commitments made to sustainable development and responsible business conduct, the following policies were developed and approved by Secil's Board of Directors:

## **Novas Políticas Secil**

1	Human Rights Policy	This policy expresses the commitment to promote respect for human rights and labour rights and to promote their observance.
2	Corruption Prevention Policy	This policy publicly discloses Secil's commitments to combating and preventing corruption, which require compliance with the laws and regulations in force and applicable to the activities carried out in the respective jurisdictions.
3	Policy for the Prevention of Money Laundering and Terrorist Financing	This policy constitutes a benchmark, taking into account the context and specificities of the respective activity, in compliance with the applicable legislation and regulations.
4	Fiscal Policy	Secil ensures both the establishment of and compliance with internal procedures through adequate and regular supervision of its tax practices, with the involvement of its governing bodies, with the aim of minimising potential risks in tax decision-making.
5	Free Competition Policy	This policy is intended to be a benchmark for action in terms of competition law, listing the commitments made in this area in order to ensure compliance with legal obligations in terms of competition law and to prevent anti-competitive practices.
6	Stakeholder Engagement Policy	This policy is intended to emphasise our recognition of and commitment to our stakeholders. Their consultation in defining how to manage the Group's business is a structuring principle of its activity and allows for the growing involvement of the different stakeholders impacted by Secil's operations.

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Sustainability performance

The next step will be to establish the necessary processes to ensure that everyone involved complies with the respective policies and to safeguard that any deviation from them is identified, dealt with and resolved through the usual reporting procedures or the Secil Group Integrity Channel.

These policies, approved in 2023, are in addition to a series of other Policies, Codes and Regulations, the most relevant of which are highlighted in the following diagram.

Additional information on the Secil Policies.

























### **Integrity Channel**

The **ntegrity Channel**, the Secil Integrity Channel which has been in place since 2022, is managed by an external and independent organisation to enable irregularities within the company to be reported.

This channel is designed to enable complaints to be lodged and followed up securely, in order to guarantee:

- The completeness, integrity and conservation of the report;
- Confidentiality of the identity or anonymity of whistleblowers;
- The confidentiality of the identity of third parties mentioned in the complaint; and of
- Prevent unauthorised access.

Through this channel you can report acts or omissions that result in violations of rules relating to the domains of:

- Public contracting;
- Financial services, products and markets and the prevention of money laundering and terrorist financing;
- Product safety and compliance;
- Transport safety;
- Environmental protection;
- Radiation protection and nuclear safety;
- Food and feed safety, animal health and animal welfare;
- Public health;

- Consumer defence;
- Protection of privacy and personal data and security of the network and information systems;
- Cases of violent crime, especially violent and highly organised crime; and
- Acts or omissions contrary to internal market rules.

Violations of internal rules can also be reported, such as harassment, discrimination, conflicts of interest, fraud, human rights violations, non-compliance with legal and/ or regulatory standards, non-compliance with health and safety rules; disclosure of confidential information, among others.

Through this channel, Secil aims to improve the way it conducts its business, giving a voice to those who consider that certain behaviour violates ethical principles, legal provisions or internal regulations.

### **Stages of the Procedure**

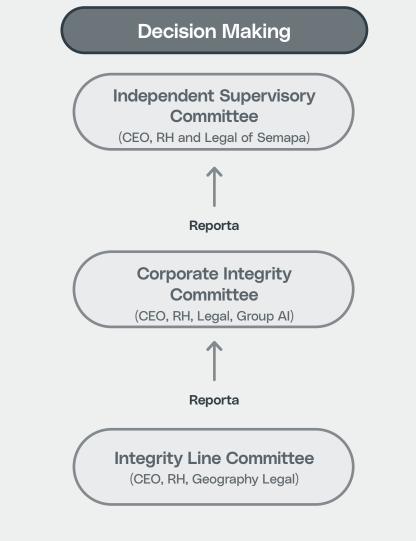
The procedure for reporting irregularities adopted by the Secil Group consists of five main phases, which are detailed in the infographic below.

The communication is received by an external entity independent of the Secil Group, which forwards it to the analysis phase.

All communications of potential or real irregularities reported through the Integrity Channel will be analysed. This analysis will initiate the process, which may or may not culminate in the opening of an investigation and subsequent application of corrective measures, if necessary and/or appropriate.

# Integrity Channel



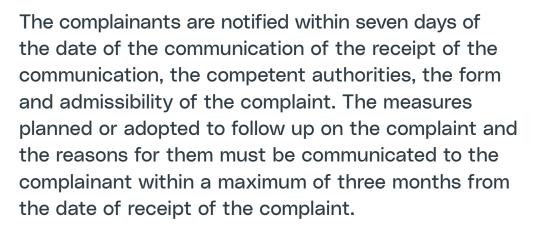


# Stages of the **Procedure**









It should also be noted that irregularities are reported completely anonymously and confidentially.

Integrity Committee, it will be directly forwarded by the external entity responsible for screening to the Corporate Integrity Committee, which will be responsible for handling it. If the communication involves a member of the Corporate Integrity Committee, it will be forwarded directly by the external entity responsible for screening to Secil's Independent Supervisory Committee, which will be responsible for handling it.

In 2023, fifteen communications were received via this route (one less than the previous year), of the following type:

## **Types of complaints**

Harassment	3
Discrimination	1
Fraud	2
Violation of health and safety rules	2
Theft	1
Violation of legal and regulatory standards	1
Violation of internal rules/code of conduct	2
Conflicts of interest	3

Of the fifteen complaints reported, thirteen have been closed. Of these, two were shelved (considered irrelevant), seven were considered unsubstantiated and four were considered substantiated. Of the four that were considered substantiated, one resulted in a report to the judicial authorities for the initiation of criminal proceedings and three resulted in the application of corrective measures. At the end of the year, there were still two open complaints: one concerning violation of internal rules/code of conduct and the other concerning conflicts of interest.



#### → Highlighted Corporate Initiatives

# **Corruption Prevention Policy**

Secil is aware that corruption problems affect all companies and is not immune to this phenomenon.

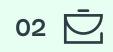
Therefore, this policy publicly shares Secil's commitments in terms of combating and preventing corruption, which require compliance with the laws and regulations in force and applicable to the activities carried out in the respective jurisdictions.

The commitments were established taking into account the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, namely the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), the ILO's eight fundamental conventions and the International Bill of Human Rights.

The policy includes commitments such as not making contributions in favour of political parties and not using donations or sponsorship to influence decisions and gain illicit advantages. The Board of Directors is responsible for adopting preventive and corrective measures and procedures to assess compliance with this policy, with a view to identifying the main impacts and potential risks of Secil's activity in terms of corruption.

The policy also provides for Secil to organise training sessions for its employees in order to ensure that they are incorporated into its corporate culture.











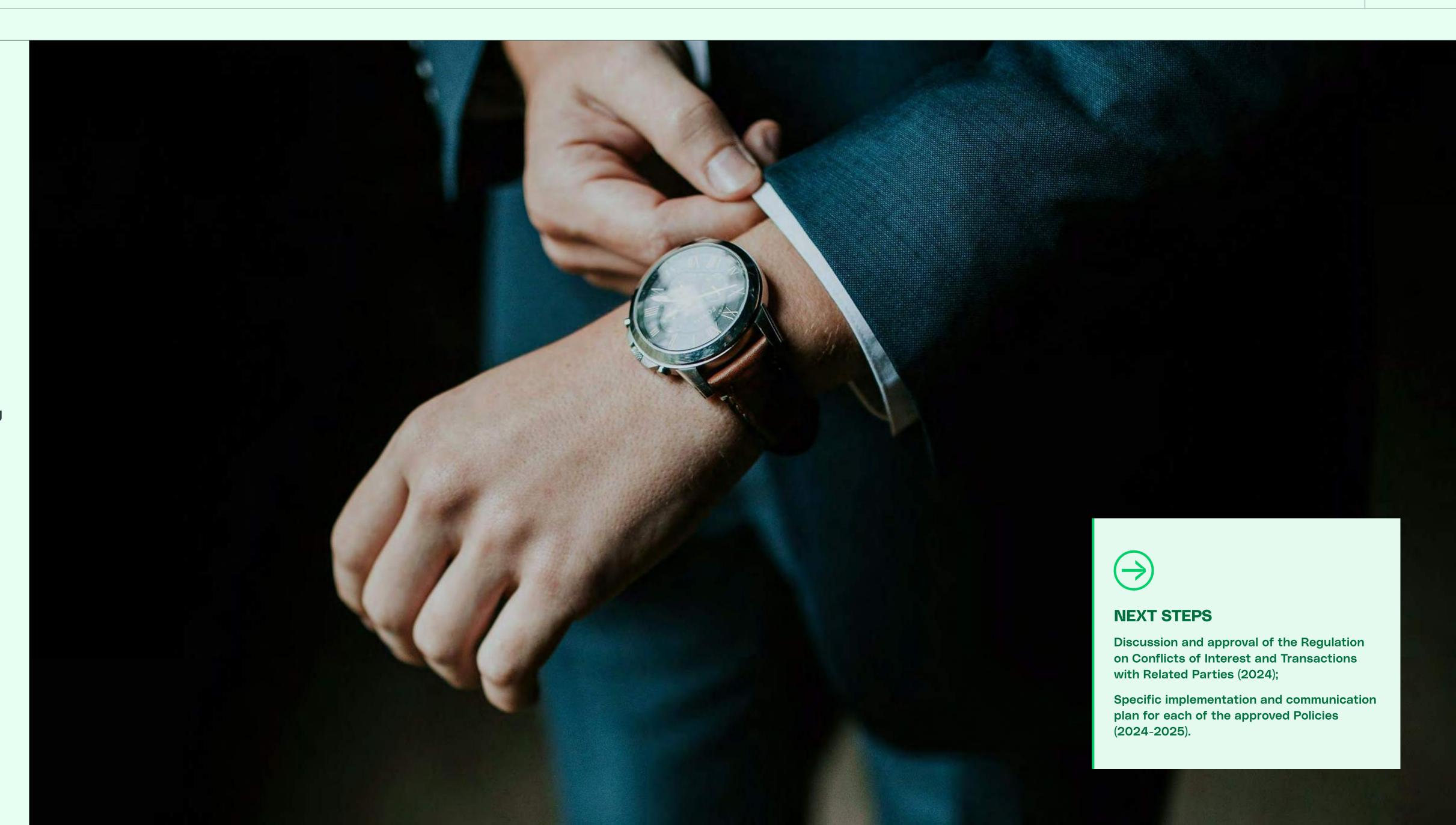




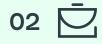






























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#### **Strategic SDGs**

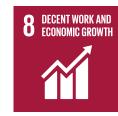






2023

#### **Relevant SDGs**





Secil endeavours to identify and rigorously define its risks, as well as to find measures for monitoring, measuring and mitigating them.



## GRI 207-2

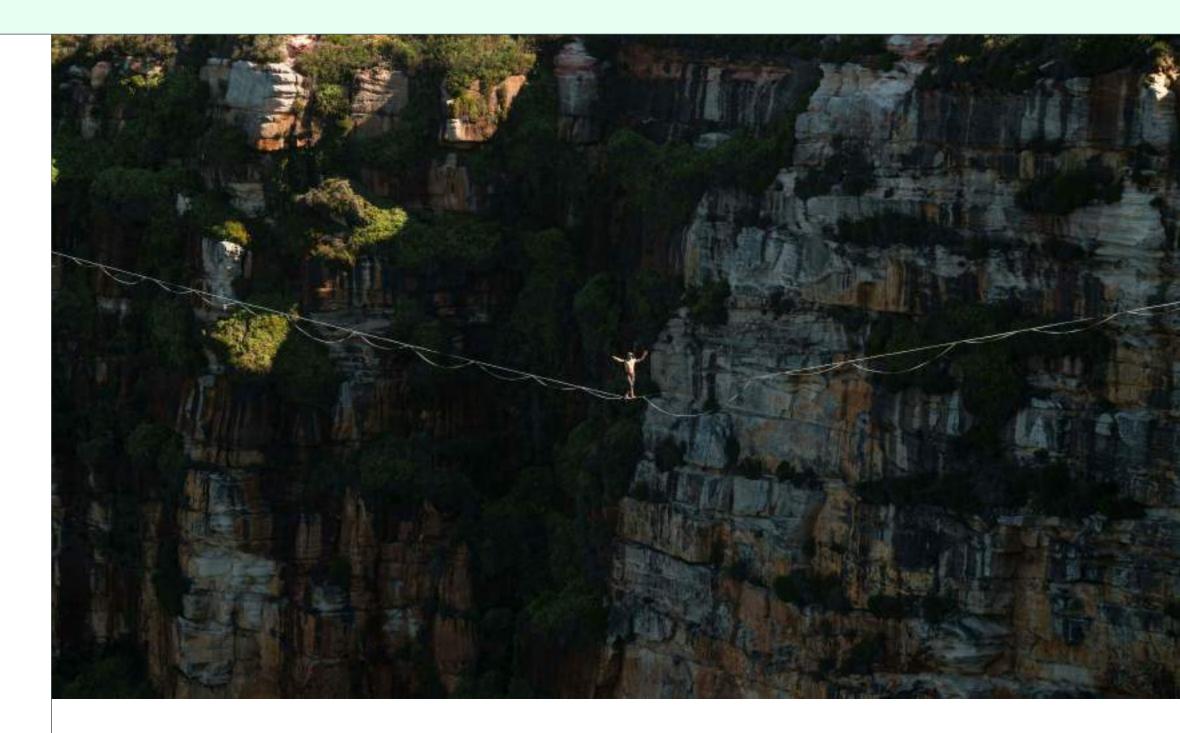


Implement a risk management process that includes ESG risks



## Our impacts

· Implementation of the risk management process



Secil is part of the construction sector, which is subject to several risks that can have a significant effect on our business, our operating results, the cash flows we generate and our financial position. In this way, risks were classified into two broad categories:

#### **Financial risks**

### **Operational risk**

With regard to the former, financial risk management is conducted by the Group's Finance Department, based on policies approved by the Board of Directors. The Office of Financial Management identifies, assesses and carries out operations with a view to minimizing financial risks in strict cooperation with the Group's operating units. The Board of Directors defines the principles for risk management as a whole, as well as policies covering specific areas, namely:

- Exchange rate risk;
- Interest rate risk;
- Credit risk;
- The use of derivatives and other nonderivative financial instruments; as well as
- The investment of excess liquidity.

With regard to operational risks, these are managed

by the Board of Directors, which carries out annual risk

the Group, as well as the evolution of existing mitigation

monitoring through identification of the main risks for

The model for monitoring the main risks takes into

- Business Risk;
- Talent Risk;

measures.

account:

- Legal and Regulatory Framework Risk;
- Risk of external shock;
- Exchange Rate Risk;
- Risk of Access to Financing;
- Risk of Fraud;
- Risk of Access to Raw Materials;
- Cybersecurity risk;
- Risk of Non-Natural Environmental Disasters.

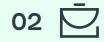
In 2023, to meet the current challenges, the Group added three emerging risks:

- Risk of Adverse Climate Events;
- ESG Performance Risk;
- Climate Transition Risk.

The process of defining and measuring these risks, as well as the respective risk mitigation measures to be implemented and monitored by management, is underway.













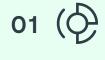
































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The economic dimension reflects the various impacts of the Group's activities on its various stakeholders.

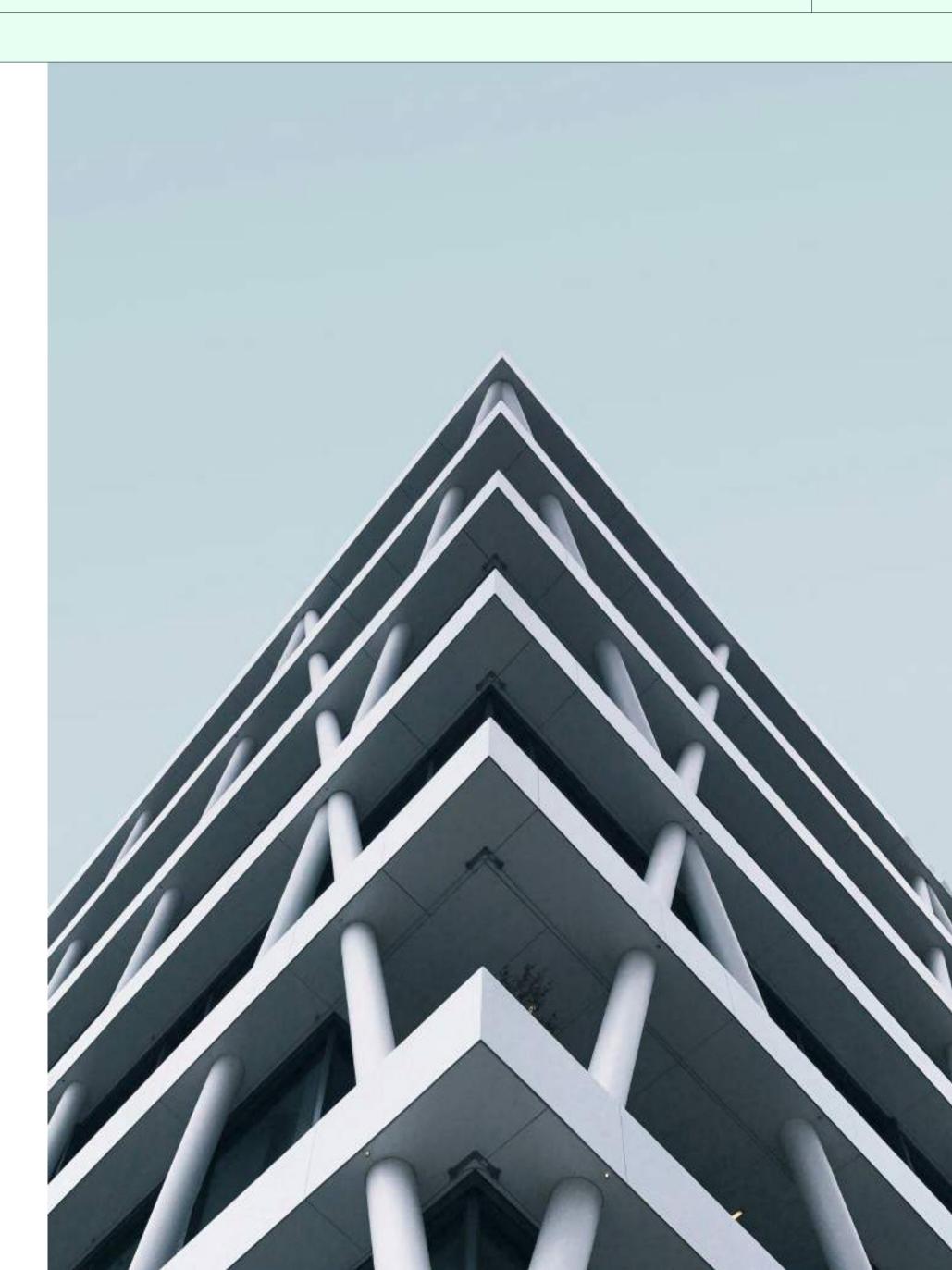
**Economic** 

We begin by highlighting the economic performance achieved in 2023, and the distribution of direct economic value generated of around €821.0m. We would also highlight the growth in the share of sustainable financing, which reached 34% of the lines contracted by the Group in 2023, and the growing adaptation to the reporting requirements of the European Environmental Taxonomy.

In the area of innovation and product and process development, we have carried out a number of initiatives and established partnerships with various scientific and academic organisations with a view to boosting innovation in the Group, from decarbonising clinker and the cement process to developing new cements and recycling aggregates. Equally important are the innovation projects at process level, focussing in particular on the use of alternative fuels, improving energy efficiency and the use of resources and the use of calcined clays as a substitute for clinker in cement production. For concrete, we highlight the development of systems for capturing thermal energy in concrete and 3D printing.

In commercial relations, the focus remains on the quality and safety of the various products throughout the building materials sector and transparency in the provision of performance information and safety data. With regard to its customers, Secil systematically measures customer satisfaction and monitors their shopping experiences in all market segments and in all countries where the company operates, and carries out focus groups and individual interviews. In 2023 we highlight the launch of Verdi Zero Concrete, which was voted by Portuguese consumers as Product of the Year 2023 in the Sustainable Products category.

With regard to suppliers, it should be noted that the delivery of the Sustainable Procurement Roadmap and the active dissemination of the respective code of conduct began in 2023.



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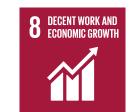




**Relevant SDGs** 

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At Secil we promote the economic solidity of the organisation, ensuring the continuity of its mission.



GRI 201-1



## **Ambition 2025 Goals**

- · To grow sustainably to an EBITDA of over € 200 m in 2025
- · To have at least 50% of sustainable financing lines in total contracted lines by 2025



## Our impacts

- · 155.7 m € EBITDA
- · 821.1 m € turnover
- · 34% of sustainable financing lines



The cement industry has a strong economic and financial impact at European, national and regional level, not only in the construction supply chain but also in job creation. As a Group, Secil has continuously invested in expanding and consolidating its operations.

As the main objective in its strategic cycle - Ambition 2025 - Secil has set itself a recurring EBITDA of over Euro 200 million, which will come from two sources:

- Organic growth: increase in EBITDA by optimising its operations in the various geographies;
- Inorganic growth: increase in EBITDA through the acquisition of new businesses.

Our businesses focus on economic performance, as well as managing environmental and social impacts in both the production and use of our products to fully meet our customers' needs.

Aware that our growth is directly related to the sustainability of our actions, we assume a demanding commitment to sustainability and social and corporate responsibility and invest in the innovation of production processes, products, in our human capital and in the connection with the surrounding communities - aiming at the creation of long-term value for our main stakeholders • Chap. 3.2.1.





















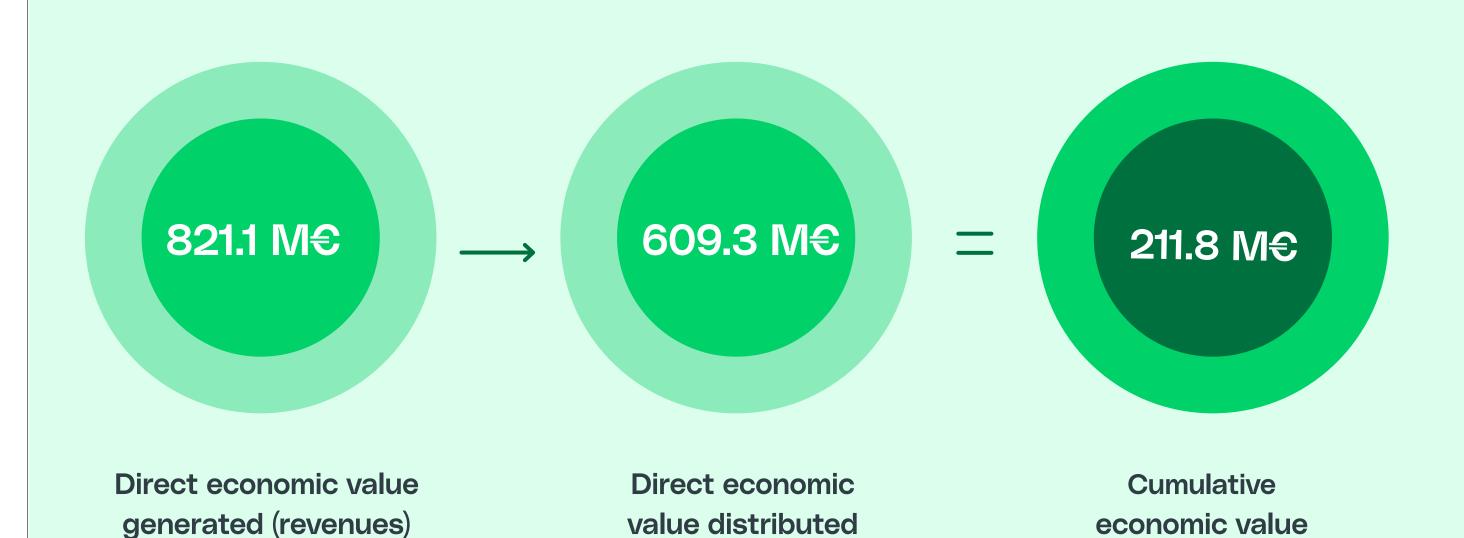
Secil is focused on offering our customers the best value propositions locally, through our core businesses - cement and clinker - as well as adjacent businesses - such as aggregates - and other complementary products and areas of the circular economy - such as concrete and mortars - ensuring a balanced exposure between mature and emerging markets, in order to achieve a lower exposure to volatility and cyclical changes.

As an internal competitive advantage, we seek to act with customer focus and in an agile, problem-solving oriented manner, promoting rapid decision making and collaboration between teams, while implementing best practices in all our operations.

Contributing to more sustainable construction, Secil develops a range of products that improve the energy efficiency of buildings and have a positive impact on the communities in which it operates.

It should be noted that the year 2023 recorded an overall growth of revenue to Euro 821.1 million.

The solid economic value generated during the year led to the distribution of Euro 609 million, an increase of 12.2% on the previous year. The way Secil generates and distributes this economic value along the value chain demonstrates the significant impacts we generate on society and the lives of thousands of people - illustrated through the monetary value added to local economies, the generation of products and services, payment for capital services, salaries, taxes, community investment, among others.



value distributed

+12.2%

compared to 2022



+17.8%

compared to 2022

**Workforce Salary** and Benefits

87.6 M €

+11.8% compared to 2022



**Payments to Capital Providers** 

60.7 M €

+3.5% compared to 2022



**Operational Costs** 

456.8 M €

+14.3% compared to 2022



**State Taxes and Payments** 

3.4 M €

-41.6% compared to 2022



economic value

+37.4%

compared to 022

Community Investment

638.2 M €

+1.,9% compared to 2022























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Secil has taken important steps in sustainable finance, by seeking financing options directly linked to green projects or the achievement of ESG - Environmental, Social and Governance-performance indicators.

2023

Thus, at the beginning of 2023 Secil entered into our first green financing contract, via two bond loans called "Secil Green Bonds 2030 - fixed rate" and "Secil Green Bonds 2030 - variable rate", totalling Euro 75 million, aimed at (re)financing the Clean Cement Line Project (CCL), under execution at the Outão plant in Setúbal, under the terms of our Green Bond Framework annexed in O Chap. 8.3.

## Secil contracts green financing for CCL project

After an investment of Euro 86 million in the CCL project, Secil contracted green financing totalling Euro 75 million through two green bond loans.

This step made Secil the first European cement company to contract this type of financing associated with a specific project.

The remaining Euro 11 million, which makes up the total investment in the project, was financed by equity and European funds from Portugal2020. Secil considers that the contracting of green financing, as well as the CCL project that it (re)finances, is a relevant step in the achievement of our sustainability strategy and vision.

Another important step was the release, in July 2023, of the Sustainability-linked Financing Framework, which provides a framework for sustainable financing to be contracted in Portugal, Brazil and Tunisia.

At 31 December 2023, the Secil Group's total sustainable financing represented 34% of the total number of lines contracted, with three sustainable financing lines contracted in Portugal and two in Brazil, totalling Euro 209 million. This amount represents very significant progress towards the Group's goal of achieving 50% sustainable financing in the total number of lines contracted by 2025.

## **Sustainability-Linked Financing** Framework

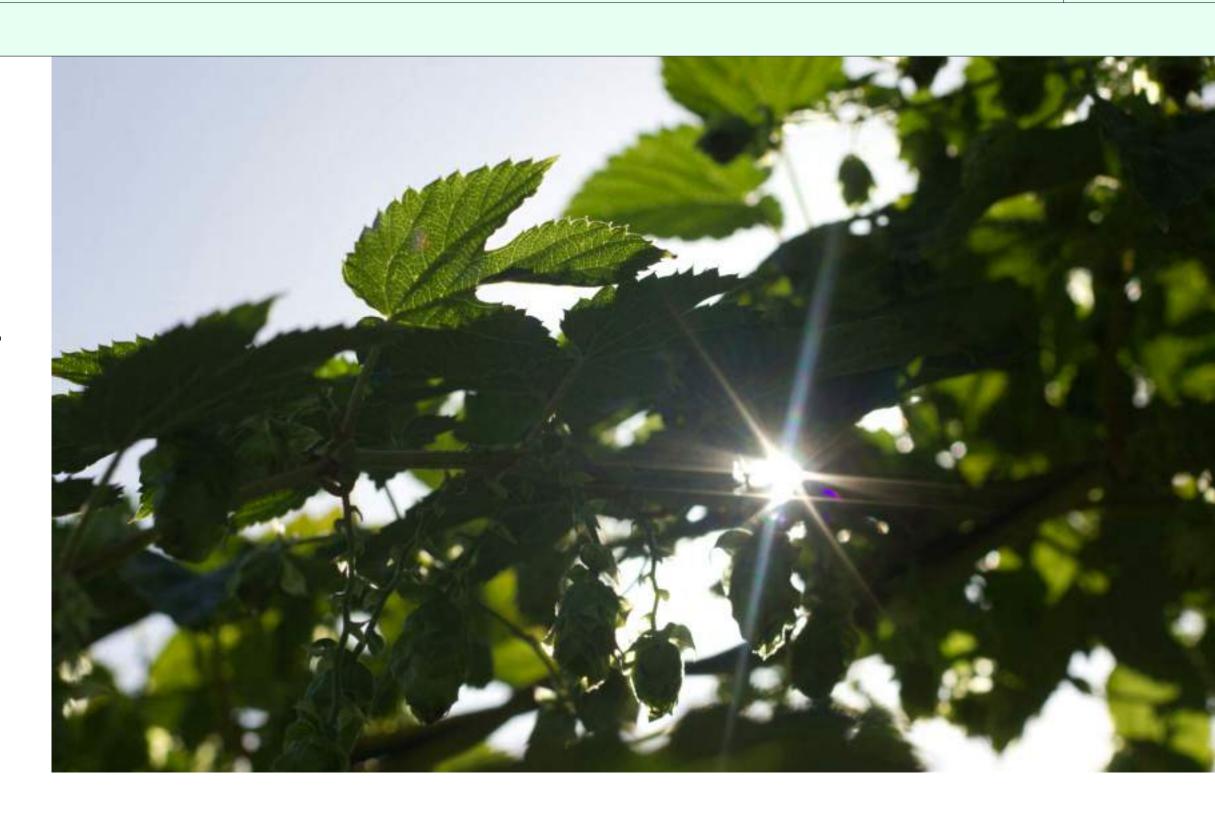
Secil established this sustainability-related financing framework to support general financing and/or the refinancing of the business through the issuance of bond loans or the contracting of bank loans linked to sustainability KPIs, details of which can be found in the appendix  $\ominus$  Chap. 8.3.

Secil believes that financial instruments linked to sustainability (bond loans and bank loans) are suitable tools for financing its operations and, at the same time, reinforcing the group's commitment to good sustainability practices.

By contracting bond loans and bank loans linked to sustainability, Secil continues to follow its sustainability vision and strategy.

Secil has taken important steps in sustainable finance, by seeking financing options directly linked to green projects or the achievement of ESG - Environmental, Social and Governance-

performance indicators.



## 3.4.1.2.1 Framework for the European Environmental Taxonomy

3.4.1.2 European Union Taxonomy

The taxonomy is a standardised and compulsory classification system to determine which economic

activities are considered environmentally sustainable in the European Union. These activities can make a substantial contribution to one or more of the 6 environmental and climate objectives defined. The aim is to direct capital flows in the EU towards green activities. According to the Taxonomy Regulation, for an economic activity to be environmentally sustainable it must:

**(+)** 

# Contribute to at least one of the six environmental objectives identified in the Regulation:

- Climate change mitigation;
- Climate change adaptation;
- 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.

## Do not significantly harm any of the other five Objectives

An eligible activity is considered sustainable and therefore aligned with the taxonomy when it meets the criteria of substantial contribution to at least one objective, while not significantly harming the remaining objectives.

In addition, the organization must comply with a set of minimum safeguard requirements related to Human Rights, Corruption, Taxation and Fair Competition.



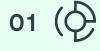
The criteria that activities must fulfil in order to be considered sustainable are defined by the Delegated Acts. The first to be published was the Climate Delegated Act, which sets out the criteria for contributing to the objectives of Mitigation and Adaptation to climate change, later expanded by the Complementary Delegated Act, which extended its scope to some activities related to nuclear energy and fossil gas. In 2023, this Delegated Act was updated and new activities were introduced and some existing ones revised.

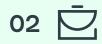
The Environmental Delegated Act, published as early as 2023, introduces the activities that can contribute to the remaining four environmental objectives (Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems).

The response to the Taxonomy was phased. In 2021, non-financial companies only reported their Taxonomy-eligible activities for the activities listed in the Climate Delegated Act. The eligibility of these activities was reported in terms of turnover, capital expenditure (CapEx) and operating expenditure (OpEx). For fiscal year 2022, in addition to the eligibility analysis, non-financial companies had to assess and communicate the alignment of these activities with the application of technical criteria and response to minimum safeguards. The same exercise was carried out for the 2023 tax year, but the possible eligibility of the new activities introduced by the Environmental Delegated Act and the new activities of the Climate Delegated Act must also be analysed. Only for fiscal year 2024 should the alignment of these new activities be reported, if applicable.









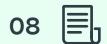
















## 3.4.1.2.2 Eligibility analysis

After analysing the activities identified in the Climate Delegated Act, the Complementary Delegated Act and the Environmental Delegated Act, Secil identified only one eligible economic activity:

2023

Activity	3.7 - Cement production
Objective	Climate change mitigation (MAC)
Description	<ul> <li>The Secil Group owns seven grey cement plants: two in Portugal, one in Lebanon, one in Tunisia, two in Brazil and one in Angola.</li> <li>Of these seven grey cement plants, two do not produce clinker (one in Brazil and one in Angola).</li> </ul>
	<ul> <li>According to the Group's analysis, the following activities were excluded from the eligible activities, as they are not part of the Delegated Acts: production and sale of white cement, ready-mixed concrete, aggregates, mortars, precast concrete and</li> </ul>

hydraulic lime of the Secil group

(Cement segment).

As the Taxonomy is a regulation that is still evolving, it does not contain all the economic activities carried out by companies. At this early stage, the emphasis is on more carbon-intensive industries and green energy, which is why a significant part of Secil's activities are not yet included in the list of eligible activities.

## 3.4.1.2.3 Alignment analysis

For the alignment analysis, Secil assessed the technical criteria of "Substantial contribution", "Do no significant harm" and Minimum Safeguards to determine the percentage of alignment of its activities.

Cement production is not aligned with the Taxonomy. However, Secil has planned a series of investments, including the Clean Cement Line (CCL), which began in 2021 with a view to increasing the degree of environmental sustainability and achieving a greater degree of alignment with the requirements defined by the Taxonomy Regulation in the future. It is estimated that these investments will be completed by 2024.

## Substantial Contribution (SC) and Do No Significant Harm (NPS)

CS / NPS	Criteria (Non-exhaustive)	Application of Secil Group criteria
CS: Climate change mitigation	Specific GHG emissions of less than 0.722 tCO <sub>2</sub> e per tonne of grey clinker	The group believes that there is no technical alignment in each of the cement production units.
NPS: 2) Adapting to climate change	Appendix A (Physical Climate Risk Management)	The elaboration of climate-related physical risks is planned for 2024, in line with the TFCD framework, in accordance with the plan for the environmental pillar, part of the Ambition 2025 sustainability project.
NPS: 3) Sustainable use and protection of water and marine resources;	Appendix B (Sustainable use and protection of water and marine resources)	<ul> <li>All manufacturing facilities comply with the applicable national legislation in terms of managing the use and protection of water resources.</li> <li>The cement plants in Portugal have Environmental Management Systems certified by NP EN 14001:2015. The factories in Tunisia and Lebanon have ISO 14001:2015 environmental certification.</li> </ul>
NPS: 4) Transition to a circular economy	N/A	N/A
NPS: 5) Pollution prevention and control	Appendix C (Pollution prevention and control); Emissions within range of standard values; No environmental conflicts; Waste management	<ul> <li>In the case of using hazardous waste as an alternative fuel, waste recovery fulfils all the requirements in terms of occupational safety, hygiene and health required by current legislation (applicable only in Portugal)</li> <li>There were exceedances of the emission limit values at some plants, which were reported to the regulatory authorities.</li> </ul>
6) Protection and restoration of biodiversity and ecosystems	Appendix D (Protection and restoration of biodiversity)	<ul> <li>All changes to the areas affected by extractive activities are subject to an Environmental Impact Assessment (EIA), where applicable, and within the framework of the legislation in force in each country. If an EIA is applicable, the equivalent national legislation is complied with, as well as the necessary compensation measures to protect the environment.</li> <li>In areas that are sensitive from the point of view of biodiversity, SECIL has implemented Biodiversity Management Plans, with the exception of one quarry where the plan is due to be implemented in 2024.</li> </ul>





















## **Minimum Safeguards**

In order to verify the alignment of eligible activities, it is necessary to comply with the Minimum Safeguards. The Taxonomy defines Minimum Safeguards as "alignment with the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights".

2023

The Final Report on Minimum Safeguards published by the European Commission identifies the four areas that companies must address to ensure compliance with the Minimum Safeguards: Human Rights, Corruption, Taxation and Fair Competition.

### **Human Rights**

At Secil, because we have operations in various countries, the human rights dimension is particularly relevant. Ensuring compliance with the universal principles established by the United Nations is a priority and the violation of these rights in our operations and by our stakeholders is strongly condemned. We believe that human rights, as universal rules of conduct, should be applied to all companies operating in the market, so as to ensure a better quality of life for all people, contributing to a fairer and more dignified society at all levels.

At Secil, we reject any type of discrimination and promote respect for the rights of all our employees and contractors in the different cultural, socio-economic and geographical contexts where we operate. In addition, we aim to influence our value chain and partners on this issue. As a reflection, we have been signatories to the Portuguese version of the "CEO Guide on Human Rights", launched by BCSD Portugal, since 2019.

In the Secil Group Code of Conduct, launched in 2019, which is applicable to all our Employees, respect for human rights is expressed in the principles of action: urbanity and integrity; non-discrimination; and legality. In 2023, Secil approved a Human Rights Policy which enshrines respect for human rights, including labour rights, and compliance with applicable legislation and regulations, within the scope of the development of its activity, namely with its workers, employees, partners, suppliers, customers, other counterparties and local communities.

We have been developing efforts towards an increasingly sustainable supply chain, and through this, more socially responsible. It should be noted that in 2022 the code of conduct for suppliers was developed and published, so that our suppliers are committed to the same standards to which Secil is committed. In this way, there must be respect for internationally recognised human rights and suppliers must ensure that they are not complicit in any human rights violations, harassment or discrimination against employees. This includes origin, sex, race, language, religion, sexual orientation, territory of origin, political or ideological convictions, education, economic situation or social conditions, disability or age. In the near future, Secil plans to begin assessing suppliers in accordance with environmental and social criteria.

## Corruption

Secil does not tolerate any form of corruption, fraud, money laundering, bribery or extortion, and its employees must refrain from participating, directly or indirectly, or from adopting any behaviour that constitutes the practice of corruption, fraud, money laundering, bribery or extortion. That's why, in 2023, the Prevention of Corruption Policy and

the Prevention of Money Laundering and Terrorist Financing Policy were approved, to reinforce its commitment to these issues.

## **Fair Competition**

To reinforce our commitment, a Free Competition Policy was approved in 2023, in which Secil undertakes, among other things, to implement good competition practices and comply with applicable competition legislation and regulations in the course of its business, namely with its workers, employees, partners, suppliers, customers, other counterparties and local communities, to prevent all forms of anticompetitive practices, to co-operate with official, supervisory and regulatory bodies in competition matters and to promote the training of its employees in good competition practices.

#### **Taxation**

Within the scope of the activities carried out by the companies that make up the Secil group, a multiplicity of taxes, fees and contributions are due in the fiscal sphere under the terms of the law, making the Secil group an important contributor to state revenues and, in this way, to the fulfilment of social objectives and to the country's sustainable and economic development.

The Secil group's tax policy aims to ensure full compliance with the tax obligations of the companies that make up the group, in all the jurisdictions in which they operate, always with a view to respecting the spirit and letter of the applicable legislation. The Secil group's tax policy is aligned with the principles underlying the group's business development strategy, and is therefore defined in accordance with the economic substance of its activity.

The Secil Group also develops an organised approach to its tax risks, namely with regard to their identification, management and monitoring, interconnected with the department responsible for identifying the company's general risks and their regular monitoring with the tax department.

### Integrity Channel

To report any irregularities detected, Secil has an integrity channel, available on its website. Through this channel, the following can be reported: violations of the code of conduct (harassment, discrimination, conflicts of interest, among others); fraud, corruption and bribery; human rights violations; non-compliance with legal and/or regulatory standards; non-compliance with health and safety rules; disclosure of confidential information; among others.

#### Conclusion

Secil has assessed compliance with the Minimum Safeguards, having analysed the policies and processes in place within the Group with regard to human rights, corruption, taxation and fair competition and has not become aware of any possible cases of violations within the Group, nor has it identified, for the year 2023 and in the course of its activities eligible for taxonomy, any relevant conviction in Human Rights, Corruption, Taxation or Fair Competition.

Despite recognising the importance of continuous improvement of the processes in place and applicable in these areas, Secil considers that it has policies and processes at a sufficiently robust level to comply with alignment with the minimum safeguards.

3.4.1.2.4 Disclosure of KPIs

operating expenditure (OpEx KPI).

indicators

Below is a set of key performance indicators (KPIs)

associated with environmentally sustainable economic

activities that non-financial companies must disclose

in accordance with the Taxonomy Regulation (Article

turnover (Turnover KPI), the proportion of their capital

expenditure (CapEx KPI) and the proportion of their

As defined by the taxonomy, the amounts reported

ended 31 December 2023, which were prepared in

Standards (IFRS) adopted by the European Union.

accordance with the International Financial Reporting

8) and delegated acts: the proportion of their

Accounting policies and disclosure of

were calculated in accordance with Secil's

Consolidated Financial Statements for the year























The European Taxonomy requires companies to disclose how they have avoided duplication in the consideration of eligible economic activities, i.e. in determining turnover, capital expenditure and operating expenses. Secil determined eligible expenses on the basis of its financial and analytical accounting, and ensured that cost elements were only used once

## **Proportion of Turnover associated with** economic activities aligned with the taxonomy

when calculating the indicators.

Turnover was based on the same accounting policies applicable to revenue under the International Financial Reporting Standards (IFRS), i.e. considering sales and services rendered as part of Secil's normal activities. The total turnover (denominator in the calculation of the eligible activities ratio) therefore corresponds to the revenue reported in the Consolidated Financial Statements as at 31 December 2023 (section 2.1).

As mentioned above, the Cement Production activity is not aligned with the Taxonomy > Table 1 - Turnover.

### Proportion of CapEx associated with economic activities aligned with the taxonomy

The amount shown as total CapEx in the denominator of the calculation of the eligible activities ratio corresponds to the sum of the acquisitions of tangible assets, intangible assets (excluding CO2 licences) and assets under right of use made in 2023, disclosed in Secil's Consolidated Financial Statements (sections 3.3, 3.2 and 3.4, respectively). For the purposes of calculating this ratio, additions of intangible assets related to the acquisition of CO2 licenses were excluded, since they are not actually an acquisition of licenses, but licenses attributed to Secil, and their classification as intangible assets results only from the accounting policy adopted by the Group. There were no additions to investment properties in 2023 **→ Table 2** – CapEx.

The CapEx amounts classified as eligible, whether they are considered aligned or not aligned with the Taxonomy, correspond to investments in assets or processes associated with the respective activities, namely:

• Cement: The Clean Cement Line Project, which aims to develop and demonstrate new industrial scale cement production technology at the Outão Plant in Portugal. This project includes four R&D sub-projects aimed at reducing dependence on fossil fuels, increasing energy efficiency, internal production of electricity, integration into the digitalisation process and reduction of CO<sub>2</sub> emissions. These innovations will promote the development of the production of a low carbon clinker and consequently the creation of a range of cements with a low ecological footprint.

• Environment: Investment in new production equipment with lower energy consumption or lower CO2 emissions.

## Proportion of OpEx associated with economic activities aligned with the taxonomy

The total OpEx shown in the denominator of the calculation of the eligible activities ratio corresponds to the following expenses determined on the basis of the Consolidated Financial Statements as of 31 December 2023 (section 2):

- Research and development costs not capitalised;
- Expenditure on industrial cleaning and waste treatment;
- Maintenance and repair costs;
- Expenditure on Short Term Leases not capitalised; and
- Other expenses directly linked to the maintenance of tangible assets or investment property.

The OpEx values shown in the table above (numerator of the calculation of the ratio of eligible activities) correspond to the OpEx allocated to the activities classified as eligible (aligned or not aligned with the taxonomy). These figures include OpEx such as:

• Cement: costs of Secil's Cement Application Development Centre (CDAC), in which research and development activities are carried out into new cement products and applications and innovative industrial processes for their production, with a view to the Group developing and adopting new technologies in the field of sustainable production processes and products, and reducing the carbon content of Secil Group's solutions 
Table 3 - OpEx.

## Standardised templates for disclosure according to Delegated Regulation 2022/1214

According to the Taxonomy regulation, particularly Delegated Act Article 8, non-financial entities must also report the table models associated with activities related to nuclear energy and fossil natural gas. If organisations do not carry out any of these activities, they should only publish Model 1 of this set of tables, which is the case for Secil.

Regarding the use of fossil gas, the Secil Group uses natural gas as a fuel in non-European geographies on a residual basis, representing less than 0.2% of the thermal energy consumed by the Group. In fiscal year 2023 there were no investments related to natural gas assets.

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Line	Activities related to nuclear energy	
1.	The company carries out, finances or has exposure to research, development, demonstration and deployment activities for innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The company carries out, finances or has exposure to the construction and safe operation of new nuclear installations intended to produce electricity or industrial heat, including for district heating purposes or industrial processes such as hydrogen production, as well as improving their safety, using the best available technologies.	No
3.	The company carries out, finances or has exposure to research, development, demonstration and deployment activities for innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.  The company carries out, finances or has exposure to the construction and safe operation of new nuclear installations intended to produce electricity or industrial heat, including for district heating purposes or industrial processes such as hydrogen production,	
ine	Activities related to fossil fuels	
4.		No
5.		No
	The company carries out, finances or has exposure to the construction, renovation or	No



Turnover of Taxonomynon-eligible activities (B)

Total (A + B)

259,507,148 €

693.348,711 €

37%

100%





		_
		00
10	U	165

## Table 1 - Turnover

Financial year 2023		2023			Sub	stantial C	ontribution	Criteria		DNSH criteria ('Does Not Significantly Harm') (h)								
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)		
Text		Currency	%	Y; N; N/EL (b) e (c)	Y; N; N/EL (b) e (c)	Y; N; N/EL (b) e (c)"	Y; N; N/EL (b) e (c)"	Y; N; N/EL (b) e (c)"	Y; N; N/EL (b) e (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N		
A. TAXONOMY-ELIGIBLE ACTIVITIES	;																	
A.1. Environmentally sustainable act	tivities (Taxon	omy-aligned)																
Turnover of environmentally sustain activities (Taxonomy-aligned) (A.1)	nable	-	0%	0%	0%	0%	0%	0%	0%	Υ	Υ	Υ	Υ	Υ	Υ	Υ		
Of wl	nich Enabling	-	0%	0%	0%	0%	0%	0%	0%	Υ	Υ	Υ	Υ	Υ	Υ	Υ		
Of which	n Transitional		0%	0%						Υ	Υ	Υ	Υ	Υ	Υ	Υ		
A.2 Taxonomy-Eligible but not envir	onmentally su	ustainable activiti	es (not Taxono	omy-aligned ac	ctivities) (g)													
Activity 1 (e)	MAC 3.7	433,841,563 €	63%	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)									
Turnover of Taxonomy eligible but n environmentally sustainable activiti Taxonomy-aligned activities) (A.2)		433.841,563 €	63%	63%	0%	0%	0%	0%	0%									
A. Turnover of Taxonomy eligible ac (A.1 + A.2)	tivities	433,841,563 €	63%	63%	0%	0%	0%	0%	0%									
B. TAXONOMY-NON-ELIGIBLE ACTIV	VITIES																	

Capex of Taxonomynon-eligible activities (B)

Total (A + B)

15,006,000 €

61,300,000 €

24%

100%





**Tables** 

Table 2 - Capex

Financial year 2023		2023			Sub	stantial Co	ontribution	Criteria		DNSH criteria ('Does Not Significantly Harm') (h)							
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	
Text		Currency	%	Y; N; N/EL (b) e (c)	Y; N; N/EL (b) e (c)	Y; N; N/EL (b) e (c)"	Y; N; N/EL (b) e (c)"	Y; N; N/EL (b) e (c)"	Y; N; N/EL (b) e (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	
A. TAXONOMY-ELIGIBLE ACTIVITIES	;																
A.1. Environmentally sustainable act	ivities (Taxon	omy-aligned)															
Capex of environmentally sustainab (Taxonomy-aligned) (A.1)	ole activities	-	0%	0%	0%	0%	0%	0%	0%	Υ	Υ	Υ	Υ	Υ	Υ	Υ	
Of wh	nich Enabling	-	0%	0%	0%	0%	0%	0%	0%	Υ	Υ	Υ	Υ	Υ	Υ	Υ	
Of which	n Transitional		0%	0%						Υ	Υ	Υ	Υ	Υ	Υ	Υ	
A.2 Taxonomy-Eligible but not enviro	onmentally su	ıstainable activitie	es (not Taxono	omy-aligned ac	tivities) (g)												
Activity 1 (e)	MAC 3.7	46,294,000 €	76%	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)								
Capex of Taxonomy eligible but not environmentally sustainable activitic (not Taxonomy-aligned activities) (A	es	46,294,000 €	76%	76%	0%	0%	0%	0%	0%								
A. Capex of Taxonomy eligible activities (A.1 + A.2)		46,294,000 €	76%	76%	0%	0%	0%	0%	0%								
B. TAXONOMY-NON-ELIGIBLE ACTIV	/ITIES																



## **Tables**

Total (A + B)

48,260,431 €

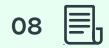
100%

Table 3 - OpEx

Financial year 2023		2023			Sub	stantial Co	ontribution	Criteria		DNSH criteria ('Does Not Significantly Harm') (h)							
Coo (a) ( Economic Activities (1)		Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	
Text		Currency	%	Y; N; N/EL (b) e (c)	Y; N; N/EL (b) e (c)	Y; N; N/EL (b) e (c)"	Y; N; N/EL (b) e (c)"	Y; N; N/EL (b) e (c)"	Y; N; N/EL (b) e (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	
A. TAXONOMY-ELIGIBLE ACTIVITIES																	
A.1. Environmentally sustainable activities	s (Taxono	omy-aligned)															
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	0%	0%	0%	0%	Υ	Υ	Υ	Υ	Υ	Υ	Υ	
Of which Er	nabling	-	0%	0%	0%	0%	0%	0%	0%	Υ	Υ	Υ	Υ	Υ	Υ	Υ	
Of which Trans	sitional		0%	0%						Υ	Υ	Υ	Υ	Υ	Υ	Υ	
A.2 Taxonomy-Eligible but not environmen	ntally su	stainable activitie	es (not Taxono	my-aligned ac	tivities) (g)												
Activity 1 (e) MA	AC 3.7	38,860,983 €	81%	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)								
Opex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		38,860,983 €	81%	81%	0%	0%	0%	0%	0%								
A.Opex of Taxonomy eligible activities (A.1 + A.2)		38,860,983 €	81%	81%	0%	0%	0%	0%	0%								
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																	
Opex of Taxonomynon-eligible activities (B)	3)	9,399,448 €	19%														











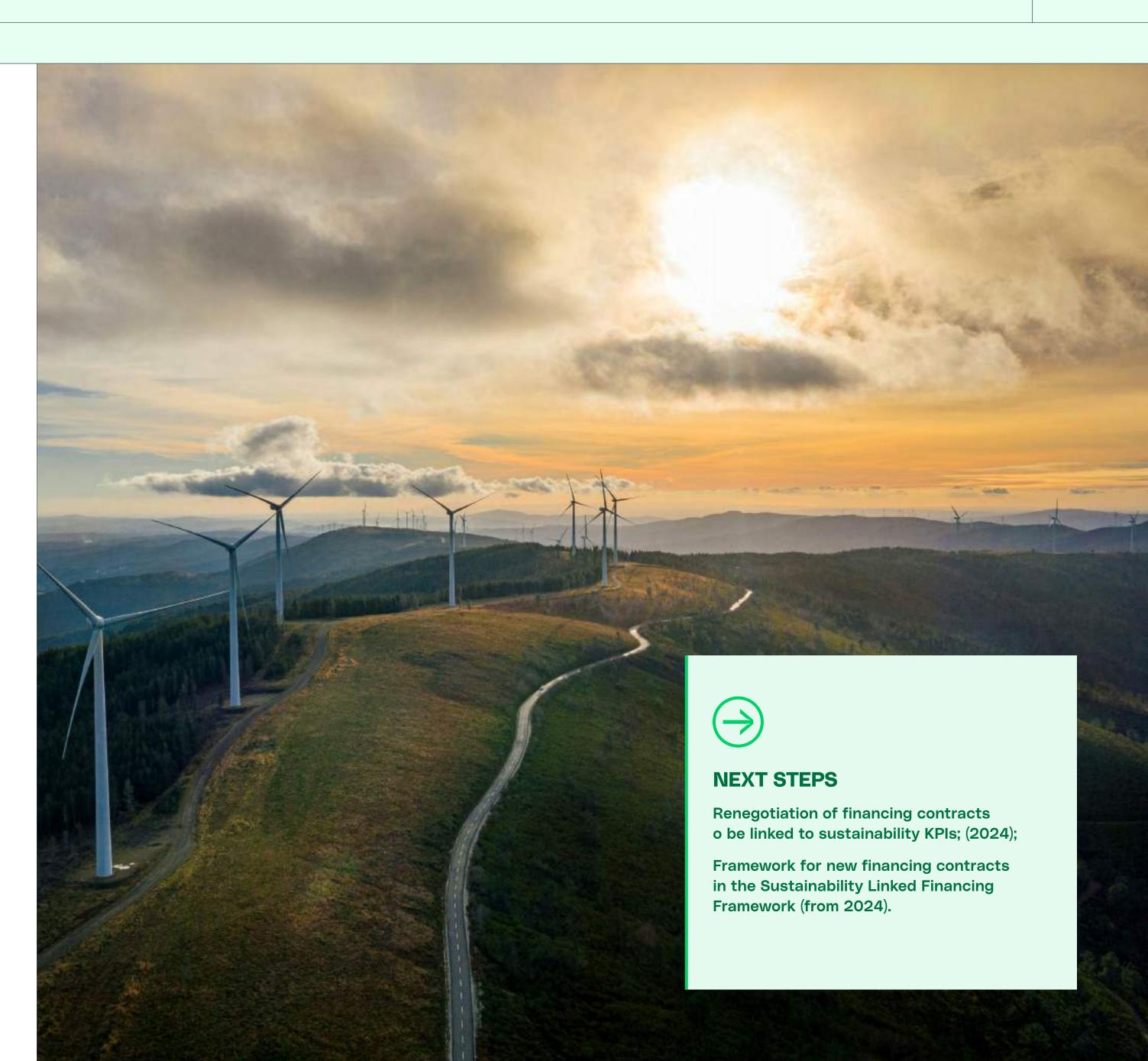


As part of Secil's strategy and its sustainability objectives, efforts are being made to continuously implement the European taxonomy, namely by developing the following activities:

Formulation of a Due Diligence Process in conjunction with the new directive on sustainability due diligence.

Application of the TCFD framework ("Task Force on Climate-Related Financial Disclosures") to support Secil in managing and disclosing risks and opportunities associated with climate change. This work will support the company in identifying physical climate risks and responding to the requirements of Appendix A of the Taxonomy Climate Delegated Act.

Continued implementation of projects related to sustainability, in particular the decarbonisation roadmap.

























**Strategic SDGs** 







At Secil, we have listed the main challenges we are facing through innovation and Product and Process development in our Mission: to be our customers' preferred supplier of materials.



At Secil, the aim is to guarantee customer satisfaction by providing an experience with a positive impact, whether by diversifying the offer, differentiating products from existing ones, or through functional and environmental performance, achieved through new solutions that will be recognised as innovative, while ensuring regulatory compliance.

## Innovation, Product and Process Development at Secil - Framework

Concrete is perceived today as a fundamental building material with great versatility, combining excellent technical performance with architectural beauty capable of giving colour, texture and shape to ideas.

The battle for the product's architectural framework was won thanks to the joint efforts of architecture, engineering, developers and manufacturers to exploit the potential of concrete. Here, Secil's innovation played an important role in supporting development, which resulted in the physical testimony of the works built for common enjoyment.

Secil is aware that there is much to explore in this area and that in the coming years it will certainly continue to find new solutions that are better adapted to the environment, more biogenetically compatible and more surprising from an aesthetic point of view. Product diversification in this area is a strategy that will continue to be pursued. 06



08



Another important aspect of material development is functional and technological performance. Concrete currently provides a resistant, durable and affordable construction, but it needs to constantly adapt to new technologies in order to maintain its position in the more technological and demanding future of construction. In fact, the development of new capacities that can ensure its continuity as one of the materials of choice in construction may be linked:

- Sensorisation, achieved through the installation of sensor and actuator systems;
- Energy storage;
- The harnessing and active management of various forms of energy;
- Interface and storage of information, protected from environmental aggressions and radiation.

## **Our History of Innovation**

Concrete's potential beyond its structural function; Concrete in plain in sight, with colour, textures, bold shapes

Concrete in the future in a digitalised world





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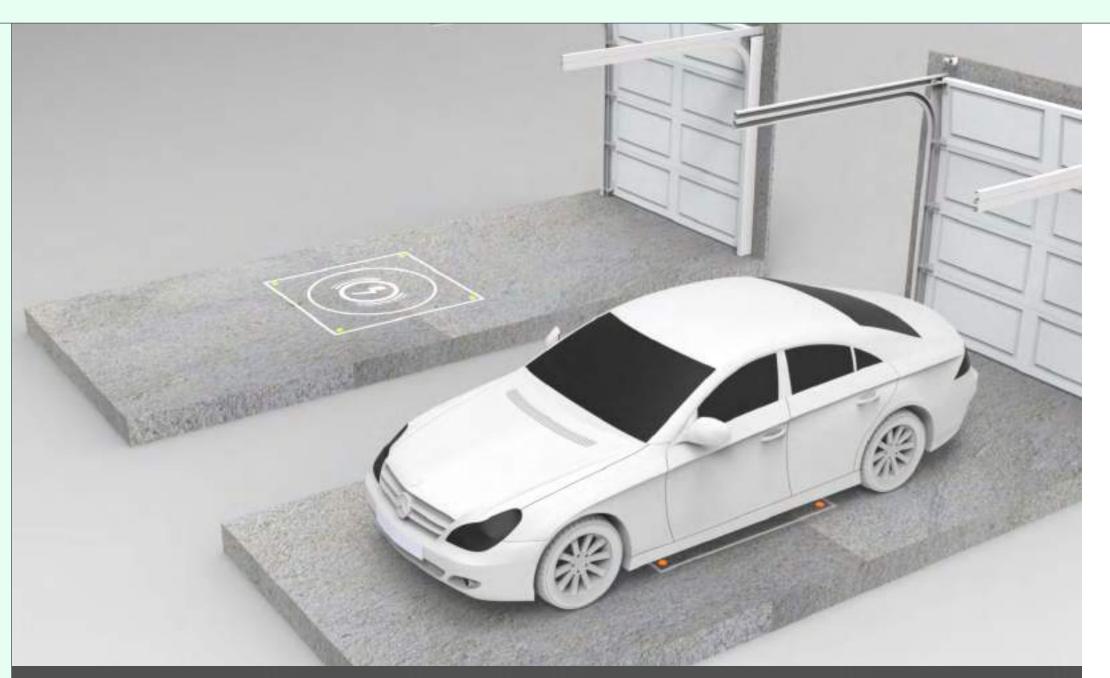
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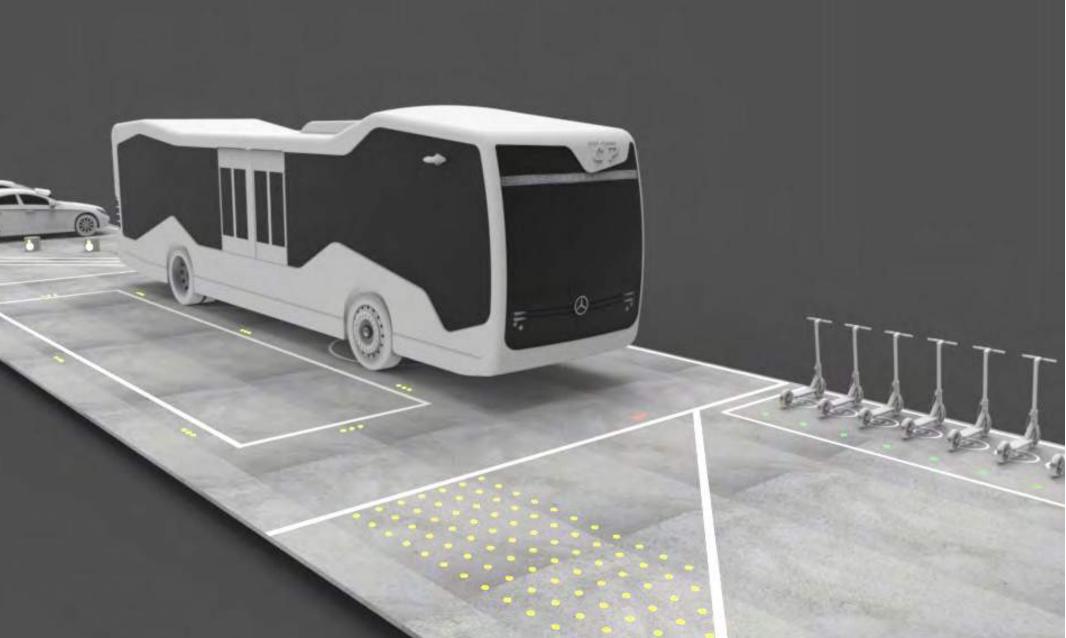


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Although there are several challenges in the area of sustainability, the biggest one is the need to decarbonise the product. In today's climate change scenario, it is essential that the manufacture of concrete allows for a significant reduction in environmental impacts in order to increase the positive balance of its benefits.

It is essential for our survival and that of the product itself that this decarbonisation process is aligned with the goals and objectives of decarbonisation and circularity.

The decarbonisation process is based on an innovation plan that includes a number of technological projects and investments, since most of the technologies in focus need a greater R&D effort on the part of companies, so that they can move from the laboratory to the production phase.

Bearing in mind that both decarbonisation and the circularity of concrete will only be achieved if a concerted effort is made along the entire value chain, innovation at Secil, like its Roadmap, is based on projects spread throughout its value chain. Cembureau 's 5 C's methodology (Clinker, Cement, Concrete, Construction, re-Carbonation) underpins the process (see below).

The interconnection and impact of mitigating measures throughout the chain implies investment not only in RDI - Research, Development and Innovation - but also in resources, with the ultimate goal of achieving a carbon-free, circular, safe, durable, comfortable, energyefficient and well-integrated building from a landscape point of view.

In terms of circularity, we recognise two main strands:

- The circularity of materials, as a major contribution to saving non-renewable resources such as raw materials; and
- The circularity of CO<sub>2</sub>, which can be reused in Secil's own value chain, as shown in the image above.

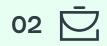
## **National Sustainability Award**

In April 2023, Secil won the business newspaper's national sustainability award, in the sustainable mobility category, with the Becharge innovation project for induction charging of electric vehicles directly in concrete.







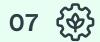












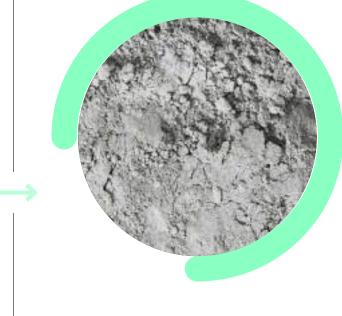


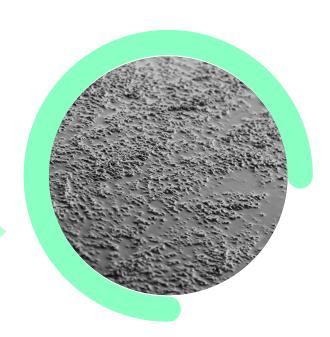




## The 5C's Our Decarbonisation Roadmap: Contribution of Innovation Projects













## Clinker

**Energy Efficiency** 

Abolition of Fossil Fuels/ Hydrogen

CCUS-Capture, Utilisation and Geological Stockpilingof Carbon



## Cement

New additions

Clinker contente reduction/low carbon cement production



## Concrete

Cement dosage reduction/Machine Learning

Geopolymers

Use of low carbon cements



## (Re) Carbonation

Buildings natural carbonation

Forced Recarbonation on fresh concrete

Forced Recarbonation on recycled aggregates



## Construction

Modular construction

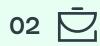
CDWs recycling

3D printing

PARTNERSHIPS FOR A NEW FUTURE

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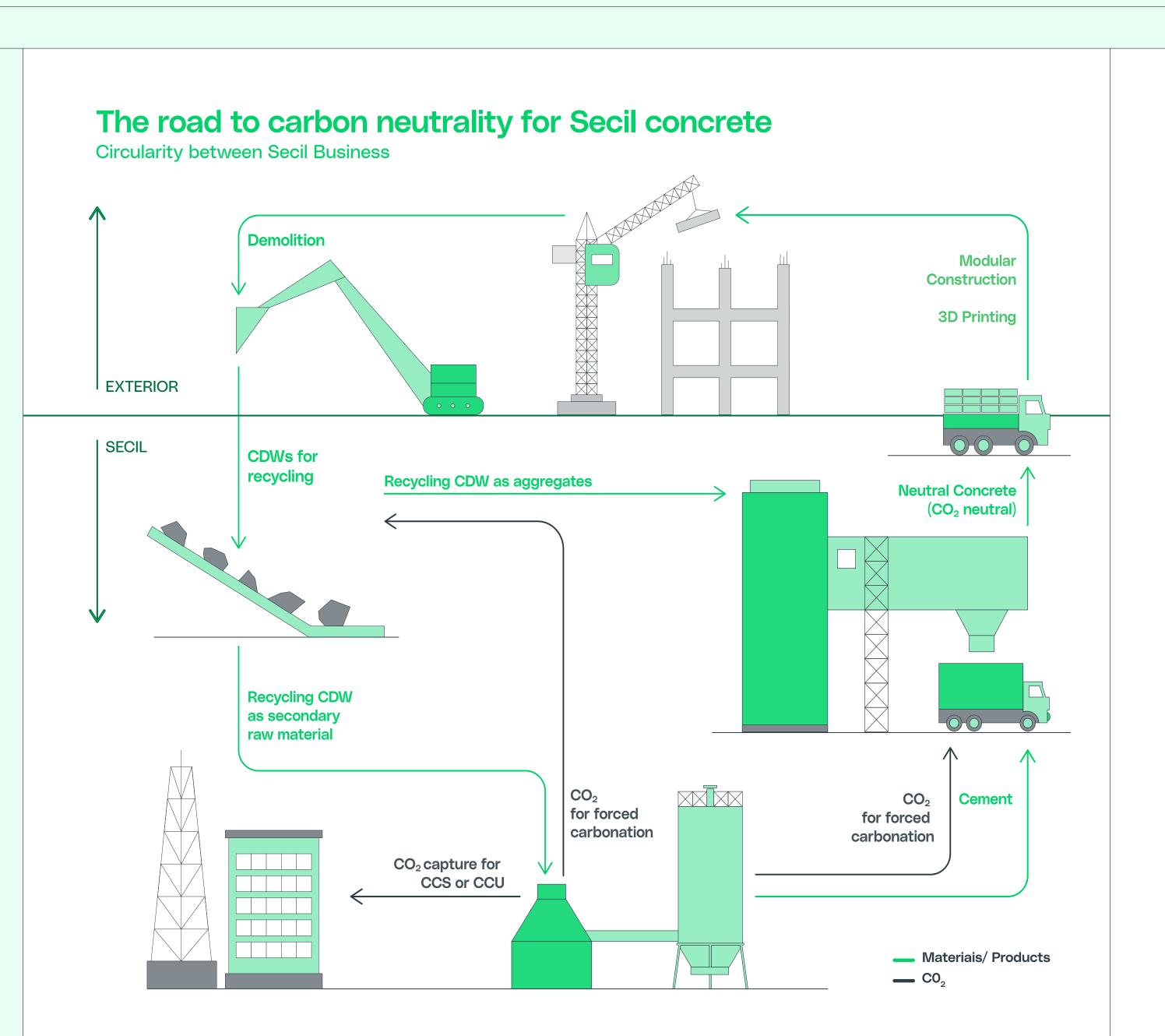












This development implies establishing partnerships with Secil's main stakeholders and with important R&D partners who support this development.

## Innovation partnerships established

Among the various partnerships established by Secil in the field of Innovation, the following stand out:

- PTPC (Portuguese Construction Technology Platform): Since its formation, Secil has been a member of PTCP, a collaborative initiative whose mission is development and innovation. Secil participates in organising activities and is a member of the strategic council;
- Innovandi: Secil integrates the INNOVANDI Consortium, a global research network of the GCCA, which brings together cement and concrete producing companies, suppliers of additives, technology and equipment and the world's most renowned universities;
- C5Lab: Secil's participation as a founding member of C5Lab- Clinker x Cement x Concrete x Construction x Climate Lab, a collaborative laboratory that aims to develop solutions to decarbonise the Portuguese cement sector. This laboratory played a crucial role in the publication of the Environmental Product Declaration (EPD) for Portuguese grey cement, highlighting its commitment to sustainability in the cement industry. This pioneering initiative not only provides a detailed analysis of the environmental impact of cement throughout its life cycle, but also promotes the use of by-products, such as ash from thermal power stations, in cement production. The integration of these materials makes a significant contribution to reducing the use of virgin natural resources and reducing waste production, in line with the principles of the circular economy and reinforcing Portuguese industry's position as a leader in sustainable practices;
- Build-Colab: Secil is a founding member of Build-Colab, the Collaborative Laboratory for the Built Environment of the Future;
- Sustainable Habitat Cluster: Secil is a member of the Sustainable Habitat Cluster, recognised by the Portuguese government as a consolidated competitiveness cluster.







Secil's Innovation plan is structured with development projects, integrated into the 5C's:

- Construction: At this stage, projects such as construction by 3D printing and the development of sustainable cementitious materials for printing are in the development phase, through projects such as Low C-Bionic, or the Modular Construction project already in the implementation phase.
- Concrete: In concrete production, in line with the goal of reducing the carbon footprint, two projects stand out. One focuses on the recycling and reuse of CDW (Construction and Demolition Waste), which Secil wants to promote in the short term and is already recycling some of these materials. Another of the projects aims to optimise concrete compositions using Machine Learning processes, which will enable a reduction in cement consumption, associated with the use of recycled

The figure above shows a summary of what Secil sees in terms of its innovation strategy for the decarbonisation of clinker and the cement process in several steps, with different stages of development and a forecast for their implementation.

aggregates, adjuvants with increased performance and the use of lower carbon cements. consumo de cimento, associado à utilização de agregados reciclados, adjuvantes de performances aumentadas e à utilização de cimentos de mais baixo carbono.

- Carbonation: By promoting and accelerating the carbonation effect of concrete, CO2 can be permanently fixed in a structure, improving the material's properties. Secil is currently committed to harnessing this potential through carbonation projects for fresh and hardened concrete, particularly in recycled aggregates.
- Cement: In its production, initiatives that lead to a reduction in the clinker factor have an important impact on the decarbonisation of cement. With the new European standardisation, it is now possible to produce cements with smaller quantities of clinker. This process of optimising the incorporation of clinker leads to the development of new cementitious materials such as calcined clays 
  Chap. 3.4.2.2. Secil has innovation projects underway in this area in order to prepare the industrial infrastructure for the production of these new materials and new low-carbon cements. Also underway in cement production are grinding optimisation projects with new techniques and processes that lead to a significant increase in fineness and consequent increase in reactivity, with an expected impact on energy efficiency and productivity.
- Clinker: Clinker production is currently one of the main targets of Secil's innovation and development projects. Improving energy efficiency in these processes, combined with abandoning fossil fuels, is undoubtedly on the horizon for Secil's short and medium-term decarbonisation projects. Increasing the consumption of alternative fuels and replacing petcoke with green H<sub>2</sub>, for example, are innovation projects that Secil is very focused on and which

can certainly have an important impact on this decarbonisation process. In this context, Secil's partnership in the development of the European project *retrofeed*, **Chap. 3.4.2.2**, recognised as a European Union Flag Project and presented at the side events at COP 28 Chap. 3.4.2.2.

Innovation projects that bring together various technologies, such as CCL - Clean Cement Line, which is currently in the final stages of implementation at the Outão plant > Chap. 3.4.2.2, are projects that Secil continues to develop and add value to for implementation at other units, such as the Maceira-Liz plant.

Still on Secil's innovation roadmap, and in order to achieve the much-desired carbon neutrality in cement, it will be necessary to reach a second, more disruptive phase of this process, which involves the capture, utilisation or storage of CO<sub>2</sub>. This final stage of the decarbonisation process is based on new technologies under development, some of which are still in their preliminary stages, namely technologies related to the process of capturing, pressurising and transporting CO<sub>2</sub>. Geological storage of CO<sub>2</sub> also still requires a lot of development and investment in terms of creating the necessary infrastructure.

The figure above shows a summary of what Secil sees in terms of its innovation strategy for the decarbonisation of clinker and the cement process in several steps, with different stages of development and a forecast for their implementation.

In terms of organisational innovation, Secil continues to focus on offering customers innovative services, with projects of commercial excellence, as well as continuously improving its organisational processes,

supported by a vast digitalisation programme, currently under implementation.

Secil has endeavoured to create a culture that values innovation and the creation of groundbreaking ideas, promoting creativity in everyone and the continuous search for the best solutions for the company in its various areas of operation. The generation of ideas has become increasingly organic in the day-to-day lives of all employees.

To this end, the ideas management platform open to the entire organisation operating in Portugal was launched, whose SoftExpert Suite software modules were developed in 2022 (see **3** Sustainability Report 2022). aims to create a more stimulating environment for innovation for all employees.

## Ideas management module

The idea management platform will allow ideas to be registered, processed and monitored by the state, in a transparent process for everyone.

Through this platform, all employees now have a space where their ideas are considered in building the future of Secil, as a company and as an active member of society.

In the same environment there will be indicators and monitoring of projects that could become Ambition 2025 projects.

SECIL ANNUAL REPORT \_\_\_\_ 2023 PARTNERSHIPS FOR A NEW FUTURE







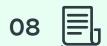








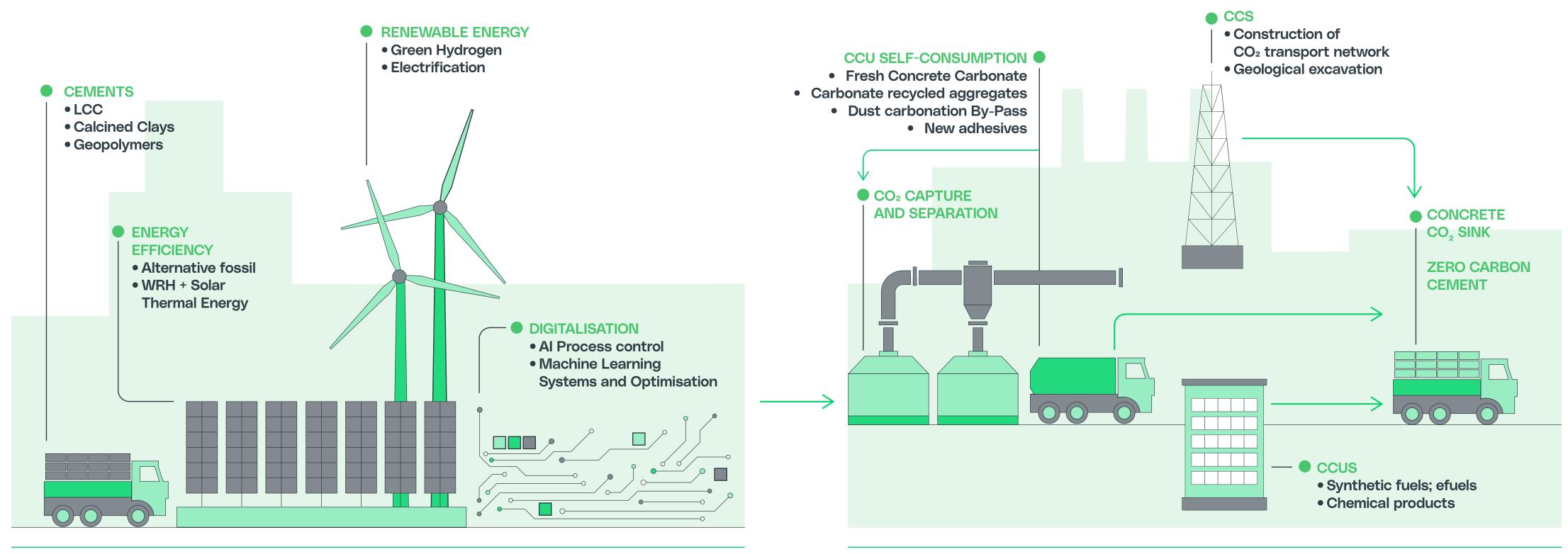








# Strategic vision of Secil innovation for the decarbonization of clinker and the cement process



2020 - 2030

Post 2030

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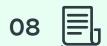
















## 3.4.2.1 New Products

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The use of cementitious materials and the development of new products incorporating these materials poses a number of challenges, including those of an industrial nature, due to the need to process and use materials that are likely to come from very different origins, with very different characteristics and types, relatively heterogeneous, often with high humidity and therefore difficult to handle.



## **New cements - Portugal**

There is relative consensus that one of the ways to decarbonise the cements commonly used in various construction and engineering activities will be to use natural or artificial cementitious materials, partially replacing Portland clinker, the main constituent of these cements and also the main culprit in the environmental impacts attributed to them. To this end, between the end of 2021 and the middle of 2022, studies and tests were carried out in a laboratory environment on new composite Portland cements incorporating fly ash and boiler bottom ash (cementitious).

In mid-2022, production and industrial use of a new cement began, with the technicalnormative designation of CEM II/B-M (V-L) 42.5 R composite Portland cement. This cement has been certified and bears the CE marking.

During 2023, the new cement was used in the production of ready-mix concrete at some of Secil Betão's production facilities, monitoring the quality of the cement and concrete produced in a real environment, identifying and adapting products and production processes, defining production control

parameters, always ensuring compliance with standards and regulations and, above all, verifying or anticipating the expectations of future users.

The use of cementitious materials and the development of new products incorporating these materials poses a number of challenges, including those of an industrial nature, due to the need to process and use materials that are likely to come from very different origins, with very different characteristics and types, relatively heterogeneous, often with high humidity and therefore difficult to handle.

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Thus, during 2023 the bottlenecks and needs for industrial development in the cement plants were identified, in order to overcome the problems that were noted and anticipated.

2023

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By 2024, the aim is to find economically and technically viable solutions to scale up production of the new cement. However, the roadmap accepted by Secil for reducing the carbon footprint of its cements, and consequently of the concrete and mortars produced with them, will require the development and market introduction of other products. It will therefore be necessary to design and implement medium-long term industrial solutions, which will continue until at least 2025 and 2026. As for the introduction of new cements onto the market, this will have to be preceded by laboratory and industrial tests, carried out slowly and in stages to ensure the transition from ingrained habits of using current cements and the adaptation to other and new cements.

## Recycled aggregates

By definition, an aggregate is a granular material used in construction, which can be of natural, artificial or recycled origin.

- Natural aggregate, mostly produced in quarries, is an aggregate of mineral origin that has only been mechanically processed. It results from the extraction of natural raw materials, rocks of various geological types such as limestone, granite, basalt, shale, among others.
- · Artificial aggregate is also of mineral origin, but is the result of an industrial, non-mechanical process, such as thermal or other modifications, to alter one or more properties.

 Recycled aggregate is aggregate that can be used in construction, but which results from the processing of inorganic materials previously used in construction. These inorganic materials can come from a wide variety of sources, from concrete, mortar, unbound aggregates, clay masonry elements such as bricks, tiles, glass and others. Its source varies, as do its properties.

Due to the fact that the majority of CDW with high potential for recycling and material valorisation as aggregate is not completely separated on site, its preferred destination is landfill. Quarries that may be licensed to receive this waste usually use it for landscape restoration and do not valorise it as top quality material. In some cases, and with little expression in Portugal, they are used as recycled aggregates, but in less demanding applications such as tout-venants for use in sub-base layers.

SECIL's recycled aggregates project is still at a very early stage, in line with what is being done in Portugal. There is already a degree of knowledge of best practice in terms of the technology needed to guarantee the satisfactory quality of these materials, but it is still being analysed, particularly in terms of the status quo of the domestic market, identification of the main players, material flows, locations of construction sites and landfills, as well as possible partnerships, in order to increase volumes of materials that justify the economic, environmental and sustainability viability of the project, partly promoting the circular economy.

At the moment, although there is already data that makes the partial use of recycled aggregates technically feasible, there are several barriers that prevent its global application:

 Insufficient tax incentives in public tenders for the use of recycled aggregates;

- Low sales prices for natural aggregate;
- Low landfill costs;
- Lack of encouragement for the use of recycled aggregates from designers for subsequent requirement in the specifications for major public and private works;
- Distance from recycling plants (which affects) the possible environmental and economic advantages of using recycled materials);
- Poor user perception of the quality of recycled aggregates;
- Unproven / uncertified environmental benefits;
- Few standards, history and application guidelines.

Secil believes that by overcoming some of these barriers, Secil Aggregates should be prepared to process these materials and incorporate them into its natural aggregates. In the short term, it is possible that the use of recycled material in concrete, bituminous mixtures and construction works will be mandated, so the strategy will be to encourage an increase in the volume of CDW that justifies sorting and processing operations (crushing and classification), with identification of investment needs and logistical optimisation of material flows aimed at economic benefit or reducing the carbon footprint, from the perspective of life cycle analysis.



→ Highlighted Corporate Initiatives

## Carbonation of fresh concrete

Secil is carrying out a laboratory-scale project on the carbonation of fresh concrete, which consists of injecting CO2 into the concrete mixing and production process. Once injected, the CO<sub>2</sub> is chemically converted into a mineral in the structure of the concrete, "stored" in its structure and eliminated, only being released into the atmosphere again if the concrete is subjected to very high temperatures.

Mineralised CO<sub>2</sub> can also increase the mechanical resistance of concrete, which will make it possible to reduce the amount of binder (cement) in compositions while maintaining performance.

This is a win-win solution, as it permanently eliminates captured CO<sub>2</sub>, as well as reducing the carbon intensity of concrete, due to the reduction in the amount of cement required.

In 2023, laboratory and industrial tests were carried out with CO2 injection in the fresh concrete production phase.

3.4.2

**Innovation** 

3.4.2.2 Projects in Progress

 Projeto Retrofeed – Smart Retroffiting in Process Industry;

they will be detailed, namely:

- Project Mobiliser Batteries 2030 batteries as a central element for urban sustainability;
- LowC-Bionic low carbon concrete organic shape structures produced with 3D printers.



## Project Retrofeed – Smart Retrofitting in Process Industry

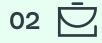
This was a Horizon 2020 project (2019-2023) across several industrial sectors, with the aim of promoting the use of raw materials and fuels of biological origin in industrial processes, in a circular economy logic, by modernising the main equipment and implementing an advanced monitoring and control system. This approach has been developed and demonstrated in industrial facilities representing five sectors with high consumption of natural resources and energy: cement, steel, aluminium, ceramics and agrochemicals.

The consortium, made up of 18 organisations from 10 different countries, with SECIL as the sole representative of the cement sector, had the following specific objectives:

- Improving environmental performance by increasing the rate at which fossil fuels are replaced by alternative fuels, and consequently reducing CO<sub>2</sub> emissions;
- Improved knowledge and control of the clinker production process and the characteristics of the fuels used, with improved energy efficiency and use of resources.





















The project was carried out in furnace 6 at the Maceira-Liz plant and included the following phases:

- Development of the digital model of the clinker kiln - digital twin;
- Construction of a prototype burner on a pilot scale and testing with different fuels and firing conditions;
- Definition of the main burner design, considering a new secondary burner (satellite burner) and adaptation for hydrogen firing;
- Definition and development of new sensors to improve process control;
- Industrial tests to evaluate modifications to the main burner and new sensors.



## → Main Initiatives Developed in 2023

Below are several initiatives related to new Secil projects during 2023.

## Industrial testing and presentation of the Retrofeed project as an EU Flag Event at COP 28

In September 2023, an industrial test took place, which demonstrated that the modifications made to the kiln's main burner, as well as the new sensors, make it possible to increase the rate of use of alternative fuels, with a consequent reduction in CO<sub>2</sub> emissions associated with fossil fuels, without impacting on other atmospheric emissions, the quality of the clinker produced or other important operating parameters.

The project also made it possible to conclude on the technical possibility of using 100% hydrogen as fuel in a clinker kiln, using CFD (Computational Fluid Dynamics) modelling. However, validating these results will require laboratory and pilot-scale tests.

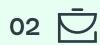
The work carried out by SECIL and the promising conclusions were recognised as a Flag Project of the European Union and presented at the side events of the European Union, at the Climate Action Innovation Zone COP 28, "Energy-intensive industries: Innovative Technologies Toward Climate Neutrality, following an invitation from the RETROFEED Project Officer. The event took place in Dubai between 30 November and 12 December.



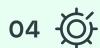
The project also made it possible to conclude on the technical possibility of using 100% hydrogen as fuel in a clinker kiln, using CFD (Computational Fluid Dynamics) modelling. However.























## Project Mobiliser Batteries 2030 - batteries as a central element for urban sustainability

The project Batteries 2030 (2020-2023), financed by the Portugal 2020 programme and involving a total of 14 companies and nine national scientific institutions, and coordinated by DSTsolar, aims to contribute to the development of technologies applied to the batteries of the future and their transfer to the urban environment.

It is based on creating solutions that are radical, reliable, sustainable, easily scalable, can be integrated throughout the value chain and are accessible to the consumer. It thus seeks to address the challenges related to decarbonisation and the spread of sustainable energy communities, with a view to shaping the cities of the future. The success of the project depends on the synergies between the different partners that make up the project and their know-how. After studying the most suitable technologies, developing them and adapting them to the material, proofs of concept were drawn up and integrator prototypes for capturing thermal energy in concrete were produced.

During 2023, SECIL participated in the development of different micro-generation energy systems and their integration into modular concrete structures, testing three technologies:

- piezoelectric systems;
- thermoelectric systems;
- dielectric elastometer systems.

The thermoelectric system, which showed the best results, was the technology that generated an electricity-generating prototype.

In 2022, the project presented a poster at the "Summer School Materials for Energy Transition".

In 2023, together with partner CENTI, a floor model with micro-generation was developed and installed in the Living Lab at the GNRation building in Braga. The project had a closing ceremony where all the projects developed in the various PPS (Products, Processes or Services) were presented.



## LowC-Bionic: low carbon concrete organic shape structures produced with 3D printers

O LowC-Bionic (2021-2023), led by Secil in partnership with Instituto Superior Técnico and Instituto Politécnico de Leiria, aims to develop an emerging technology for the creation of organic-shaped structures in low-carbon concrete, produced with 3D printers. This challenge involves the development of an advanced cement-based material that can be used in three-dimensional printing equipment. The aim of this project is to optimise the following aspects:

Rheology (study of the deformation and movement of materials) and properties of cement-based, multifunctional coloured and sustainable low-carbon materials:

Typology, through computational processes, for the design of structures with three-dimensional organic form inspired by Nature.

Obtaining bionic structures printed on low carbon footprint concretes or micro concretes, capable of reacting to the humidity of the environment through reversible chromatic changes. The structures are expected to enable interactivity through embedded sensing, communicating with centralised systems and generating monitorable and recordable data in the form of Big Data - which is a distinctive innovation in the construction sector as it presents a disruption to the international state of the art.

In terms of the results achieved, it was possible to obtain a low-carbon commercial mortar for printing structural and architectural elements on concrete 3D printers, thus developing a new product that is innovative on the market and that prepares SECIL for a new area in the field of construction materials (industrialisation of construction).

It was also possible to take the first steps towards the development of new products, innovative on the market, which allow structural elements to be made with the possibility of colour adjustment, the incorporation of technology such as concrete soundproofing and the use of new materials such as thermochromic and luminescent pigmentation.

In terms of the results achieved, it was possible to obtain a low-carbon commercial mortar for printing structural and architectural elements on concrete 3D printers.

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Sustainability performance

## Secil trained with 3D printing equipment

In 2023 the results were presented at CEES2023 - International Conference - Construction, Energy Environment & Sustainability. The project enabled SECIL to use 3D printing equipment to test the mortars produced and to develop products with a low carbon footprint

## Clean Cement Line (CCL) CCL Secil Outão - Closure

During 2023, the Clean Cement Line (CCL) project underwent major developments that brought it closer to its final phase. This ambitious undertaking, funded by an investment of Euro 86 million in significant technological innovations, has culminated in the production of 16 international articles and the obtaining of nine European patents, demonstrating the substantial impact and relevance of the technologies developed.

Key innovations include:

- The redesign of the Pre-Calcining Line and Tower, which introduced a revolutionary pre-calciner concept, allowing the exclusive use of non-fossil fuels. This pioneering change not only innovated in clinker production, but also made a significant contribution to reducing CO<sub>2</sub> emissions.
- The implementation of Prepol®, a piece of equipment integrated into the pre-calcining system, was essential to improve the combustion of low-quality CDRs, resulting in the production of high-quality clinker and a reduction in CO<sub>2</sub> emissions;
- The use of infrared thermography and automation, including the use of drones for thermographic inspections, together with significant advances in the automation of production systems, has ensured robust performance and reduced the likelihood of failures;
- The integration of digital technologies also played a crucial role in the project's success. The implementation of Industry 4.0 solutions, including advanced data analysis and Machine Learning

algorithms, has transformed the plant's operation, making it more efficient and sustainable. This technological integration has made it possible to optimise processes in real time, predict maintenance needs before failures occur and manage the plant's energy efficiency more effectively. The use of artificial intelligence and digital technologies has not only reduced energy consumption and greenhouse gas emissions, but has also increased the reliability and lifespan of equipment, setting a new standard for future operations in the industry.

The design of a new technology such as a pulsed hydrogen burner makes it possible to improve combustion efficiency and reduce emissions. This technology led to a European patent for the design of a new burner. This innovation represents a milestone in the search for cleaner and more energy-efficient solutions, underlining Secil's commitment to reducing the environmental impact of cement production.

Academic collaborations were fundamental to the project's success, resulting in seven master's theses carried out jointly with the Instituto Superior Técnico. These theses covered various areas of research related to the project, from the development of new materials to the optimisation of processes, reinforcing Secil's commitment to education, research and the retention of talent, particularly PhDs. These collaborations not only enriched the project with new perspectives and knowledge, but also provided a valuable platform for the next generation of engineers, some of whom are already part of Secil's staff, contributing to a more sustainable company and enriching the cement industry.

























The CCL Maceira project represents an essential milestone in the decarbonisation of cement production at Secil's Maceira-Liz plant and reinforces its commitment to innovation and sustainability.

Its primary purpose is to abolish the use of fossil fuels and boost energy efficiency, with a reduction in GHG (Greenhouse Gas) emissions. This promotes the use of clean energies and moves towards low-carbon clinker.

It fits into Secil's carbon neutrality roadmap, adopting the 5 C's methodology to calculate decarbonisation potential, with a direct impact on the first C (Clinker) of this value chain.

This project proposes various technological development initiatives in the cement production process at the Maceira-Liz plant to significantly reduce greenhouse gas (GHG) emissions. These include adapting the clinker production line to use green hydrogen as a substitute for fossil fuels, increasing the use of alternative fuels and improving energy efficiency, including the reuse of process heat. It also aims to advance the development of a low carbon clinker with greater addition of silica-alumina materials, with latent pozzolanicity, in the final phase of the clinker production process.

The central focus of the project is clinker production, covering the entire pyrotechnical process from the preheater to the clinker cooler. By converting the clinkerisation line in Furnace 6 and shutting down production in Furnace 5, this project aims to:

- Significantly reduce the use of fossil fuels by introducing a neutral fuel (green hydrogen) and increasing the use of alternative fuels to 90%, which would mean reducing the use of fossil fuels to close to zero.
- Reduce the specific consumption of electrical and thermal energy in clinker production by optimising and redesigning the production line, with estimated reductions of 16% and 10% respectively after the project is fully implemented.
- Reduce global CO<sub>2</sub> emissions (direct and indirect) by around 30%, thanks to the elimination of fossil fuels, improvements in energy efficiency and the production of a Low Carbon Clinker.

These objectives are supported by five measures identified for the decarbonisation of the facility, covering the adoption of low-carbon technologies, energy efficiency measures in industry and the incorporation of renewable energy.

By the end of 2023, the CCL Maceira project had reached significant milestones in its pre-implementation phase. The final revision of the technical proposals and the preliminary engineering project is being finalised. Suppliers have also been short-listed, pending confirmation of the investment amount. In addition, a Technical Audit carried out by VDZ Technology gGmbH validated the project's assumptions, technical solution and performance indicators.

A final decision on the realisation of the project is expected in 2024. If the decision is positive, the project must start. Once this decision is made, the active phase of the project is expected to begin, with an estimated duration from the signing of the contract to the start of clinker production of around 2.5 years.

## Calcined clays in cement production: **Towards a Sustainable Cementitious Material**

One of the recent and promising innovations in the search for more sustainable cementitious materials is the incorporation of calcined clays into the cement manufacturing process. Calcined clays, resulting from the heat treatment of clays at moderate temperatures, have shown significant potential as a viable substitute for part of the clinker in cement production.

Partially replacing clinker with calcined clays not only reduces the amount of clinker needed, it also reduces the CO<sub>2</sub> emissions associated with cement production. This substitution can take place in different proportions, and studies have shown that substantial levels of emissions reduction can be achieved without compromising the quality of the end product.

As well as helping to reduce CO<sub>2</sub> emissions, the inclusion of calcined clays in cement production offers significant advantages for the characteristics of concrete. The presence of these clays gives concrete pozzolanic properties, improving its durability, resistance to chemical attack and permeability, as well as potentially increasing its compressive strength over time.

Calcined clays have this pozzolanic reactivity, which means that when combined with calcium hydroxide in the presence of water, they form compounds with cementitious properties. This reaction helps to form additional bonds in the concrete matrix, improving its cohesion and contributing to a more resilient and long-lasting material.

Continued research and development efforts aimed at optimising the use of calcined clays in cement production are crucial to ensuring that this alternative becomes an integral and viable part of the cement industry. This requires careful assessment of the characteristics of the clays, optimisation of the calcination and colour control processes, and determination of the ideal proportions for clinker substitution.

In this context, and taking advantage of the opportunity created both by the current idle capacity of the grey clinker production line at SECIL's Cibra-Pataias plant and by the availability of clay reserves, the project to produce calcined clays on this line seeks to effectively exploit and integrate calcined clays as a fundamental part of the cement production process.

The project is part of SECIL's carbon neutrality roadmap, which adopts the 5 C's methodology to calculate the decarbonisation potential along the cement and concrete value chain, with a direct impact on the second C (Cement).

The scope of the project centres on the Line 3 pyrotechnic process and, upstream and downstream, the product storage, dosing and transport systems.

The changes in the technological process include the introduction of alternative fuels together with petroleum coke in a new combustion unit, the Gasifier, and cooling and colour control using water injection in the cooler.





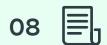
















By the end of 2023, the preliminary engineering project had been developed on the basis of the industrial tests carried out in 2022, studies had begun to define the proposed Air Emission Limit Values and the market consultation process had begun.

For 2024, the aim is to complete the activities started in 2023, confirm the investment and operating cost

figures, and make the final decision on whether to carry out the project.

This project will enable the production of LC₃ cements: Limestone Calcined Clay Cement, at the Maceira-Liz and Outão plants, to achieve SECIL's carbon neutrality roadmap target of incorporating 65% clinker in cement production by 2030.

A significant reduction in CO<sub>2</sub> emissions from cement production is expected between 2020 and 2030: 95.0 kgCO<sub>2</sub>/tcim in Outão and 83.4 kgCO<sub>2</sub>/tcim in Maceira-Liz, thanks to the reduction in clinker incorporation with the production of the new LC<sub>3</sub> family cements.

Gasifier

Alternative fuels

## Overview of the Calcined Clay Manufacturing Process at Cibra-Pataias Plant





## **NEXT STEPS**

RDI system (research, development and innovation) - Training for employees in idea management flows (2024);

Continued production of new cement, with a reduced carbon footprint (2024-2026);

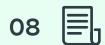
Continuation of Research and Development activities in order to validate fresh concrete carbonation technology (2024);

Decision-making regarding the realisation of the Maceira-Liz CCL project (2024);

Completion of the activities started in 2023 under the "Calcined clays in cement production" project and assessment of the project's viability decision (2024).











**Commercial Relations** 

3.4.3.1 Product Quality and Safety

**Strategic SDGs** 





**Relevant SDGs** 



Secil manages its products with great importance attached to their quality and safety, endeavouring to guarantee traceability, including the responsible purchase of components.





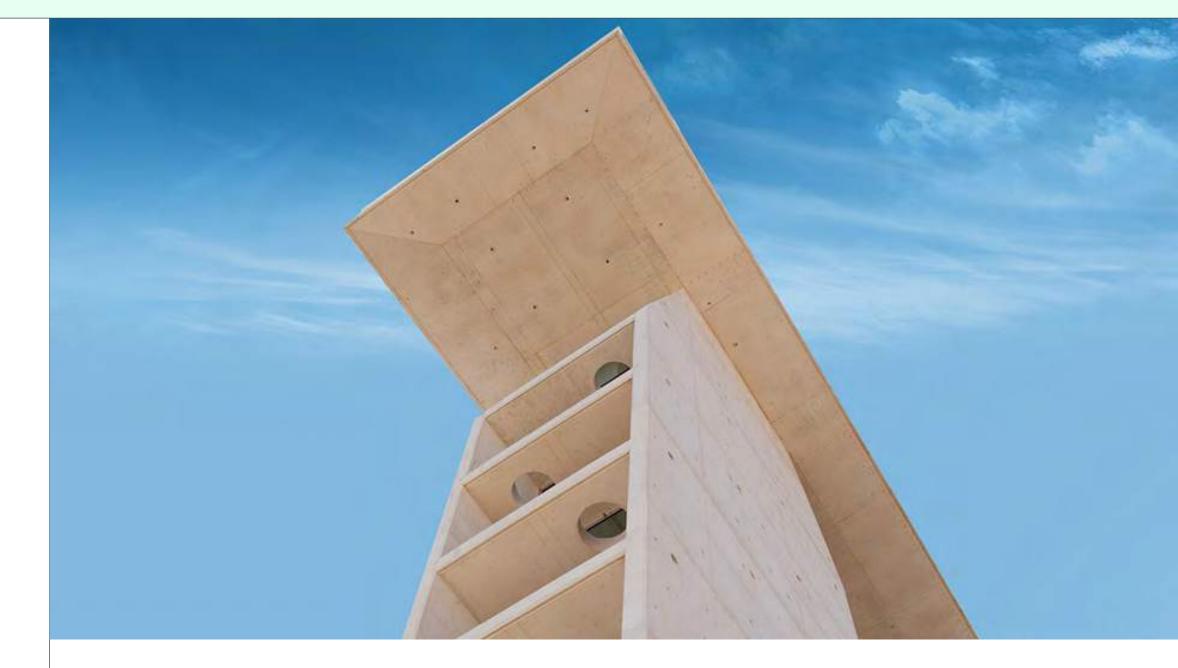


· Clinker factor of 65% in Portugal and 73% in other geographies



## Our impacts

· 78.8% clinker factor



The production and commercialisation of Portland cement is the origin and still the most significant activity in the various countries where Secil is present. Its presence in the building materials sector has not been limited to cements, but also includes the production and commercialisation of hydraulic lime, ready-mixed concrete and prefabricated concrete, dry industrial mortars and the exploitation of natural aggregates.

The concern for Product Safety and Quality is reflected in the Quality, Environment, Health and Safety Policy, where the commitment is made to guarantee, in a reliable and systematic way, the level of quality of products, services and solutions required by its clients and other stakeholders, through the organisation of processes and the technical training of Employees.

With regard to the production and marketing of Portland cements, Secil offers a range of different types and classes of grey and white cements. These are subject to permanent quality control from the production stage to dispatch and self-monitoring tests to ensure compliance with the requirements and standards applicable in each location. In Europe, the CE marking of products is guaranteed under the Construction Products Regulation, using, where applicable, notified bodies to assess and verify the regularity of the performance of the products it places on the market. In Portugal and Tunisia, cement production has its quality management system certified according to local reference standards.





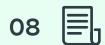






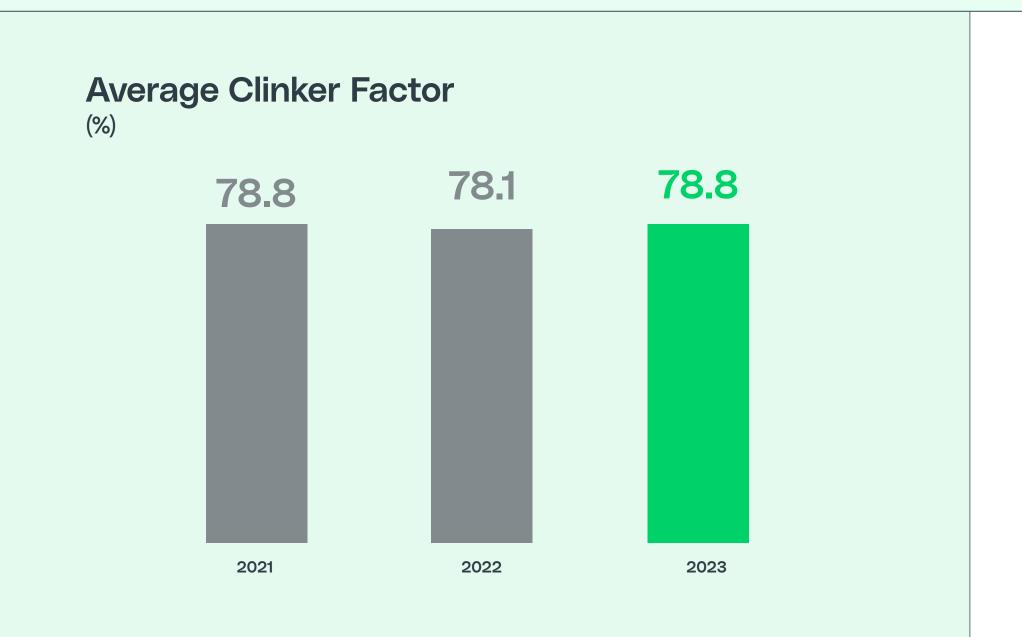


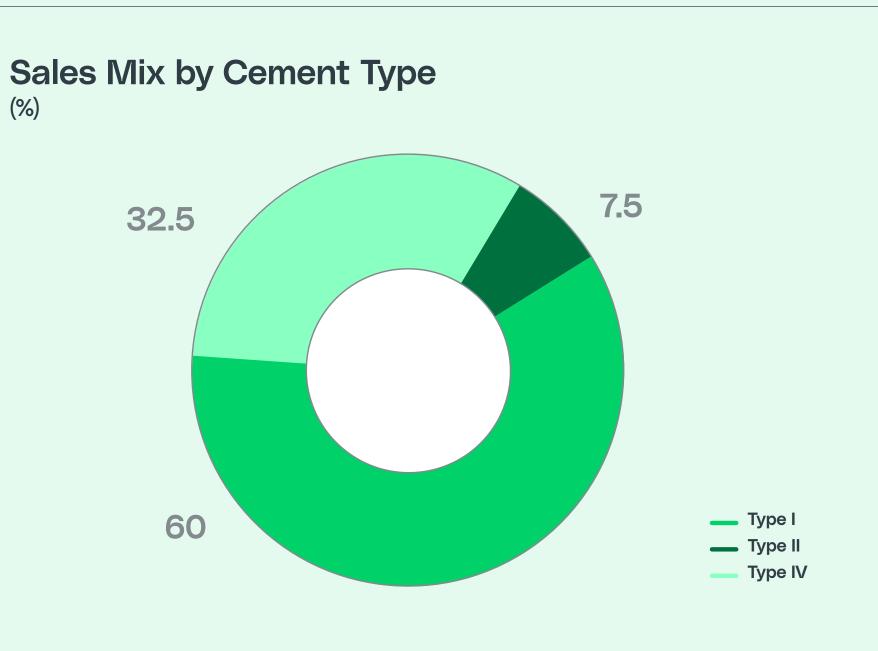












Secil's ready-mixed concrete companies in Portugal and Tunisia also have ISO 9001-certified management systems, which ensure quality control and product safety across the board, with all the applicable procedures of the product standards of the markets where it operates.

At concrete plants in Portugal, in addition to ISO 9001 certification, there is production control which, in some plants, is certified to meet additional market and/or client and construction site requirements (although the procedures implemented are the same).

The industrial mortar business exists only in Portugal, and all products are required to be CE marked and therefore comply with the Construction Products Regulation. The aggregates business is very important in several countries - Portugal, Spain, Cape Verde - and is therefore mostly covered by European legislation and standards (except Cape Verde) for these products, which are used even indirectly (via concrete) in construction. Finally, the concrete prefabrication industrial activity is present in very diverse geographies such as Tunisia, Lebanon and Cape Verde, maintaining the same focus on meeting local requirements.

In addition, Secil has accredited laboratories in Portugal which ensure maximum rigour in quality control at the level of the characterisation of cements and their constituents, the characterisation of fuels and other materials, from the start of their life cycle. This guarantee is given by compliance with the requirements of the standards, in particular NP EN ISO / IEC 17025.

These laboratories are recognised for their good professional practices and for the quality, competence, impartiality and consistent operation of the tests and services they provide, and they also carry out benchmarking analyses of the various markets.

In line with its Innovation strategy Chap. 3.4.2, Secil has been investing in the development of new cements and, consequently, concretes that contribute to reducing the carbon footprint of its products, while always guaranteeing the quality and safety standards that distinguish the company.

The quality of the products was maintained in 2023, with an average clinker factor in cements of 79% (Secil Group).

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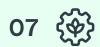
















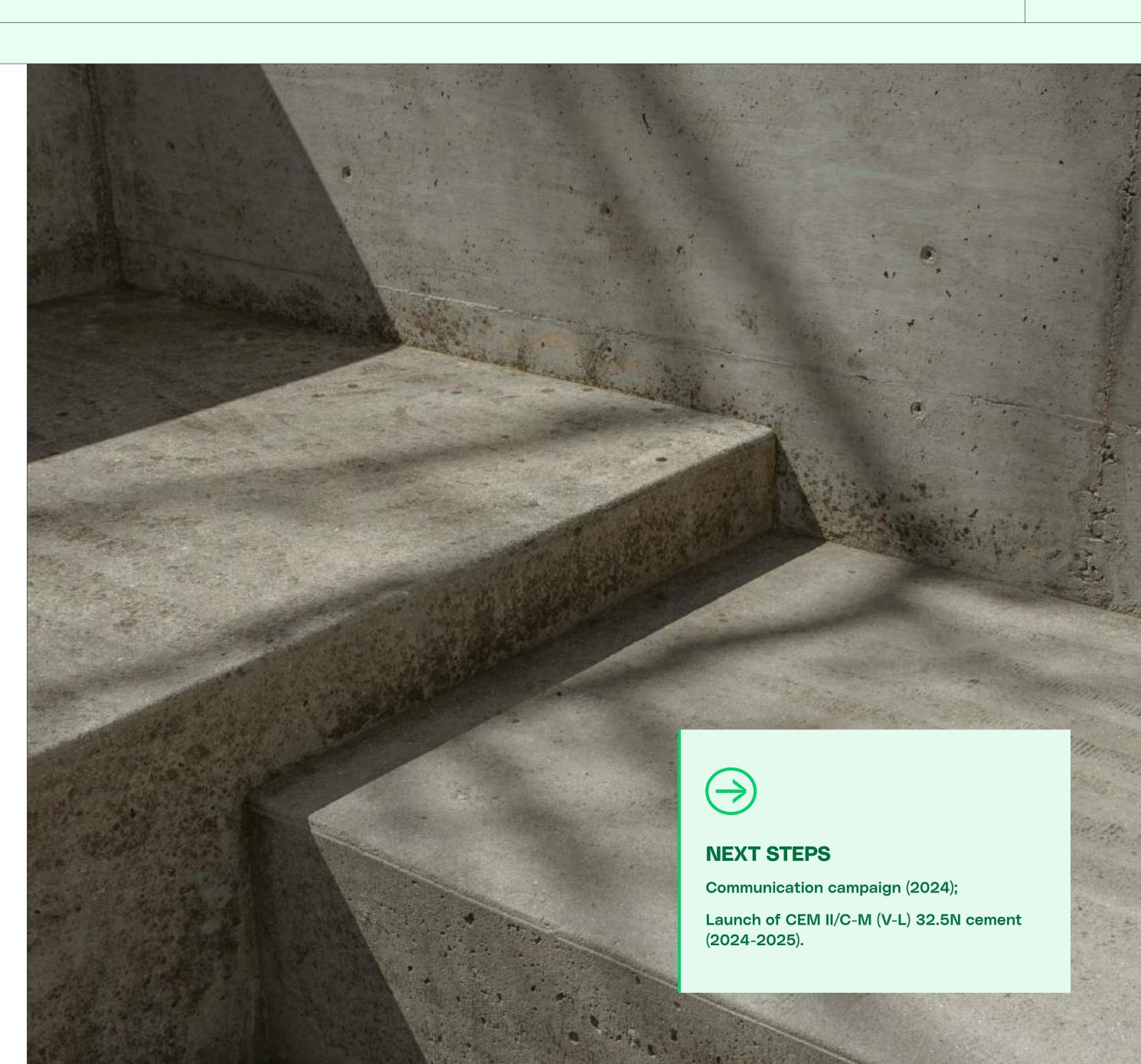


## **Transparent Product Information**

Secil endeavours to be transparent in the provision of performance information and product safety data, promoting a basis of trust with stakeholders.

Secil's work does not end with the supply of the product. In addition to providing safety data sheets in Brazil, Tunisia and Portugal for all products (except aggregates, in the case of Portugal), Secil also has communication channels available for customers to deal with questions relating to product quality and safety. These channels are available via websites, email and telephone. In addition, Secil offers advice and technical support to customers who need it.

It should also be noted that all our products are covered by labelling requirements, and in 2023 no cases of non-compliance relating to product and service labelling were identified, nor cases of non-compliance relating to marketing communications.



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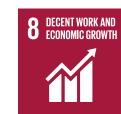


2023

3.4.3.2 Our Customers

ANNUAL REPORT

**Relevant SDGs** 



Secil endeavours to listen to customer needs and market trends in order to adapt to their expectations, providing services that ensure a high level of satisfaction.



## **Ambition 2025 Goals**

- · To be the preferred supplier of cement solutions to customers in the markets in which we operate until 2025.
- · To be recognised as a responsible and sustainable company by 2025, committed to decarbonisation by 2050.



· 693,348,710 in product sales



Customers are one of the fundamental pillars of Secil's strategy, which is why we work every day to identify and understand their needs, preferences and concerns, in order to drive sustainable innovation and offer a value proposition that creates sustainable competitive advantages, allowing us to achieve the desired success.

Innovation, driven by customer focus, creates a virtuous circle in which the company prospers while contributing to a more sustainable world.

Customer focus therefore plays a crucial role in this journey, as it keeps the company attuned

to changes in customer expectations and values over time.

This adaptability is essential for sustainable success, as it allows the company to evolve and respond effectively to ever-changing environmental and social challenges.

Proximity to the market allows greater integration of sustainability into the value chain through close collaboration with clients in the development of sustainable solutions and products.























To better understand customer perceptions, Secil monitors the evolution of the NPS - Net Promoter **Score**, a key performance indicator that helps to systematically measure customer satisfaction and monitor their shopping experiences in all market segments and in all countries where the company operates.

Analysing the NPS combined with measuring the level of customer satisfaction, focus groups and individual interviews, makes it possible to better understand customers and provide new insights that can be used to design more targeted, data-based value propositions and, in the end, provide a superior overall customer experience.

It should be noted that Secil did not receive any human rights complaints relating to consumers and/or end users during 2023.

Proximity to the markets where Secil operates is a constant concern, resulting in the development and implementation of new sustainable solutions, products and projects.

In 2023, a good example of the success of new sustainable products was the launch of Verdi Zero Concrete, which was voted by Portuguese consumers earlier this year as Product of the Year 2023 in the Sustainable Products category. This product is the first carbon-neutral concrete in Portugal, a major innovation presented by Secil to the market and one that meets the goals of achieving carbon neutrality in the cement industry by 2050, as well as the necessary decarbonisation of the construction sector. Product of the Year 2023, awarded by Consumer Choice - the Consumer Satisfaction Evaluation



Centre, is the world's largest and only award that distinguishes products and services that stand out for their innovation, evaluated directly by consumers.

Secil focuses on meeting the challenging demands and trends of the market by developing more sustainable and efficient solutions. In this context, it is worth mentioning the partnership with the construction company Casais, which aims to produce and commercialise a modular construction system based on concrete prefabrication, built offsite.



## Material risks and opportunities

With regard to the risk of a significant irreversible downturn or discontinuity in the consumption of Secil's products or markets, with consequences for its economic viability, value and liquidity, Secil's mitigation measures include:

a. the programme of commercial approach and efficiency measures in its AMBITION 2025 strategy; and

**b.** the development of new products/processes (R&D; C5Lab – • Chap. 3.4.2. Innovation).

In addition, together with its partners, ATIC, LNEC and IST, a collaborative laboratory was created whose mission is to integrate knowledge and scientific research in order to increase the competitiveness of the national cement industry. This platform works with the industry and the state to find new ways of working and innovating in the cement sector and in the value chain of the construction sector in order to accelerate innovation in cement and related products.

As mitigation measures, the platform is currently organised into 3 areas of action where it already has several research projects underway. The areas of expertise are as follows:

- 1. CO<sub>2</sub> capture and reuse
- 2. Energy Efficiency
- 3. Sustainable cementitious materials and innovation in the manufacturing process

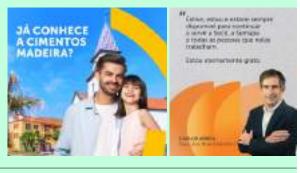
## Kick-off of Secil's new social media strategy

Secil's new social media strategy is the result of a project to analyse and define objectives, aimed at strengthening its digital positioning. The strategy is in line with the unification of the digital experience, with the Group now communicating as the Secil Group. The aim is to reposition the social media presence by engaging followers with authentic and consistent content that fosters an active community.

There is a focus on a unique tone of voice that emphasises sustainability, brand awareness, product/ service enhancement, employer branding and Secil culture.

The strategy was defined around three axes of communication: humanisation, innovation and ESG.

#### **Humanisation**



#### Innovation



#### **ESG**







#### → Main Initiatives Developed in 2023

Here are some of the main initiatives carried out in Secil's relationship with customers.

# Launch of the "Secil Elevate" Retention Programme

In 2023 Secil launched the "Secil Elevate" programme, developed in 2022.

Secil Elevate" is a fully digital customer retention programme. The objective of this programme is to increase the level of satisfaction, retention and knowledge of direct customers, in its four portal business areas: cement, concrete, mortars and aggregates.

The programme is made up of three levels "Elevate Plus", "Elevate Premium" and "Elevate Elite"
- allocated according to the volume of purchases
in the Secil Group and different types of benefits,
ranging from special financing conditions, discounts
on purchases, technical training, among others.

With this new retention programme, Secil is strengthening its ties with its customers and bringing the company closer to its business partners.

Between May and June, 22 of Secil's "Elevate Elite" customers had the opportunity to travel to the Czech Republic as part of the "Secil Elevate" Customer Retention Programme.



The trip gave me the opportunity to spend four days in one of the most charming and well-preserved cities in Europe - Prague.

The trip included a number of activities, as well as a good atmosphere that enriched the partnership between Secil, particularly our colleagues in the Sales area, and our customers.

More information about the programme on the Secil website.

# Trade Marketing (Brazil)

The Trade Marketing area was implemented at Supremo in April 2023, with the main aim of strengthening the brand at points of sale, directing communication efforts to key regions and strengthening ties with the target audience, especially shop assistants and construction professionals. This strategy is implemented through customer relations actions, training for shop assistants, training for bricklayers and the use of merchandising material.

Point-of-sale materials were revamped, with an emphasis on the colour yellow, with a view to stronger identification with customers.

Over the course of seven months, various actions were carried out, including training for approximately 500 bricklayers and 200 shop assistants, representing an important milestone in the consolidation of the brand in the market. In addition, a satisfaction survey (NPS) revealed that more than 90% of customers recommend the actions taken, providing valuable insights for future improvements.



#### Also noteworthy:

- Training for the entire sales team, emphasising point-of-sale techniques;
- Support for sales managers, enabling them to interact more effectively with customers;
- Improvements to the team's necessary infrastructure; and
- Structuring training material for the various target audiences.











# Conexão Supremo (Brazil)



ANNUAL REPORT

The aim of Conexão Supremo is to bring the company ever closer to its customers and find out what impact its work has on

2023

them. We seek to understand their needs, desires and aspirations so that we can offer personalised solutions and exceptional experiences.

In practice, Conexão allows people from support areas, such as human resources, finance, plant, logistics, CRC (Customer Relationship Centre), sales administration, among others, to accompany sales managers on customer visits for a day.

Since the launch of the project, which took place in April 2023, more than 40 employees have taken part and met clients from the different regions in which the company operates.

More than just commercial transactions, the company seeks to establish relationships of trust and proximity with its customers in order to pursue the Ambition 2025 goal of being the customers' preferred supplier in the cement industry.



"We want to know who the people behind the CNPJ (National Register of Legal Entities) are, what motivates them and how we can help them achieve their goals.

After all, our customer's success is our success."

# Participation in the Sfax International Fair (Tunisia)

Secil Tunisia - SCG was proud to take part in the Mediterranean Construction Exhibition, MEDIBAT Sfax, which took place from 4 to 7 October 2023.

The company sought to share its experience, establish partnerships and present its latest innovations.

MEDIBAT offers a unique platform to bring together industry professionals and promote fruitful exchanges.

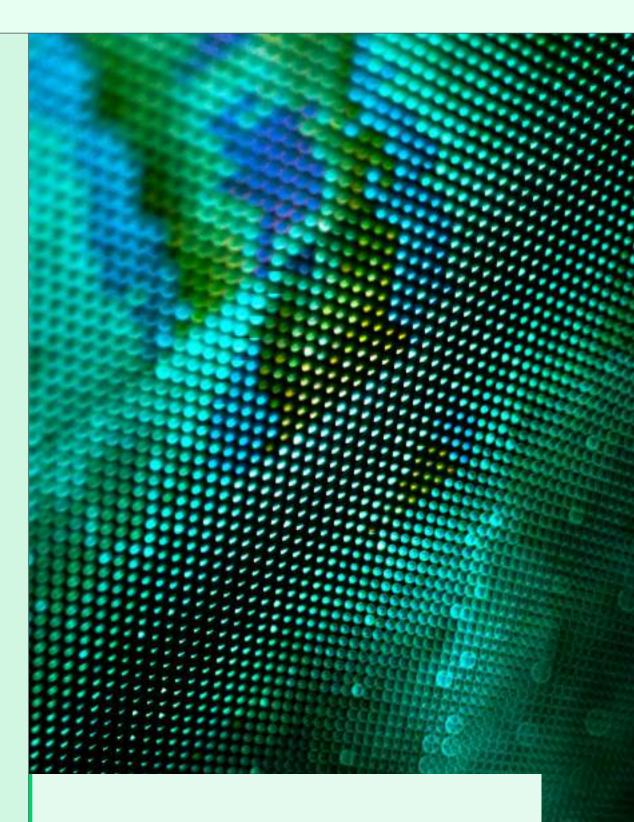
Secil Tunisia - SCG sees this participation as a valuable opportunity to strengthen its market presence, promote the quality of its products and contribute to the dynamic development of the construction sector in the Mediterranean region.

In terms of results, more than:

- 40,000 visitors;
- 300 exhibitors;
- 4,000 foreign visitors.









#### **NEXT STEPS**

Follow up on customer satisfaction performance objectives for all geographies (2024-2025);

Strengthening Digital Transformation (2024-2025);

Updating and improving value propositions (2024-2025). Updating and improving value propositions (2024-2025).

























3.4.3.3 Our Suppliers

**Relevant SDGs** 







GRI 204-1, 308-1/2, 414-1/2



# **Ambition 2025 Goals**

- · 100% evaluation of critical ESG suppliers
- · Application of the Code of Conduct for Suppliers, ensuring compliance with international human rights principles
- · Adequate assessment of Secil's supplier base, enabling the implementation of effective measures within the scope of sustainable supply chain management



## Our impacts

- · 10% of suppliers in Portugal are potentially ESG critical
- 5,984 suppliers (of which 88.7% are local)
- · 596M€ spent on products and services from suppliers (of which 65.4% correspond to local suppliers)



For Secil, suppliers are essential partners in our business and we want to establish a transparent and socially responsible relationship with them.

We are aware of the impact that our purchasing policies have on the creation and distribution of value to the thousands of companies and workers in our supply chain. For this reason, we want to go beyond the legal requirements that currently exist with regard to commercial practices, with the aim of ensuring a properly optimised supply chain based on a culture of trust and integrity.

In 2023, it spent a total of Euro 595,733 million on products and services (representing an increase of around 18% on the previous year), a figure that reflects the importance of the economic, social and environmental impacts inherent in its procurement decisions. The fact that around 88.7% of its suppliers are of local origin allows Secil to make a decisive contribution to the economy and job creation in the communities where it operates, having a positive impact on them.





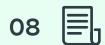






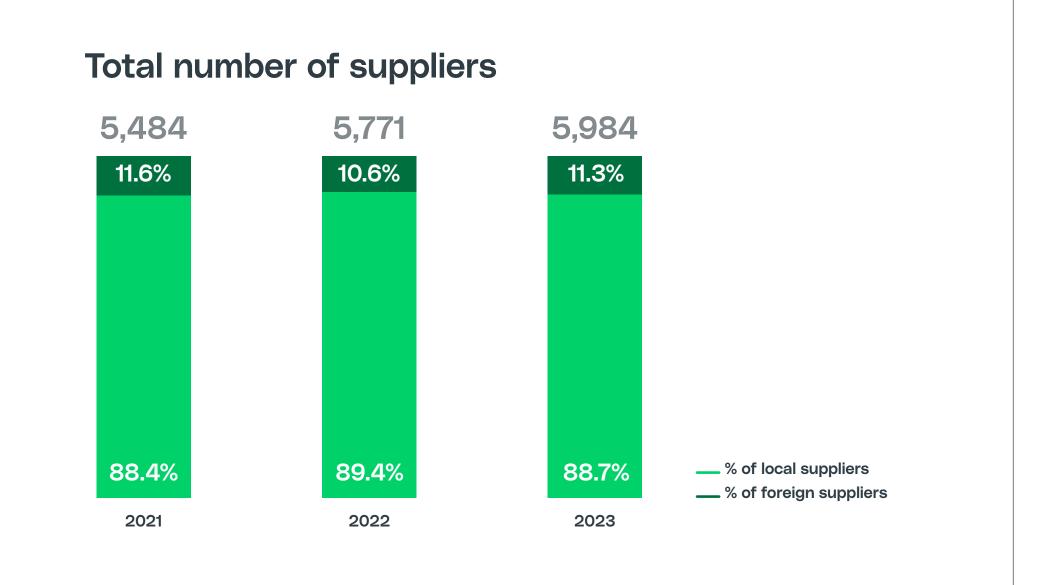


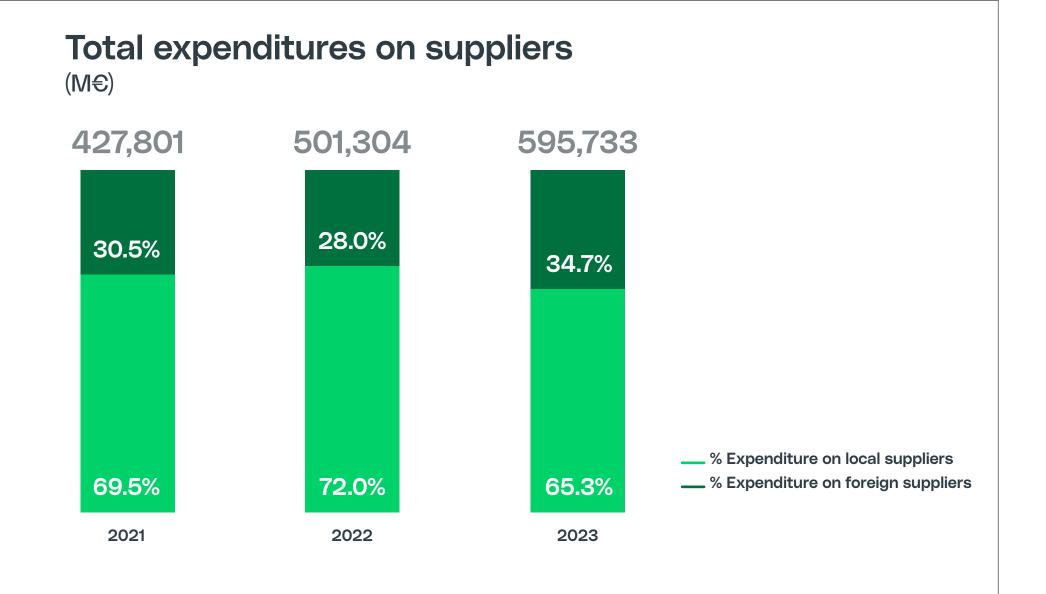












The activities developed at Secil require a set of specific materials and components which are used in the manufacture of cement and other products which we produce and sell. It also uses energy from a variety of sources, which is essential in its production processes. As such, the impacts associated with its supply chain - which in 2023 had 6,698 suppliers - relate not only to the extraction and production of the resources it uses, but also to their transport. We also ship Secil products to more than 20 countries, which involves the use of fossil fuels, heavy machinery and large-scale road and sea transport.

With regard to the strategy and management of the Procurement department, 2023 saw the delivery of important milestones in Secil's transformation trajectory, following on from the implementation of the initiatives established under the "Operational Performance" pillar of its 2025 business strategy. The main objectives defined for Procurement include:

- Structure a global department, with reach across all geographies, business units and costs;
- Implementing a robust operating model, through multidisciplinary teams focused on the strategic management of categories that cut across the entire Group;
- Operational excellence through digital transformation, efficient data and indicator management routines, and continuous process improvement;
- Focus on recurring savings and total added value when contracting goods and services, with a view to improving risk management and the sustainability of the value chain.

Throughout 2023 and with a focus on establishing the various documents developed in 2022 - the Global Procurement Handbook, the Purchasing Policy for Portugal and the Supplier Code of Conduct - the Procurement teams in the various geographies were geared towards co-operating and aligning working methods, global category management and improving various internal Key Performance Indicators (KPIs).

It should be noted that 2023 also saw the delivery of the Sustainable Procurement Roadmap, which details global initiatives and sustainable practices applicable to the entire supply chain, actively promoting responsible routines in line with the Secil Group's long-term objectives.

Along with the active dissemination of the code of conduct, in 2023 the definition of criteria for identifying potentially critical suppliers in the environmental, social, safety and corruption fields was finalised, classifying the entire supplier base in Portugal. This mapping will make it possible to prioritise suppliers in terms of their financial, environmental and social risk, using a platform for classifying suppliers.











# **Supplier Code of Conduct**



Health and Safety at Work



Working conditions



Freedom of association and non-retaliation



Slavery, forced labour or child labour



Non-discrimination



Compliance with environmental regulations



Management of environmental impacts



Bribery and corruption



Transparency and integrity



Read the Suppliers' Code of Conduct here



→ Main Initiatives Developed in 2023

The following are initiatives that are relevant to promoting close relationships and trust with suppliers.

## **Excellence in Procurement**

In 2023, Secil saw an important evolution in the application of the various Procurement tools and processes, ensuring a focus on operational excellence and strategic category management. More than 170 collaborative forums have approved purchases of goods and services through the Sourcing Committee process, guaranteeing transparency and a structured approach for all purchases over 50,000 euros. This mechanism allowed for a more efficient flow, with greater collaboration and strategic alignment between Procurement and the requisitioning areas.

Several category strategy reviews were delivered in 2023, using templates suitable for mapping risks and opportunities in relation to the various aspects that make up Secil's focus on creating value in the Group's different business units. Selected from the categories with the greatest impact on the business, the strategies aligned in 2023 cover around 20% of global spending, allowing strategic initiatives to be mapped out, with medium and long-term actions.

Also with a focus on operational excellence, various measures were implemented to improve the management of performance indicators, which allowed the year to end within the targets set for fulfilment of requisitions and purchase orders. Through regular meetings and the efficient use of data and indicators, the department now has tools for better resource management and purchasing planning. Weekly meetings were held to assess and discuss potential supply risks or price increases.

Secil also continued with the Smart Procurement project, focusing on the continuous efficiency of processes and routines, data optimisation and the structure of global spend management, knowledge management and sustainability.

In 2023, Secil saw an important evolution in the application of the various Procurement tools and processes, ensuring a focus on operational excellence and strategic category management.























→ Highlighted Corporate Initiatives

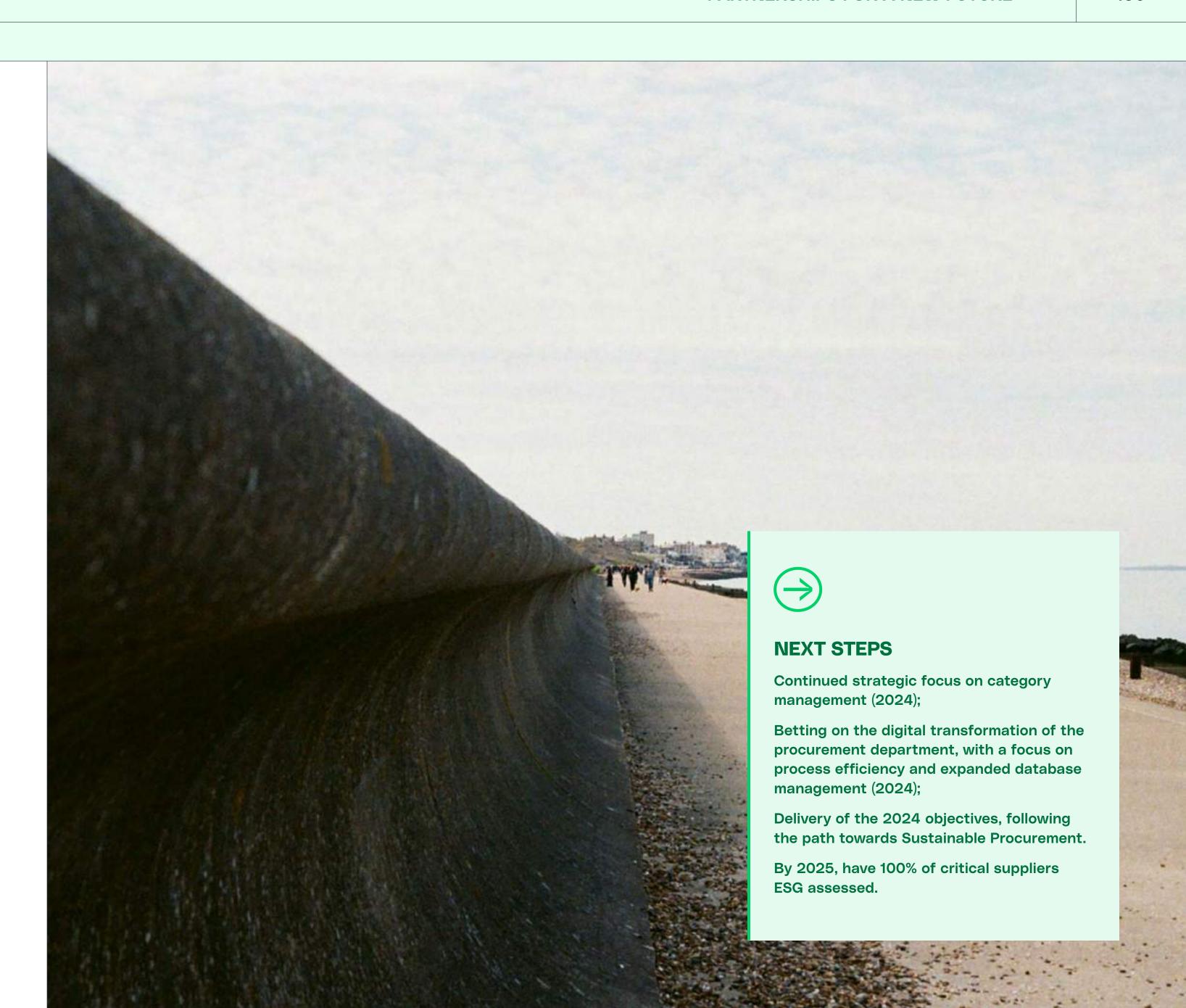
# **Smart Procurement**

Started in 2021, Smart Procurement underwent significant development during 2023. Through this project, it was possible to identify the biggest challenges in the Procurement department - which cause high stress and a great deal of work for the team, without bringing added value to the organisation - and the respective solutions and operationalisation.

These challenges were managed on an individual project basis, with initiative and leadership assigned to them.

By 2023, Smart Procurement has made it possible to achieve the following targets:

- Various initiatives to reduce transactional work, such as reducing the processing time for contract requisitions from four days to one; increasing the number of RPA (Robotic process automation) codes; and optimising the purchase order approval flow.
- New Category Tree defined, allowing better visibility of spending and category management at a global level.
- Definition of the criteria for classification evaluation of critical ESG suppliers.





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Board of directors' repor





Secil is a business
Group that is based
on the production and
commercialization of
cement, ready-mix
concrete, aggregates,
mortars, prefabricated
concrete and hydraulic lime.

# 4.1 \_\_\_ Secil Group profile and key indicators

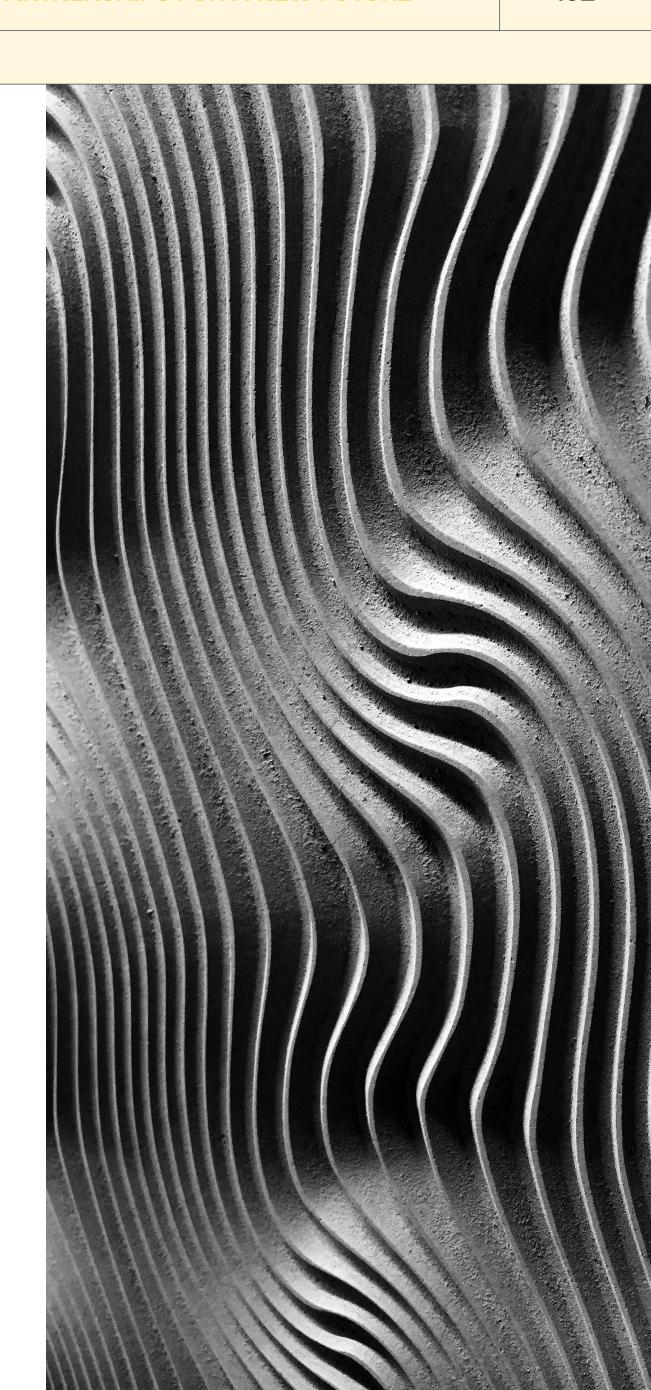
Secil is a business Group that is based on the production and commercialization of cement, ready-mix concrete, aggregates, mortars, prefabricated concrete and hydraulic lime. It also includes companies operating in complementary areas such as the development of solutions in the field of environmental preservation and the utilisation of waste as a source of energy.

The Secil group has consolidated itself in Portugal, where it originated, and has expanded into other markets over the last two decades. It currently operates three cement plants in Portugal (Outão, Maceira and Cibra-Pataias) and is present abroad in Angola, Tunisia, Lebanon, Cape Verde, the Netherlands, Spain and Brazil.

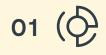
Through its eight cement plants and its presence in eight countries and four continents, the Secil Group guarantees an annual cement production capacity of over nine million tonnes, both to satisfy its customers in their domestic markets and for various export destinations.

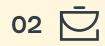
The Group's international presence allows it to capitalise on gains in scale, share industrial know-how and diversify risks associated with the economic cycles of the national construction markets in which it operates.

Today, the Secil Group is an international group, with a significant proportion of its employees and turnover outside Portugal.









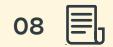














Board of directors' report

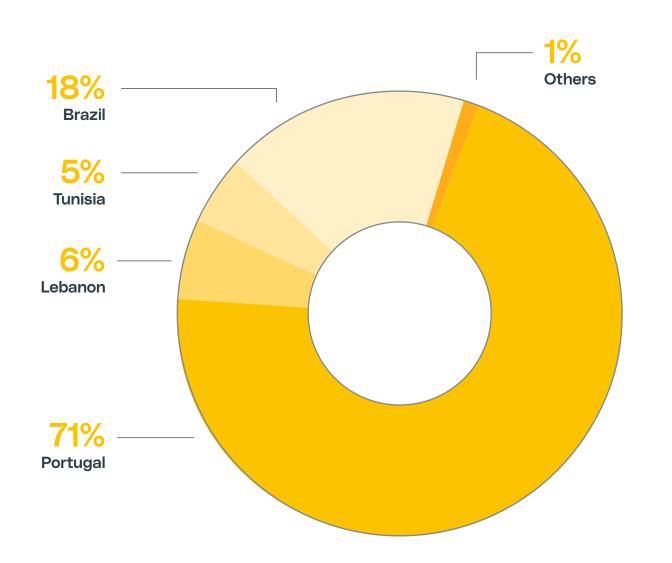
# Key group indicators 2023

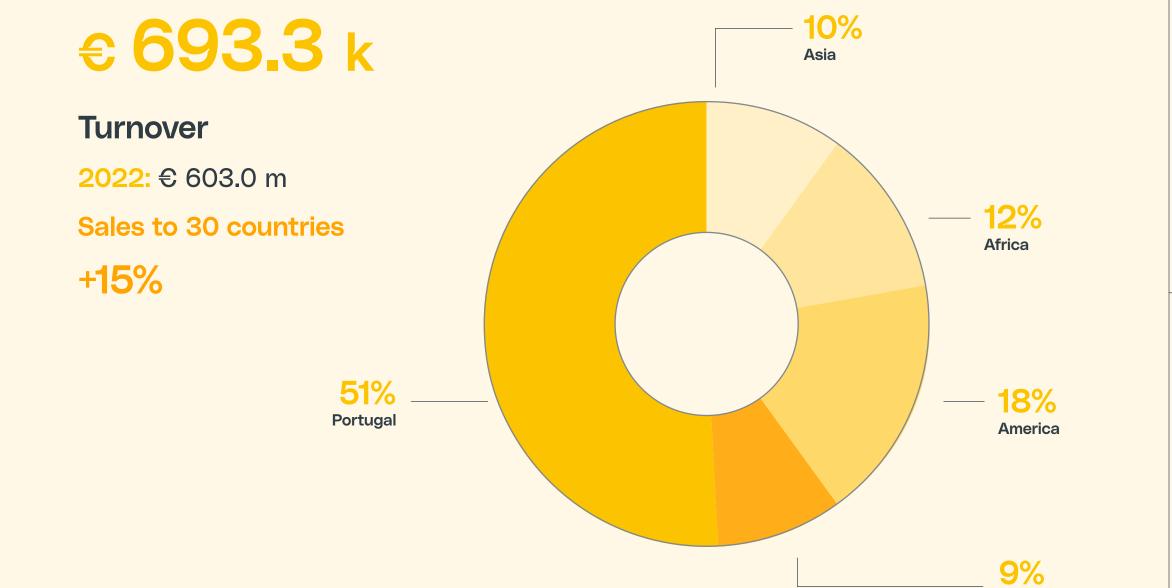


## **EBITDA**

**2022:** € 139.4 m

+11.7%





€ 97.2 m

## **EBIT**

**2022:** € 78.3 m

+24.1%

# € 288.1 m

# Net interest-bearing debt

**2022:** € 306.2 m

-5.9%

22.5%

# **EBITDA Margin**

2022:

**Rest of Europe** 

+23.1%

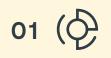
€ **53.4** m

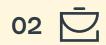
# Net Income Attributable to Shareholders

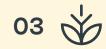
**2022:** € 16.5 m

+224.5%











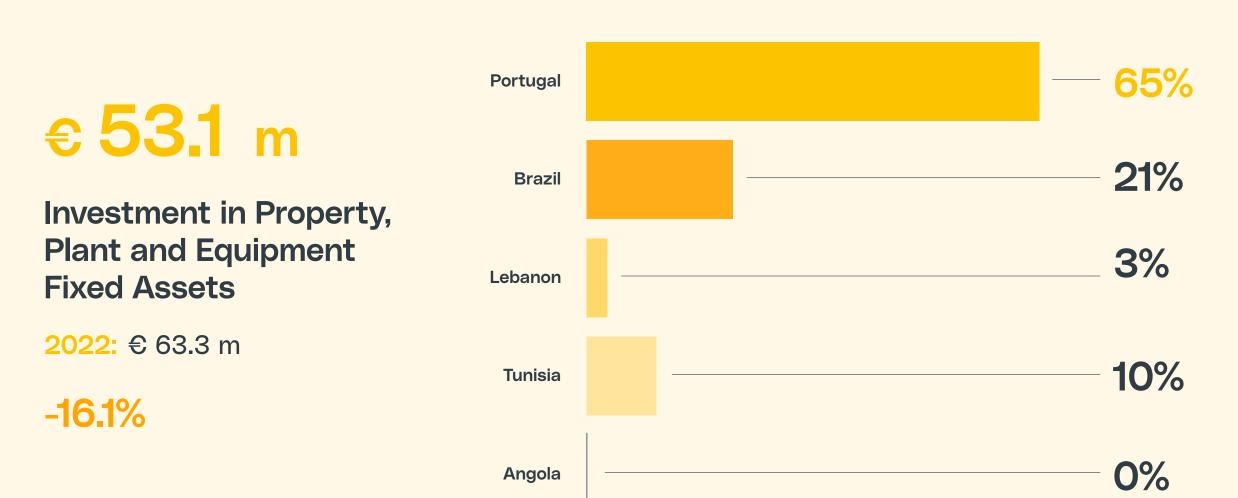




08









€ 320.5 m

Net interest-bearing debt + IFRS16

**2022:** € 344.2 m

-6.9%



-8%

Kg CO<sub>2</sub> per tonne of cement

vs. 1990 emissions and +1%

vs. 2022 emissions

9.75kt

Cement production capacity

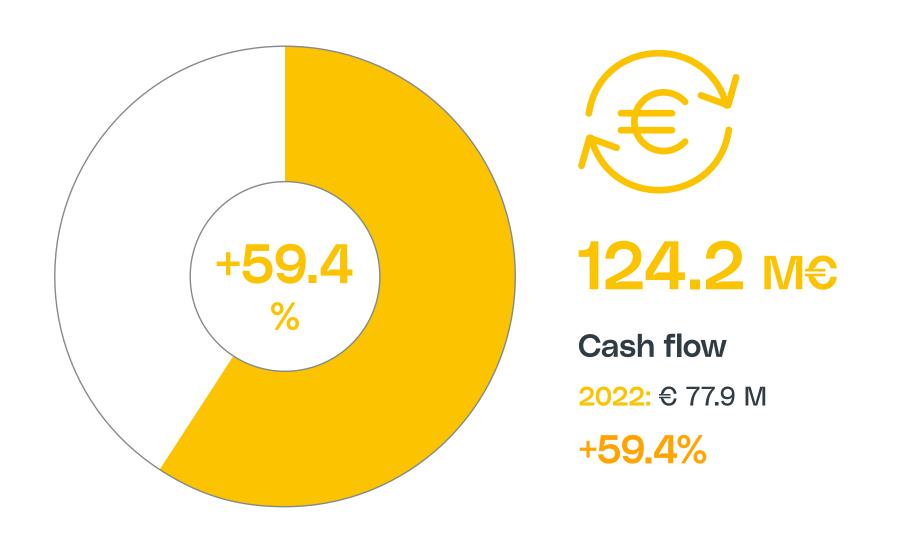
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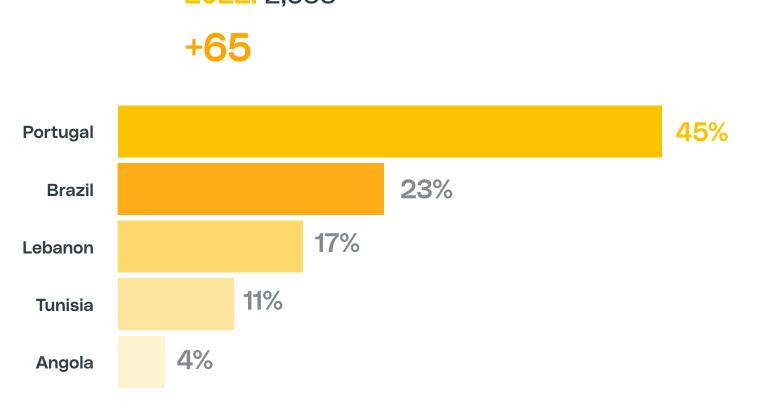




Accident Frequency Index

vs. 2022 frequency index





2,453







2023

Throughout 2023, the Secil Group reaffirmed its commitment to sustainable growth and continuous adaptation to the demands of a constantly changing market. In line with this dynamic vision, the Ambition **2025 Strategy** is also constantly evolving, reflecting the need to integrate its global vision with the local strategy in the business units in the different geographies and, at the same time, to fully integrate the digital age as a fundamental part of our internal competitive advantage.

#### 1) Strategic Alignment:

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The implementation of our strategic statement reflects our vision for the future, but also our deeper understanding of the nuances and particularities of each of our markets. This approach allows us to respond quickly and efficiently to the specific demands of each region and also to take advantage of growth opportunities more effectively.

By cascading our global strategy down to the local level, we are demonstrating our commitment to being truly relevant and effective in all the markets in which we operate. This means tailoring our initiatives and actions according to local needs, while also valuing and incorporating the knowledge and experience of local teams throughout the strategic process.

#### 2) Integrating digitalisation into our transformation:

The context in which our industry operates continues to evolve rapidly, driven by technological advances and changes in market preferences. Acknowledging this reality, Ambition 2025 has taken a step forward by embracing "digital" in most aspects of our operations.

This evolution is highlighted by the overhaul of our strategic statement, which now reflects our vision for the future in a more accurate and up-to-date way.

## **Objective**

Grow sustainably to an EBITDA above 200 M€ in 2025.

## **Scope + External competitive** advantage

Delivering leading local market propositions to our customers. in attractive cement, aggregates and complementary downstream businesses across a balanced portfolio of mature and emerging markets.

# Internal competitive advantage

Combining Secil's Group talent, distinctive practices and a new digital way-of-working, with safety and ownership culture, empowering our people.

Our approach is now focused on maximising the opportunities offered by the digital environment, from optimising internal processes to improving customer perception. We are committed to using innovative technologies to boost operational efficiency, promote sustainability and strengthen our relationships with customers.

#### **Progress on goals:**

During 2023, the Secil Group worked meticulously to prioritise and make feasible the projects that comprise our Ambition 2025 Strategy. From an initial pipeline consisting of more than 150 projects, with an estimated incremental impact on EBITDA of Euro 70 million by 2025, we have managed to evolve significantly.

At present, we have an estimated impact of Euro 80 million in 2025. This progress is the result of a careful selection and implementation process of strategic initiatives aimed at optimising our financial and operational performance.

It is important to note that more than 80% of this estimated value is already in the execution or implementation phase. The projects underway provide us with a solid basis of confidence that we are on track to achieve our ambition of reaching EBITDA of Euro 200 million by 2025.

The largest project, the "Clean Cement Line" implemented at the Outão plant, is a vital initiative. I t is currently in the commissioning phase and despite the delays in its implementation, the first results can already be seen.

Despite the many challenges, the "Clean Cement Line" is showing promising results in several aspects. In terms of performance, there has been a remarkable curve in meeting the goals set, representing an important step towards optimising the operation and simultaneously meeting the growing demands of the market. In addition, the project is bringing substantial improvements in terms of energy efficiency, resulting in a reduced energy consumption and consequently lower CO<sub>2</sub> emissions. This operational efficiency strengthens our competitive position and also emphasises our commitment to sustainability and environmental responsibility.

Still in the area of energy efficiency, the Clean Cement Line allows increasing the rate of replacement of fossil fuels with alternative fuels. This transition to cleaner and more sustainable energy sources helps us to reduce our carbon footprint and brings the Secil Group into compliance with the strictest environmental regulations, positioning us as leaders in innovation and sustainability within the industry.

These results reflect our commitment to excellence and innovation and demonstrate our ability to adapt and effectively implement our strategy. We are confident that, with this continued pace and focus, we will be able to achieve our ambitious goals and continue to drive the Secil Group's sustainable growth. The focus will now be on 100% execution!





# 4.2 \_\_\_ Performance

ANNUAL REPORT \_

## 4.2.1 \_\_\_ Framework in 2023

2023

#### **Main Economic and Financial Indicators**

Millions of Euros	'23	'22	Var.
Income Statement			
Turnover	693.3	603.0	15%
EBITDA	155.7	139.4	12%
EBITDA margin (%)	22.5%	23.1%	-3%
EBIT	97.2	78.3	24%
EBIT margin (%)	14.0%	13.0%	8%
Net monetary position	14.5	1.0	1376%
Gains/(losses) of associates and joint ventures	-27.0	-33.5	19%
Profit/loss for the period	65.7	16.9	289%
Attributable to Shareholders	53.4	16.5	224%
Cash Flow			
Cash-flow	124.2	77.9	59%
Investments			
Acquisitions of property, plant and equipment and intangible assets	53.1	63.3	-16%
Balance Sheet			
Total Equity before NCI	276.1	266.9	3%
Total Equity	290.8	270.2	8%
Interest-bearing net debt	288.1	306.2	-6%
Interest-bearing net debt + IFRS 16	320.5	344.2	-7%

EBITDA: Operating profit before Depreciation, amortisation and impairment losses on non-financial assets, subsidies for greenhouse gas emissions granted free of charge and net provisions.

**EBIT:** Operating profit

Cash flow: Net profit + Depreciation, amortisation and impairment losses on non-financial assets, Subsidies for greenhouse gas emissions granted

Investments: Acquisitions of intangible fixed assets exclude CO2 emission licences.

#### **Key Operating Indicators**

In 1,000 ton	'23	'22	Var.
Production capacity	9,750	9,750	0%
Clinker production	3,758	3,838	-2%
Cement production	5,061	4,979	2%
Sales			
Cement and clinker	5,133	5,105	1%
Aggregates	4,662	4,665	0%
Mortar	2,7	2,5	12%
Precast	13	11	11%
In 1,000m <sup>3</sup>			
Ready-mix concrete	1,977	1,986	0%

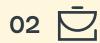
Note: Not net of inter-segment sales

The year 2023 was marked by the continued Russia-Ukraine war and the emergence, in the last quarter, of a new conflict in the Middle East, resulting in increased uncertainty in the international geopolitical landscape with a high potential for further instability with a greater impact on energy prices and the confidence of economic agents. The economies of the countries in which the Secil Group operates were ultimately affected, albeit to different degrees, by this context of instability.

The year 2023 was also very challenging for the Secil Group. In Portugal, the management of the impacts caused by the delay in implementing the CCL project is particularly noteworthy. In Tunisia, the accident at the cement plant in October affected activity in the last quarter.





















In Portugal, turnover grew by Euro 63.2 million
compared to the previous year, explained by the
positive evolution of cement, as well as most of
the construction materials segments.

The Secil Group's turnover in 2023 amounted

to Euro 693.3 million, 15.0% more than recorded

in the same period of the previous year, which

translated into an increase of Euro 90.4 million.

This increase is essentially the result of positive

developments in the Portuguese, Tunisian and

the different countries had a negative impact

(excluding the effect of the devaluation of the

Lebanese markets. Currency fluctuations in

of Euro 5.4 million on the Group's turnover

Lebanese pound).

Turnover by country had the following evolution in 2023 compared to 2022:

Turnover (millions of Euros)	'23	'22	Var.
Portugal	427.7	364.5	17%
Tunisia	67.8	67.0	1%
Lebanon	67.6	29.1	132%
Brazil	123.5	126.9	-3%
Other	6.8	15.5	-56%
Consolidated Total	693.3	603.0	15%

In the case of Tunisia, the increase in turnover of Euro 0.8 million is the result of the combined effect of updating average sales prices on both the domestic and foreign markets and, in contrast, a negative exchange rate effect of Euro 2.1 million as a result of the devaluation of the Tunisian dinar, mainly in the third quarter, as well as the negative impact of the accident (fire at the substation) in mid-October, which

had a direct impact on production operations.

In **Lebanon**, turnover rose by Euro 38.5 million, as a result of an increase in the quantities sold and the sales price on the domestic market. It should be noted that in local currency the price has more than tripled compared to 2022, as a result of the high inflation seen in the local economy as a result of the economic, political and social crisis in the country.

In **Brazil**, turnover fell by Euro 3.3 million, as a result of the drop in quantities sold (-8.8%), due to the negative evolution of the cement market, but also to some production constraints. On the other hand, the average selling prices of cement evolved positively and the appreciation of the Brazilian real had a positive effect of Euro 0.9 million.

In **Angola**, turnover fell by Euro 6.7 million, as a result of a decrease in quantities sold (-26.5%), combined with a negative exchange rate effect of Euro 4.2 million.

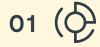
Consolidated EBITDA amounted to Euro 155.7 million, an increase of Euro 16.4 million (+11.7%) compared to the same period of the previous year.

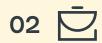
This evolution is the result of the very positive contribution of business in Portugal and, to a lesser extent, business in Lebanon, which offset the less positive performance of business in Brazil and Tunisia.

The negative effects caused by the increase in production costs, especially energy costs, as a result of the sharp rise in fuel prices and the general inflationary trend in all economies as a result of the global health crisis and the continuing war in Ukraine, were mitigated in many countries by the average increase in sales prices and market growth in various countries.

EBITDA (Millions of Euros)	'23	'22	Var.
Portugal	110.6	90.0	23%
Lebanon	8.8	2.9	210%
Tunisa	7.6	9.9	-23.1%
Brazil	27.4	33.4	-18%
Other	1.3	3.2	-61%
	155.7	139.4	12%







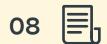
















EBITDA from activities carried out from Portugal grew by Euro 20.6 million year on year, with a positive contribution from practically all businesses. The positive impact resulting from the increase in turnover made it possible to overcome the negative impacts related to the increase in production costs due to inflation and the delay in the start-up of the CCL project.

The EBITDA generated by activities in **Tunisia** fell compared to the previous year (-23.1%), i.e. by Euro 2.3 million. Despite the positive evolution up to the 3rd quarter, mainly as a result of the increase in cement exports at a higher price, the accident in mid-October had a negative impact on the last quarter's results.

In **Lebanon**, EBITDA for 2023 was up significantly on the same period last year (+209.6%), an increase of Euro 6.0 million, as a result of higher prices, even though there was a sharp devaluation of the Lebanese pound with a negative impact of Euro 10.7 million.

The cuts in the public electricity supply have had a major impact on the quantities of cement produced and sold. However, compared to the same period

last year, the impact was less, especially in the last quarter, when the energy supply was normal.

The currency devaluation, reflected in the rise in the average price of purchases of imported goods and services in foreign currency, continues to have a significant impact on variable and fixed costs and, consequently, on the geography's operating results.

In Brazil, EBITDA fell by Euro 6.0 million compared to the same period in the previous year, mainly due to the increase in production and fixed costs and the decrease in cement sales volume (-8.8%), as opposed to the positive evolution of sales prices (+2.1%).

In Angola, EBITDA fell by Euro 1.8 million compared to the same period last year, mainly due to the negative evolution of quantities sold (-26.5%), when compared to the 4th quarter of 2022, combined with a decrease in the sales price in euros.

# Business development by segment

# **Portugal**

#### **Main Indicators**

	Unit	'23	'22	Var.
Turnover	Euro million	427.7	364.5	17%
EBITDA	Euro million	110.6	90.0	23%
EBITDA margin	%	25.9%	24.7%	5%
Clinker production	1,000 t	1,645	1,628	1%
Cement production	1,000 t	2,072	2,051	1%
Cement and clinker sales				
Domestic market	1,000 t	1,602	1,606	0%
External market	1,000 t	417	440	-5%
Total	1,000 t	2,018	2,046	-1%
Concrete sales	1,000 m³	1,626	1,585	3%
Aggregate sales	1,000 t	4,662	4,665	0%
Mortar sales	1,000 t	297	265	12%
Precast concrete sales	1,000 t	0	0	_



# Banco de Portugal forecasts economic growth

for the Portuguese economy of 2.1% for 2023.

According to the INE publication "Indices of

The Bank of Portugal (Economic Bulletin December

2023) has projected growth of 2.1% for the

Portuguese economy in 2023.

Production, Employment and Wages in Construction", December 2023, in 2023 as a whole, production in construction grew by 5.8%, compared to the 2.3% recorded in 2022.

The number of licensed dwellings grew by 4.9% year-on-year (INE, February/2023).

Cement consumption in Portugal is estimated to have increased by around 1% year-on-year.

Turnover from all operations in Portugal totalled amounted to Euro 427.7 million in 2023, an increase of 17.3% compared to the same period in 2022.

In the Cement business unit in Portugal, turnover grew by 15.8% year-on-year (+Euro 33.0 million), as a result of the favourable evolution of the respective average prices combined with the reduction in quantities sold (-1.8%).

Export turnover, including the Group's terminals, was up on the same period last year (+7.8%). as a result of the combination of a reduction in quantities sold (-6.8%) and growth in the average price (+15.6%).

In the remaining business segments with operations based in Portugal (Ready-mixed Concrete, Aggregates and Mortars), turnover amounted to Euro 205.0 million in 2023, an increase of 18.2% year-on-year, explained by the favourable evolution of average sales prices, reinforced by the increase in quantities sold.

EBITDA for all activities in Portugal amounted to Euro 110.6 million, an increase of 23.1% on the previous year.

The Cement business unit posted EBITDA of Euro 102.0 million, an increase of Euro 9.1 million (+9.8%) compared to the same period last year, positively impacted by the increase in turnover which exceeded the rise in production costs, as a result of the rise in prices and the delay in the start-up of the CCL project.

The Construction Materials business units as a whole posted an increase in EBITDA of Euro 9.6 million (+57.8%). The positive trend in quantities sold, combined with the positive trend in sales prices, made it possible to offset the rise in variable production costs with a positive margin.

# Turnover in 2022 (M€)





**Turnover** from all operations



production in construction grew us. 2.3% recorded in 2022

Lebanon

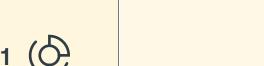
**Main Indicators** 

Lebanon is undergoing a serious

forces to stabilise the situation

economic, financial and social crisis.

Despite the efforts made by political



- 03

- 08

	Unit	'23	'22	Var.
Turnover	Euro million	67.6	29.1	132%
EBITDA	Euro million	8.8	2.9	210%
EBITDA margin	%	13.1%	9.8%	33%
Clinker production	1,000 t	304	165	84%
Cement production	1,000 t	581	298	95%
Cement and clinker sales				
Domestic market	1,000 t	597	370	61%
External market	1,000 t	0	0	
Total	1,000 t	597	370	61%
Concrete sales	1,000 m³	46	62	-27%
Precast concrete sales	1,000 t	13	11	11%

€ 67.6 m

Growth in 2023 de +132.5%

**2022:** € 29.1 m

Lebanon is undergoing a serious economic, financial and social crisis. Despite the efforts made by political forces to stabilise the situation, the emergence of the covid-19 pandemic, the continuing conflict in Ukraine, and the most recent conflict in the Gaza Strip region have further contributed to its deterioration.

In addition, the ongoing power cuts from the last quarter of 2021 have had a negative impact on Secil's operations in that country.

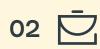
Despite this context and benefiting from an increase in prices, the turnover of all operations in Lebanon grew by 132.5% compared to the previous year, from Euro 29.1 million to Euro 67.6 million. Turnover would have been Euro 81.6 million higher if the effect of currency devaluation had been removed. It should be noted that the Lebanese pound ended Q4 2023 at

99.1185 per 1 Eur, compared to 44.9039 per 1 Eur at the end of the same period last year.

Turnover in the cement segment grew by 149.7%, essentially as a result of the increase in sales prices in local currency due to the hyperinflationary situation and the rapid devaluation of the currency, coupled with a 61.3% year-on-year increase in the quantities of cement sold to the domestic market, reflecting the growth of the Lebanese cement market, which is estimated at around 16%. The supply of electricity has had a negative impact on the results of the operation, although compared to the same period last year the impact was less, especially in the last quarter.

In the Concrete segment, on the other hand, there was a decrease in turnover compared to the same period last year (-5.7%), as a result of the decrease in quantities sold (-26.6%). The average sale price, taking into account the hyperinflation scenario, increased by 27.4%.

EBITDA generated by Lebanon's operations as a whole amounted to Euro 8.8 million, an increase of 209.6% compared to the same period last year. This evolution is mainly positively impacted by the effect of the price on the domestic market and the increase in quantities sold, which more than offset the negative effects of the increase in production costs as a result of the rise in inflation in the local economy, reflected above all in the cost of raw materials, electricity and fixed costs.



















#### **Main Indicators**

	Unit	'23	'22	Var.
Turnover	Euro million	67.8	67.0	1%
EBITDA	Euro million	7.6	9.9	-23%
EBITDA margin	%	11.2%	14.7%	-24%
Clinker production	1,000 t	743	932	-20%
Cement production	1,000 t	885	943	-6%
Cement and clinker sales				
Domestic market	1,000 t	547	561	-2%
External market	1,000 t	453	474	-4%
Total	1,000 t	1,000	1,035	-3%
Concrete sales	1,000 m³	96	127	-24%
Precast concrete sales	1,000 t	0	0	0%

In this difficult context, the domestic cement market contracted by around 10% compared to the same period in 2022, and continues to be characterised by very intense competition due to excess installed capacity.

Tunisia continues to face significant challenges, including high external and fiscal deficits, rising debt and insufficient growth to reduce unemployment. There is still social instability, which could worsen, and pressure on trade union demands. The state deficit is reflected in public works and the property sector is facing challenges due to financing difficulties (due to the fragility of the banking sector), with an impact on the volume of construction. The side effects of the war in Ukraine and political instability have made the situation even worse.

In this difficult context, the domestic cement market contracted by around 10% compared to the same period in 2022, and continues to be characterised by very intense competition due to excess installed capacity.

Despite this context, and further aggravated by the fire disaster in mid-October, turnover from all operations in Tunisia was up 1.2% on the same period last year, totalling Euro 67.8 million.

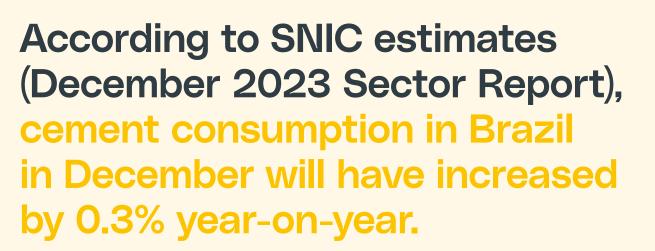
In the "Tunisia Cement" segment, turnover grew by around 2.6% to Euro 65.0 million, reflecting the growth in prices on the domestic market (+2.9%) and on the foreign market (+12.5%) as opposed to the decrease in quantities sold on the domestic market (-2.5%) and the foreign market (-4.3%).

In the Concrete segment, turnover fell by 21.0% year on year, essentially as a result of the 24.3% drop in quantities sold.

EBITDA from activities in Tunisia stood at Euro 7.6 million, 23.1% lower than in 2022 (Euro 9.9 million), as a result of the decrease in quantities sold on the domestic market and an increase in production costs (essentially electricity, raw materials and fixed costs), despite favourable price trends. The accident in October was decisive for the negative evolution of operating indicators and consequently for the evolution of EBITDA.

**Turnover from** all operations in Tunisia was up 1.2% on the same period last year.

67.8 M€ **Totalling** 



#### **Brazil**

**Main Indicators** 

	Unit	'23	'22	Var.
Turnover	Euro million	123.5	126.9	-3%
EBITDA	Euro million	27.4	33.4	-18%
EBITDA margin	%	22.2%	26.4%	-16%
Clinker production	1,000 t	1,066	1,112	-4%
Cement production	1,000 t	1,434	1,568	-9%
Cement and clinker sales				
Domestic market	1,000 t	1,430	1,557	-8%
External market	1,000 t	0	12	-100%
Total	1,000 t	1,430	1,569	-9%
Concrete sales	1,000 m³	209	212	-2%



€ 27,4 m

# **EBITDA from** activities in Brazil

**2022:** € 33,4 m

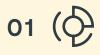
According to SNIC estimates (December 2023 Sector Report), cement consumption in **Brazil** in December will have increased by 0.3% year-on-year. In cumulative terms, consumption will have fallen by 1.7% compared to 2022. The continued high interest and inflation rates, as well as the environment of global geopolitical instability, negatively impacted the property sector, which continues to be one of the main drivers of cement consumption. In addition, there was a prolonged period of heavy rainfall in various regions of the country (especially in the south).

Turnover from all operations in this country amounted to Euro 123.5 million in 2023, a decrease of 2.6% compared to the same period last year.

Cement sales in quantity fell by 8.8% year-on-year, impacted not only by the negative evolution of the cement market, but also by some production constraints. On the other hand, average sales prices grew by 2.1%.

EBITDA from activities in Brazil amounted to Euro 27.4 million, which compared to Euro 33.4 million in the same period last year, represents a contraction of 18.0%. In addition to the decrease in quantities sold, the result reflects the negative impact of the rise in variable production costs, mainly energy, as well as fixed costs, namely maintenance and personnel.























# **Angola**

#### **Main Indicators**

**ANNUAL REPORT** 

2023

	Unit	'23	'22	Var.
Turnover	Euro million	7.9	14.5	-46%
EBITDA	Euro million	1.6	3.4	-52%
EBITDA margin	%	20.3%	23.1%	-12%
Cement production	1,000 t	88	119	-26%
Cement and clinker sales	1,000 t	87	119	-27%

# In this context, turnover amounted to Euro 7.9 million.

In 2023, according to the available data, the Angolan cement market will have shown a negative variation of 3% compared to the same period last year.

The quantities of cement sold by Secil fell by 28%. Throughout the year, Secil Lobito has had some difficulty in keeping up with the pricing policy followed

in recent times, which has been reflected in an effective reduction in the average sales price of 24.8%.

In this context, turnover amounted to Euro 7.9 million, 45.9% below the figure recorded in 2022.

EBITDA for 2023 was Euro 1.6 million. which compared to the figure of Euro 3.4 million recorded in the same period last year, represents a decrease of 52.4%, mainly due to the drop in turnover.

# 4.2.3 \_\_\_ Financial performance

The Secil Group's net financial results improved year-on-year to -Euro 27.0 million compared to -Euro 33.5 million. This positive evolution is the result of the combined effect of a very positive variation (+Euro 6.8 million) in exchange rate differences and in the results of associates and joint ventures (+Euro 1.3 million), with a negative variation in net financing costs (-Euro 1.6 million).

The Net Monetary Position, which results from the application of IAS 29 - Financial Reporting in Hyperinflationary Economies to the financial statements of Lebanon's subsidiaries, showed a very positive evolution, rising from Euro 1.0 million in 2022 to Euro 14.5 million in 2023, as a result of significant inflation and devaluation of the local currency.

Consolidated net profit totalled Euro 65.7 million, Euro 48.8 million more than in the same period in 2022. In addition to the increase in EBITDA, financial results and net monetary position mentioned above, the reduction in taxes on profits (+Euro 9.9 million) also contributed positively.

The reduction in taxes results from the combined effect of a reduction in deferred taxes (Euro 14.2 million) with an increase in tax provisions (Euro 2.5 million) and current tax (Euro 1.7 million). The main contributors to the reduction in deferred taxes are: a smaller increase in deferred tax liabilities due to the I&D expenses of the CCL project and deferred tax assets associated with provisions and impairments of tangible fixed assets.

Net debt on 31 December 2023 stood at Euro 320.5 million, which, compared to December 2022, represents a reduction of Euro 23.8 million. This reduction in the Secil Group's net debt was due to CAPEX expenditure totalling Euro 61.3 million

(Euro 15.4 million relating to the CCL project), investment in Trade Working Capital (Euro 20.1 million), repayment of supplementary capital contributions and dividends to the shareholder Semapa (Euro 41.1 million) and exchange rate variations on debt (Euro 2.0 million). 163

The Secil Group maintains very high liquidity, with contracted lines totalling over Euro 614.8 million. The financing lines are spread across the various geographies according to the Group's needs, with the greatest slack in Portugal.

It should also be noted that, as at 31 December 2023, sustainable financing in the Secil Group exceeded 30% of the total number of lines contracted. Specifically, the Group had contracted 3 sustainable financing lines in Portugal and 2 in Brazil, totalling Euro 209 million.

On 31 December 2023, the Secil Group had cash and cash equivalents of Euro 60.6 million, showing a strong liquidity situation.

## 4.2.4 \_\_\_ Risk Management

This chapter is detailed in the Notes to the Consolidated Financial Statements of the Secil Group.

# 4.2.5 \_\_\_ Sustainability and the **European regulation on taxonomy**

The Secil Group will separately disclose its sustainability report, which will include detailed information on the European regulation on green taxonomy and other information on the Group's sustainability aspects.

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Board of directors' repo



O.9%

Growth
of GDP in 2024.

## 1.3 \_\_\_ Outlook for 2024

The global macroeconomic and geopolitical scenario for 2024 reveals the persistence of a complex scenario full of challenges and opportunities. On the one hand, despite the resilience seen in services, there are palpable signs of inflation moderating at a global level, including in wages, as the labour market begins to cool. On the other hand, market dynamics are still adapting to the "new normal", characterised by the expectation of higher interest rates for longer. Although central banks are unlikely to risk cutting rates prematurely, there are indications of potential cuts in the second half of 2024, with the possibility of earlier action.

In the latest projections of the World Economic Outlook Update (WEO), published in January 2024, the IMF estimates moderate inflation and constant growth for 2024 and 2025, which, compared to the October forecast, shows a slight improvement.

For the world economy, he predicts growth of 3.10% in 2023 and 2024 (less than the 3.5% in 2022) and 3.21% in 2025, i.e. below the historical annual average (2000-2019) of 3.8%.

For the Eurozone, the IMF's World Economic Outlook Update (WEO), published in January 2024, forecasts GDP growth of 0.5% in and 0.9% in 2024.

Geopolitical tensions persist in regions such as Ukraine, the Middle East and the ongoing standoff between China and Taiwan, posing persistent risks of escalation and supply shocks. The confluence of geopolitical uncertainties with electoral cycles (more than 40 countries are holding elections in 2024) further complicates the range of potential outcomes, emphasising the need for differentiated risk assessment and strategic foresight.

#### Cement and other building materials

Faced with all the complexities that 2024 presents, Secil will endeavour to react in response to the evolution of macroeconomic and geopolitical dynamics, in order to mitigate the potential impacts.

For **Portugal**, the Bank of Portugal (December 2023 Economic Bulletin) predicts that after growth of 2.1% in 2023, the Portuguese economy should slow down to 1.2% in 2024 and grow by 2.2% in 2025 and 2.0% in 2026. The recovery in activity will be gradual over the next year, benefiting from the acceleration in external demand, the effect of lower inflation on household income and the boost in investment from European funds. In 2025 and 2026, growth will benefit from the gradual dissipation of the impact of rising interest rates.

Inflation should continue its downward trajectory, falling from 5.3% in 2023 to 2.9% in 2024 and to 2% by the end of 2026. This decrease reflects the lagged effects of the reduction in production costs and the European Central Bank's monetary policy decisions.



2.9%

# Expected reduction in inflation for 2024.

For the construction sector, despite the lower dynamism of national economic activity, AICCOPN expects sustainable growth in activity, anticipating a real change in Gross Value of Production in 2024 of between 2 and 4%.

The Secil Group is evaluating potential investment opportunities, with an emphasis on decarbonising its industrial processes and I&D in products and solutions in the sectors in which it operates, and is analysing their framework within the scope of the Recovery and Resilience Plan. The implementation of the Recovery and Resilience Plan is expected to make a positive contribution to economic recovery in Portugal.

The investment in Secil's industrial plant in Outão, CCL - Clean Cement Line, which pioneers a combination of mature and innovative technologies that will reduce CO<sub>2</sub> emissions by 20%, increase





















For Brazil, after two consecutive years of decline, the Brazilian cement industry expects to grow next year, partly influenced by progress in infrastructure projects,

# Secil's path to decarbonisation, with the aim of achieving carbon neutrality by 2050.

energy efficiency by 20% and produce 30% of electricity through heat recovery from the process itself. The low-carbon clinker that will result from this process will make it possible to respond competitively to green procurement requests on the market. This project is currently being commissioned and is expected to be completed in the first half of 2024.

On the other hand, the market is expected to confirm the recognition of Verdi Concrete, launched in July 2022, the first carbon-neutral concrete in Portugal, a product based on a SECIL innovation in terms of product development and which guarantees a significant reduction in CO2 emissions from the outset. Verdi Zero Concrete is therefore a low-carbon concrete that promotes the circular economy by incorporating recycled waste, which means less use of virgin raw materials. The remaining emissions will be offset through a carbon offset programme certified by Climate Impact Partners and awarded the CarbonNeutral® Product label. This launch is another important step on Secil's path to decarbonisation, with the aim of achieving carbon neutrality by 2050, in line with the commitments made to reduce CO<sub>2</sub> emissions from our activity.

already signalled by the government for 2024, and in urban development, especially in the areas of housing and sanitation.

The IMF in its World Economic Outlook Update (WEO), published in January 2024, forecasts growth in the Brazilian economy of 3.1% in 2023 (after the 3.0% growth of 2022) and 1.7% for 2024 and 1.9% for 2025.

The inflation forecast in the WEO published in October was 4.7% for 2023, falling to 4.5% in 2024.

In **Lebanon**, the economic outlook remains highly uncertain and dependent on political measures by the authorities. Geopolitical instability in the Middle East, with the outbreak of the recent conflict in the Gaza Strip in October and more recently the crisis in the Red Sea, has accentuated the difficulties in recovering the economy and potential security, social and political risks. The Secil Group is closely monitoring developments.

The year 2024 will thus continue to be dominated by high uncertainty, with restrictions in the banking sector and a limited supply of electricity. The depreciation of the exchange rate during 2023 and the high

inflation rate reflect the difficulties and obstacles to the resumption of economic activity.

To deal with the power cut, the Secil Group is evaluating other alternatives in order to restore normal operations.

For Tunisia, the latest figures published by the IMF (World Economic Outlook, IMF October 2023), predict GDP growth of 1.3% in 2023 and 1.9% in 2024. Inflation for 2023 will be 9.4% (up from 8.3% in 2022), rising to 9.8% in 2024.

The political scene in Tunisia has not evolved significantly, despite the formation of a new parliament. The economic context remains difficult and social tensions are on the rise.

Negotiations with the IMF have stalled again due to (among other things) the persistent issue of compensation (subsidies).

As mentioned above, in October there was a fire at the Gabès cement plant. Although the material damage was not very significant, there was an impact on the

electrical supply equipment of the production lines. As a result, 2023 ended with a reduction in cement production activity. The Secil Group has already activated its insurance policies to compensate for the effects of the accident. Normal operations are expected to resume at the beginning of the 2nd Quarter of 2024.

The outlook for Angola(World Economic Outlook, IMF October 2023) is for GDP growth of 1.3% in 2023 and 3.3% in 2024. Inflation is forecast to fall sharply to 13.1% in 2023 (after 21.4% in 2022). It should be noted that inflation is expected to rise again in 2024 (22.3%).

#### **Subsequent events**

This matter is detailed in the Notes to the Consolidated Financial Statements of the Secil Group.

# 4.4 \_\_\_ Proposed application of profits

\_ 2023

ANNUAL REPORT \_

Secil - Companhia Geral de Cal e Cimento, S.A.'s net profit for the period amounted to 53,373,941 euros. The Board of Directors proposes the following application:

• Other reserves: 53,373,941.00 euros

The Board of Directors, 19 February 2024

#### **Board of Directors**

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Ricardo Miguel dos Santos Pacheco Pires Chairman

Otmor Hübaabar

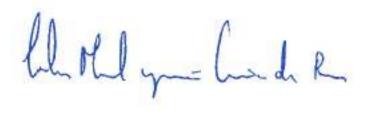
Otmar Hübscher Vice-Chairman

Cars alks hedri a

Carlos Alberto Medeiros Abreu Members

(australy)

Carlos Eduardo Coelho Alves
Members



Carlos Manuel Guimarães Correia de Barros Members



Hujo Alexande 6 Justin L

Hugo Alexandre Lopes Pinto Members

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Maria Isabel da Silva Marques Abranches Viegas Members

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Sérgio António Alves Martins Members

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Vítor Paulo Paranhos Pereira Members





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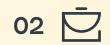
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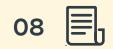














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# 05 \_\_\_\_ 5. CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED INCOME STATEMENT

FOR 2023 AND 2022

Amounts in Euro	Note	'23	'22
Revenue	2.1	693,348,710	602,980,604
Other operating income	2.2	127,747,613	94,205,494
Costs of goods sold and materials consumed	4.1	(243,549,201)	(221,631,246)
Variation in production	4.1	7,494,798	9,687,461
External supplies and services	2.3	(220,791,290)	(187,638,327)
Payroll costs	7.1	(87,638,580)	(78,357,311)
Other operating expenses	2.4	(8,333,510)	(6,425,295)
Net provisions	9.1	(121,649,261)	(75,929,847)
Depreciation, amortisation and impairment losses of non-financial assets	3.7	(49,438,618)	(58,549,558)
Operating profit		97,190,663	78,341,975
Gains/(losses) of associates and joint ventures	10.3	65,713	(1,227,649)
Financial income and gains	5.10	70,650,845	40,101,797
Financial expenses and losses	5.10	(97,684,313)	(72,366,244)
Net monetary position (gains / (losses))	5.11	14,455,321	979,084
Profit before tax		84,678,229	45,828,963
Income tax	6.1	(19,004,807)	(28,941,773)
Net profit for the period		65,673,422	16,887,190
Attributable to Secil's Shareholders		53,373,941	16,468,002
Attributable to non-controlling interests	10.1	12,299,481	419,188
Earnings per share			
Basic earnings per share	5.5	1.095	0.338
Diluted earnings per share	5.5	1.095	0.338

#### The Accompanying notes form an integral part of these consolidated financial notes.

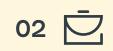
# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR 2023 AND 2022

Amounts in Euro	Note	'23	'22
Net profit for the period without non-controlling interests		65,673,422	16,887,190
Items that may be reclassified to the income statement			
Hedging derivative financial instruments			
Changes in fair value	8.2.1	(2,402,066)	5,620,450
Tax on items above		660,568	(1,545,624)
Currency translation differences		221,719	7,610,145
Other comprehensive income			
Items that may not be reclassified to the income statement			
Remeasurements of post-employment benefits			
Remeasurements	7.2.5	933,921	(1,907,673)
Tax on items above	7.2.5	(254,239)	526,314
Comprehensive income from associates and joint ventures	10.3		
Hyperinflationary economies			
Lebanon	5.11	(2,160,137)	(441,356)
Tax on items above	5.11	(84,246)	36,418
Other comprehensive income			
Total other comprehensive income (net of taxes)		(3,084,479)	9,898,674
Total comprehensive income		62,588,943	26,785,864
Attributable to:			
Secil's shareholders		54,977,097	30,303,671
Non-controlling interests		7,611,846	(3,517,807)
		62,588,943	26,785,864





















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CONSOLIDATED	STATEMENT	OF FINANCIAL	POSITION
	<u> </u>	<u> </u>	

AT 31 DECEMBER 2023 AND 2022

ANNUAL REPORT \_\_\_\_ 2023

Amounts in Euro	Note	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Goodwill	3.1	123,085,894	121,631,847
Intangible assets	3.2	234,832,486	183,753,886
Property, plant and equipment	3.3	457,577,511	432,174,474
Right-of-use assets	3.4	35,731,773	40,649,749
Investment properties	3.5	40,347	274,941
Investments in associates and joint ventures	10.3	1,699,538	549,997
Other financial investments	8.3	406,207	429,190
Receivables and other non-current assets	4.2	2,845,745	3,071,482
Deferred tax assets	6.2	50,308,964	46,364,384
		906,528,465	828,899,950
Current assets			
Inventories	4.1	101,882,425	92,390,804
Receivables and other current assets	4.2	126,327,916	119,774,004
Income tax	6.1	4,918,844	12,813,609
Cash and cash equivalents	5.9	60,614,596	69,001,851
Non-current assets held for sale	3.6	1,008,000	1,008,000
		294,751,781	294,988,268
Total Assets		1,201,280,246	1,123,888,218
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	5.2	100,395,212	100,395,212
Other equity instruments	5.3	-	32,300,000
Currency exchange reserve	5.4	(244,025,115)	(247,150,489)

Amounts in Euro	Note	31/12/2023	31/12/2022
Fair value reserves	5.4	2,796,254	4,537,752
Legal reserve	5.4	20,079,044	20,079,044
Other reserves	5.4	319,441,859	312,125,117
Retained earnings	5.4	23,997,137	28,117,902
Net profit for the period	5.5	53,373,941	16,468,002
Equity attributable to Secil's shareholders		276,058,332	266,872,540
Non-controlling interests	10.1	14,776,101	3,320,329
Total Equity		290,834,432	270,192,869
Non-current liabilities			
Deferred tax liabilities	6.2	61,267,020	54,767,209
Liabilities for long-term employee benefits	7.2	888,568	2,053,280
Provisions	9.1	145,726,059	98,916,495
Obtained Financing	5.6	278,778,400	267,033,496
Lease liabilities	5.7	24,013,596	28,734,457
Non-current payable amounts	4.3	10,091,069	9,403,349
		520,764,712	460,908,286
Current liabilities			
Obtained Financing	5.6	69,918,972	108,193,715
Lease liabilities	5.7	8,371,883	9,262,605
Current payable amounts	4.3	282,108,359	260,917,925
Income tax	6.1	29,281,888	14,412,818
		389,681,102	392,787,063
Total Liabilities		910,445,814	853,695,349
Equity and Total Liabilities		1,201,280,246	1,123,888,218

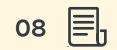
The Accompanying notes form an integral part of these consolidated financial notes.

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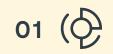


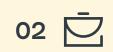
# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD BETWEEN 1 JANUARY 2023 AND 31 DECEMBER 2023

Amounts in Euro	Note	Share capital	Equity instruments	Currency translation reserve	Fair value reserve	Legal reserve	Other reserves	Retained earnings	Net profit for the period	Total	Non- controlling interests	Total
Equity as at 1 January 2023		100,395,212	32,300,000	(247,150,489)	4,537,752	20,079,044	312,125,117	28,117,902	16,468,002	266,872,540	3,320,329	270,192,869
Net profit for the period		-	-	-	-	-	-	-	53,373,941	53,373,941	12,299,481	65,673,422
Other comprehensive income (net of taxes)		-	-	3,810,790	(1,741,498)	-	(267,911)	947,533	-	2,748,913	(3,589,009)	(840,096)
Other transaction - Hyperinflationary economies		-	-	-	-	-	-	(1,145,758)	-	(1,145,758)	(1,098,626)	(2,244,383)
Revaluation surplus (net of tax)		-	-	-	-	-	(113,750)	113,750	-	-	-	-
Total comprehensive income for the period		-	-	3,810,790	(1,741,498)	-	(381,662)	(84,475)	53,373,941	54,977,097	7,611,846	62,588,943
Appropriation of 2022 profit:												
Transfer to retained earnings and reserves	5.4	-	-	-	-	-	16,468,002	-	(16,468,002)	-	-	-
Repayment of additional capital contributions		-	(32,300,000)	-	-	-	-	-	-	(32,300,000)	-	(32,300,000)
Dividens paid		-	-	-	-	-	(8,772,397)	-	-	(8,772,397)	-	(8,772,397)
Dividends paid by subsidiaries to non-controlling interests	10.1	-	-	-	-	-	-	-	-	-	(306,023)	(306,023)
Acquisitions/(Disposals) of non-controlling interests	10.1	0	-	(685,416)	-	-	2,799	(4,036,291)	-	(4,718,908)	4,149,949	(568,959)
Total transactions with shareholders		0	(32,300,000)	(685,416)	_	-	7,698,404	(4,036,291)	(16,468,002)	(45,791,305)	3,843,926	(41,947,379)
Equity as at 31 December 2023		100,395,212	-	(244,025,115)	2,796,254	20,079,044	319,441,859	23,997,137	53,373,941	276,058,332	14,776,101	290,834,432





















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# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD BETWEEN 1 JANUARY 2022 AND 31 DECEMBER 2022

Amounts in Euro	Note	Share capital	Equity instruments	Currency translation reserve	Fair value reserve	Legal reserve	Other reserves	Retained earnings	Net profit for the period	Total	Non- controlling interests	Total
Equity as at 1 January 2022		100,395,212	72,800,000	(258,502,377)	462,926	20,079,044	247,203,690	28,324,622	66,305,752	277,068,869	7,214,604	284,283,473
Net profit for the period		_	_	-	_	-	_	-	16,468,002	16,468,002	419,188	16,887,190
Other comprehensive income (net of taxes)		-	-	11,351,888	4,074,826	-	(1,384,325)	-	-	14,042,389	(3,738,777)	10,303,612
Other transaction - Hyperinflationary economies		_	_	-	_	-	_	(206,720)		(206,720)	(198,218)	(404,938)
Total comprehensive income for the period		-	-	11,351,888	4,074,826	-	(1,384,325)	(206,720)	16,468,002	30,303,671	(3,517,807)	26,785,864
Appropriation of 2021 profit:												
Transfer to retained earnings and reserves	5.4	-	-	-	-	-	66,305,752	-	(66,305,752)	_	-	-
Repayment of additional capital contributions	5.3	-	(40,500,000)	-	-	-	-	-	-	(40,500,000)	-	(40,500,000)
Dividends paid	5.2	-	-	-	-	-	-	-	-	_	(35,052)	(35,052)
Dividends paid by subsidiaries to non-controlling interests	5.2	-	-	-	-	-	-	-	-	-	-	-
Acquisitions/(Disposals) of non-controlling interests	10.1	-	-	-	-	-	-	-	-	-	(341,416)	(341,416)
Total transactions with shareholders		_	(40,500,000)	_	_	_	66,305,752	_	(66,305,752)	(40,500,000)	(376,468)	(40,876,468)
Equity as at 31 December 2022		100,395,212	32,300,000	(247,150,489)	4,537,752	20,079,044	312,125,117	28,117,902	16,468,002	266,872,540	3,320,329	270,192,869

# CONSOLIDATED CASH FLOW STATEMENT

FOR 2023 AND 2022

ANNUAL REPORT \_\_\_\_ 2023

Amounts in Euro	Note	'23	'22
OPERATING ACTIVITIES			
Receipts from customers		819,642,763	711,138,821
Payments to suppliers		(552,695,881)	(501,383,794)
Payments to employees		(52,015,447)	(50,777,118)
Cash flows from operations		214,931,435	158,977,909
Income tax received/ (paid)		2,404,492	(4,207,394)
Other receipts / (payments) relating to operating activities		(56,568,844)	(74,536,090)
Cash flows from operating activities (1)		160,767,083	80,234,425
INVESTING ACTIVITIES			
Inflows:			
Property, plant and equipment		842,439	754,850
Financial investments		19,157	4,125,000
Government grants	3.3	_	52,300
Dividends from associates and joint ventures		166,146	229,360
Other assets		271,189	32,026
		1,298,931	5,193,536
Outflows:			
Financial investments		(1,818,956)	(1,727,644)
Property, plant and equipment		(46,501,734)	(50,814,554)
		(48,320,691)	(52,542,198)
Cash flows from investing activities (2)		(47,021,760)	(47,348,662)
FINANCING ACTIVITIES			
Inflows:			
Interest-bearing liabilities	5.9	876,245,084	657,192,253
Other financing activities		4,280,242	-
		880,525,326	657,192,253

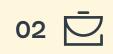
Amounts in Euro	Note	'23	'22
Outflows:			
Interest-bearing liabilities	5.9	(901,556,252)	(633,277,924)
Amortisation of lease agreements	5.9	(14,855,552)	(14,386,573)
Interest and similar expenses		(19,350,373)	(17,814,568)
Dividends		(9,054,824)	(340,825)
Decreases in capital and other equity instruments		(32,300,000)	(40,500,000)
Other		(12,894,123)	(8,334,738)
		(990,011,124)	(714,654,628)
Cash flows from financing activities (3)		(109,485,798)	(57,462,375)
CHANGE IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)		4,259,525	(24,576,612)
Effect of exchange rate differences		280,612	11,929,773
Effect of Hyperinflation on cash and cash equivalents		(13,178,646)	(1,209,715)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5.8	69,001,851	75,000,230
Impairment losses from the application of IFRS 9		251,255	443,024
CASH AND CASH EQUIVALENTS AT THE END F THE PERIOD	5.8	60,614,596	61,586,700

The Accompanying notes form an integral part of these consolidated financial notes.

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5.4.3 Amounts payables

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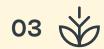
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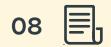














5.1 \_\_\_\_\_\_Introduction

The Notes to the financial statements are organised into 11 blocks, aggregated according to the relevance of their joint reading for the understanding of the Company's performance, financial position, and movements in cash flows for the periods presented.

The relevant accounting policies and the main judgements and estimates for each caption of the financial statements are disclosed at the beginning of the respective Note. The following symbols are used in the presentation of the Notes to the financial statements:



This symbol indicates the disclosure of management policies specifically applicable to the items in the respective Note.



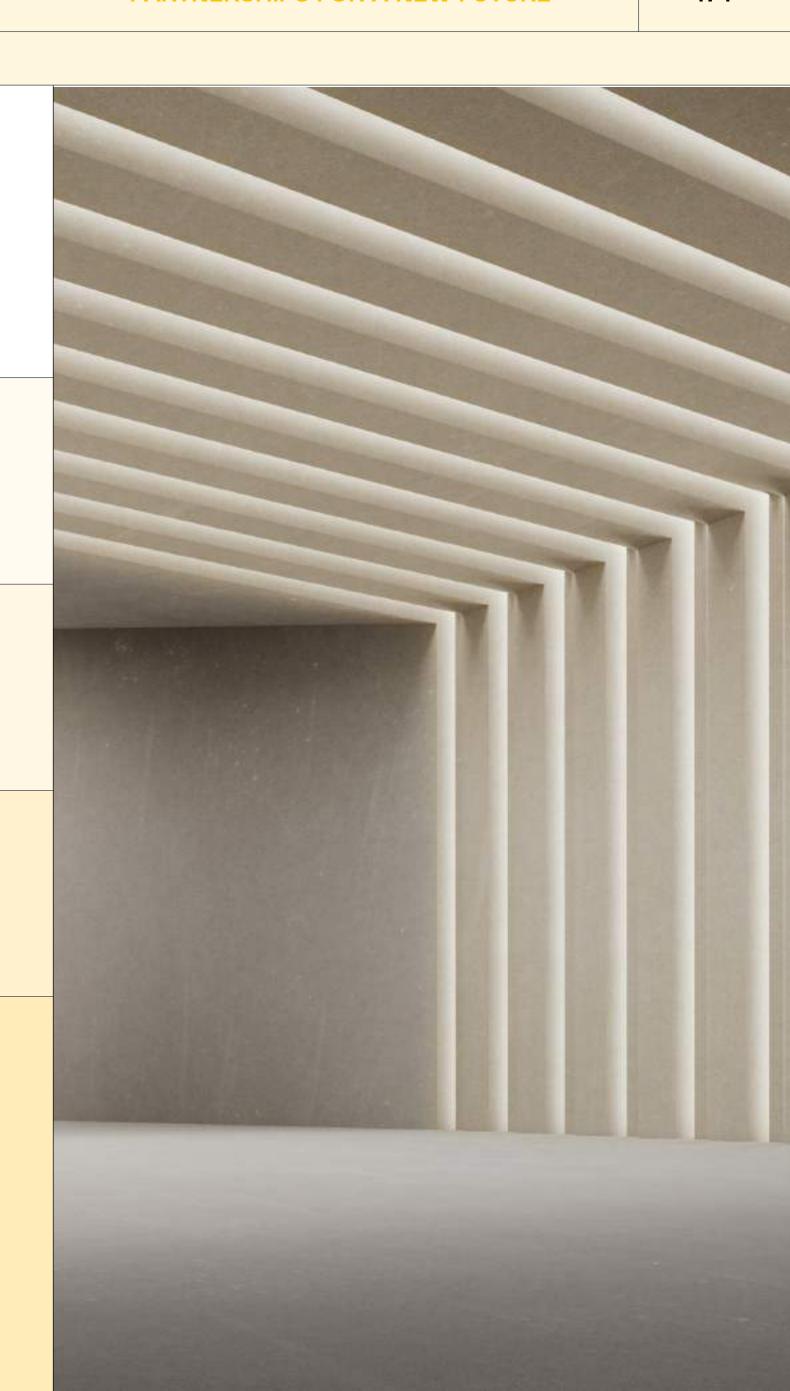
This symbol indicates the disclosure of accounting policies specifically applicable to the items in the respective Note.



This symbol indicates the disclosure of the estimates and/or judgments made regarding the items in the respective Note.



This symbol indicates a reference to another Note or another section of the Financial Statements where more information about the items disclosed is presented.





## **Group Presentation**

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The SECIL Group - consists of Secil Companhia Geral de Cal e Cimento, S.A. (Company or SECIL) and its Subsidiaries. Secil, headquartered in Outão, Setúbal, was founded on 27 June 1918 and its main activity is the manufacture and sale of cement, produced at its plants in Outão, Maceira and Pataias, and distributed through various commercial warehouses throughout the country.

2023

Secil heads a business group with operations in Portugal, Spain, Netherlands, Cape Verde, Tunisia, Angola, Lebanon, and Brazil, mainly in: (i) cement production directly and through its subsidiaries, in factories in Gabès (Tunisia), Lobito (Angola), Beirut (Lebanon), Pomerode (Brazil) and Adrianópolis (Brazil), (ii) production and sale of concrete in Portugal, Spain, Tunisia, Lebanon and Brazil, and (iii) production of aggregates and operation of quarries in Portugal and Cape Verde.

>>> A more detailed description of the activity in each of the Group's lines of business can be found in Note 2.1 - Revenue.

Secil is included in the consolidation perimeter of Semapa - Sociedade de Investimento e Gestão, SGPS, S.A., the parent company, and Sodim -SGPS, S.A., the ultimate controlling entity.

# 5.1.2 \_\_\_ Relevant events of the period

#### **Acquisition from non-controlling interests**

With effect from January 2023, the Secil Group acquired 49% of the share capital of Secil Companhia de Cimento do Lobito, S.A., through its subsidiary Florimar- Transporte Marítimo, Navios e Participações, Lda. As a result, the Group now owns 100% of the company.

#### Russia-Ukraine war and conflict in the Middle East

The year 2023 was marked by the continuation of the Russia-Ukraine war and the emergence, in the last quarter, of a new conflict in the Middle East, resulting in increased uncertainty in the international geopolitical landscape with a high potential for destabilisation with a greater impact on energy prices and the confidence of economic agents. The economies of the countries in which the Secil Group operates were affected, albeit to varying degrees, by this context of instability.

The negative effects caused by the increase in production costs, especially energy costs, as a result of the sharp rise in fuel prices and the general inflationary trend in all economies as a result of the global health crisis and the continuing war in Ukraine, were mitigated in many countries by the average increase in sales prices and market growth in various countries.

The Secil Group continues to analyse the potential impacts on its financial position, performance and cash flows arising from these conflicts, particularly in terms of relevant accounting estimates and judgements. This analysis did not reveal any signs of impairment.

# 5.1.3 \_\_\_ Subsequent events

Between 1st January 2024 and 19th February 2024 there were no subsequent events that provide additional information on the conditions that existed on the balance sheet date or provide information on conditions that occurred after the balance sheet date.

# 5.1.4 \_\_\_ Basis for preparation

#### **Authorisation for the issue** of the financial statements

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 19th February 2024, although they are still subject to approval by the General Shareholders' Meeting, under the terms of the commercial legislation in force in Portugal.

The Group's managers, i.e. the members of the Board of Directors who sign this report, declare that, to the best of their knowledge, the information contained herein has been prepared in accordance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, financial position

and results of the companies included in the Group's consolidation perimeter.

#### **Accounting benchmark**

The consolidated financial statements for the period ended 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), effective 1 January 2023 and as adopted by the European Union.

#### Comparability

These financial statements are comparable in all material respects with those of the previous financial year 2022.

#### **Basis of measurement**

The accompanying consolidated financial statements were prepared on a going concern basis from the accounting books and records of the companies included in the consolidation (Note 10.1), and under the historical cost convention, except for financial instruments measured at fair value through profit or loss or at fair value through equity (Note 8.3), which include derivative financial instruments (Note 8.2).

























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#### **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights over, the variable returns generated as a result of its involvement with the entity, and has the ability to affect those variable returns through the power it exercises over the entity's relevant activities.

2023

The equity and net profit of these companies corresponding to third-party holdings in them are shown under Non-controlling interests, respectively, in the consolidated statement of financial position on a separate line under equity and in the consolidated income statement. The companies included in the consolidated financial statements are detailed in Note 10.1.

The purchase method is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets delivered, the equity instruments issued and the liabilities incurred or assumed on the acquisition date.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value on the acquisition date, regardless of the existence of non-controlling interests. The excess of the acquisition cost over the fair value of the Group's share of the identifiable assets and liabilities acquired is recognised as goodwill in cases where control is acquired, as detailed in Note 3.1.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. When

additional shares are acquired in companies already controlled by the Group, the difference between the percentage of capital acquired and the respective acquisition value is recognised directly in equity under Retained earnings (Note 5.4).

When at the date of acquisition of control the Group already holds a previously acquired stake, the fair value of that stake contributes to the determination of goodwill or negative goodwill.

When control is acquired in a percentage of less than 100%, when applying the purchase method, noncontrolling interests may be measured at fair value, or in proportion to the fair value of the assets and liabilities acquired, this option being defined in each transaction.

In the case of disposals of shareholdings which result in the loss of control over a subsidiary, any remaining shareholding is revalued at market value on the date of sale and the gain or loss resulting from this revaluation is recognised in the income statement, together with the gain or loss resulting from the disposal.

Subsequent transactions involving the sale or acquisition of stakes in non-controlling interests, which do not imply a change in control, do not result in the recognition of gains, losses or goodwill, and any difference between the value of the transaction and the book value of the stake transacted is recognised in Equity, under Other equity instruments.

The acquisition cost is subsequently adjusted when the acquisition/assignment price is contingent on the occurrence of specific events agreed with the seller/shareholder (e.g. realisation of the fair value of acquired assets).

Any contingent payments to be transferred by the Group are recognised at fair value on the acquisition date. If the obligation assumed constitutes a financial liability, subsequent changes in fair value are recognised in the income statement. If the obligation assumed is a capital instrument, there is no need to change the initial estimate.

The negative results generated in each period by subsidiaries with non-controlling interests are allocated in the percentage held by them, regardless of whether they have a negative balance.

If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary (negative goodwill), the difference is recognized directly in the income statement under "Other income and gains". Directly attributable transaction costs are immediately recognised in the income statement.

Internal transactions, balances, unrealised gains from transactions and dividends distributed between Group companies have been removed. Unrealised losses are also removed, unless the transaction shows evidence of impairment of a transferred asset.

The accounting policies of the subsidiaries have been changed, when necessary, to ensure consistency with the policies adopted by the Group.

#### **Associates**

Associates are all entities over which the Group has a significant but non-controlling influence, generally with 20 to 50% of the voting rights. Investments in associates are accounted for using the equity method.

In accordance with the equity methods, financial investments are recorded at cost, adjusted by the value corresponding to the Group's participation in the changes in equity (including net income) of the associates and against dividends received.

The differences between the acquisition cost and the fair value of the associate's identifiable assets. liabilities and contingent liabilities on the acquisition date, if positive, are recognised as goodwill and maintained under the Investment in associates heading. If these differences are negative, they are recognised as income for the period under the heading Appropriation of profits in associated companies. Directly attributable transaction costs are immediately recognised in the income statement.

An assessment was made of investments in associates when there was indications that the asset may have been impaired, and any impairment losses in that item are recognised as a cost. When impairment losses recognised in previous years cease to exist, they are reversed.

When the Group's share of the associate's losses equals or exceeds its investment in these companies, the Group no longer recognises additional losses, unless it has incurred liabilities or made payments on their behalf. Unrealised gains on transactions with associates are removed in proportion to the Group's holding in them. Unrealised losses are also removed, except if the transaction reveals evidence of impairment of a transferred asset.

The accounting policies of the associates are changed, whenever necessary, to ensure consistency with the policies adopted by the Group. Investments in associates are detailed in Note 10.3.

























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Joint Agreements are classified as joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for and measured using the equity method.

2023

Joint operations are accounted for in the Group's consolidated financial statements according to the share of assets held and liabilities assumed jointly, as well as income from the output of the joint operation and expenses incurred jointly. Assets, liabilities, income and expenses must be accounted for in accordance with the applicable IFRS.

A jointly controlled entity is a joint venture involving the establishment of a company, partnership or other entity in which the Group has an interest.

Jointly controlled entities are included in the consolidated financial statements using the equity method, according to which investments are recognised at acquisition cost, adjusted by the amount corresponding to the Group's share of changes in equity (including net profit) and dividends received.

When the share of losses attributable to the Group equals or exceeds the value of the financial interest in the joint ventures, the Group recognises additional losses if it has assumed obligations or made payments for the benefit of the joint ventures.

Unrealised gains and losses between the Group and its joint ventures are eliminated in proportion to the Group's interest in the joint ventures. Unrealised losses are also eliminated, unless the transaction provides additional evidence of an impairment on the transferred asset.

The accounting policies of joint ventures are changed whenever necessary to ensure that they are applied consistently with those of the Group.

Presentation currency and transactions in currencies other than the presentation currency and hyperinflationary economies.

The items included in the financial statements of each of the Group's entities are measured using the currency of the economic environment in which the entity operates (functional currency).

These consolidated financial statements are presented in Euro.

All the Group's assets and liabilities expressed in a currency other than the presentation currency have been translated into euros using the exchange rates in force on the date of the consolidated statement of financial position (Note 8.1.1).

Exchange differences arising from differences between the exchange rates in force on the date of the transactions and those in force on the date of collection, payment or the date of the consolidated financial position are recorded as income and expenses for the period (Notes 5.10).

The results of foreign operating units have been translated at the average exchange rate for the period. The differences resulting from the application of these rates compared to the previous values were reflected in the Currency translation reserve in equity (Note 5.4). Whenever a foreign entity is sold, the accumulated exchange difference is recognised in the consolidated income statement as part of the gain or loss on the sale.

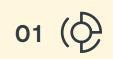
For foreign operating units in hyperinflationary economies, the financial statements in local currency are restated in terms of the current measurement unit at the date of the financial position, in order to reflect the impact of inflation before transposition into the Group's presentation currency. IAS 29 - Financial Reporting in Hyperinflationary Economies requires that amounts not yet expressed in terms of the current measurement unit at the date of the financial position be restated by applying a general price index, leading to a potential gain or loss in the monetary position. The standard also requires that all items in the cash flow statement be expressed in terms of the current measurement unit at the balance sheet date.

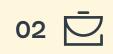
When the Group's presentation currency is not hyperinflationary, IAS 21 - The Effects of Changes in Foreign Exchange Rates requires the comparative values to be those that were presented in the previous financial statements, with the gain or loss in the net monetary position related to price changes in previous periods being recognised directly in Equity.

In addition, the Group assesses the carrying amount of non-current assets in accordance with IAS 36 -Impairment of assets, whereby the restated amount is reduced to the recoverable amount, ensuring that the carrying amount reflects the economic value of the assets.

The results and financial position of foreign operations in hyperinflationary economies are translated at the closing rate on the financial position date. In the case of Lebanon, the Group uses the exchange rate applicable to dividends and capital repatriation, because this is the rate at which, on the date of the financial position, the investment in the foreign operation will be recovered.

















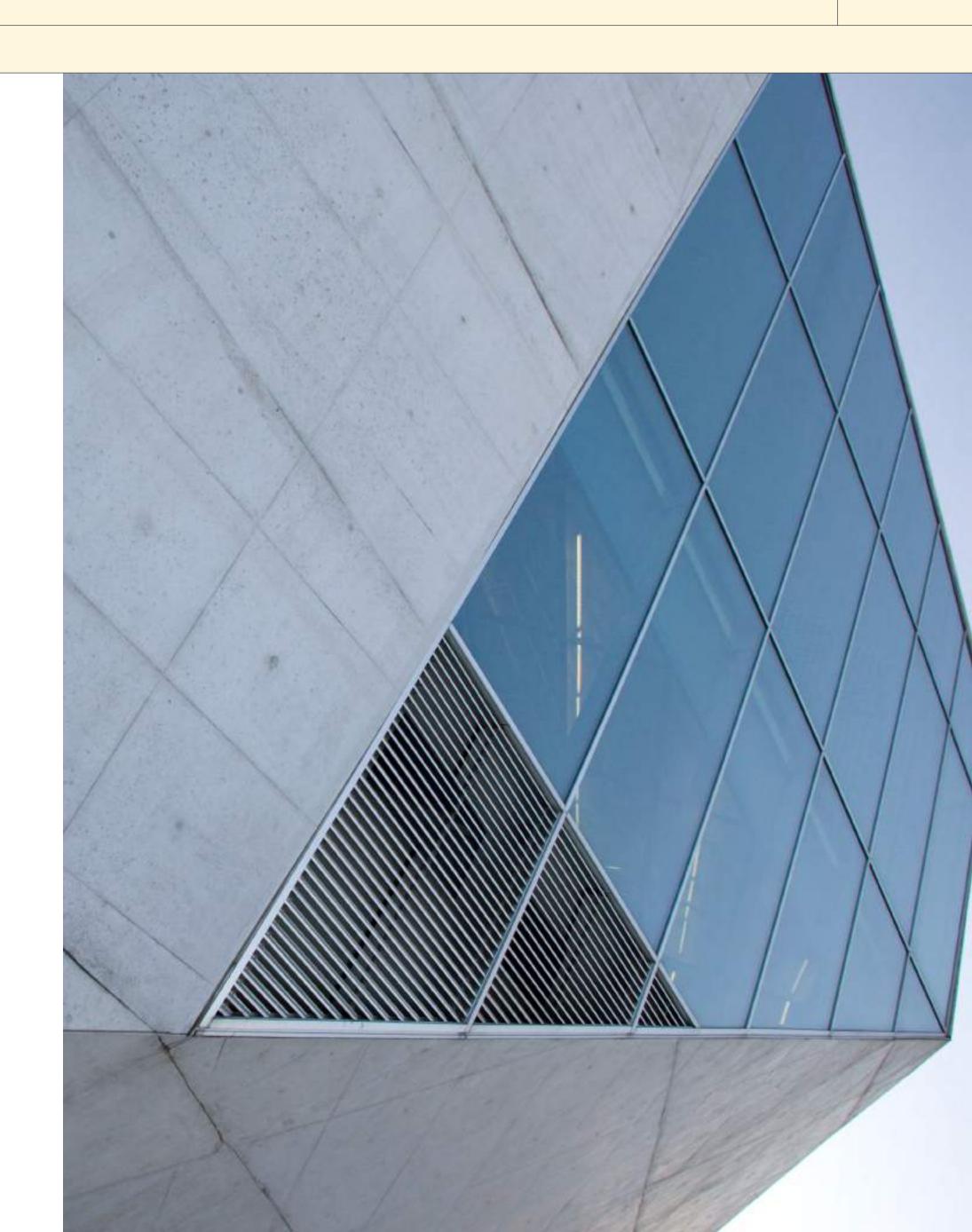




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As at 31 December 2023 and 2022, the exchange rates used to transpose assets and liabilities expressed in currencies other than the Euro are detailed as follows:

31-12-2023	31-12-2022	Valuation / (Devaluation)
3.3548	3.2535	(3.11%)
3.3897	3.3342	(1.66%)
99.118.50	44.903.90	(120.73%)
99.118.50	44.903.90	(120.73%)
1.0816	1.0534	(2.68%)
1.1050	1.0666	(3.60%)
5.4011	5.4409	0.73%
5.3503	5.5680	3.91%
747.8882	486.7246	(53.66%)
925.3583	544.6434	(69.90%)
110.2650	110.2650	0.00%
110.2650	110.2650	0.00%
	3.3548 3.3897 99.118.50 99.118.50 1.0816 1.1050 5.4011 5.3503 747.8882 925.3583	3.3548 3.2535 3.3897 3.3342  99.118.50 44.903.90 99.118.50 44.903.90  1.0816 1.0534 1.1050 1.0666  5.4011 5.4409 5.3503 5.5680  747.8882 486.7246 925.3583 544.6434

























# 5.1.5 \_\_\_ New IFRS standards adopted and to be adopted

Standards, amendments and interpretations adopted in 2023

#### No impact on the financial statements

Amendments to IAS 1 - Presentation of financial statements and IFRS Practice Statement 2:
Accounting policy disclosures

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates Amendments to IAS 12: deferred tax related to assets and liabilities arising from a single transaction

**Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules** 

Following feedback on the need for more guidance to help companies decide what information to disclose regarding accounting policies, on 12 February 2021 the IASB issued amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements.

The main changes to IAS 1 include: i) requiring entities to disclose material accounting policy information instead of significant accounting policies, ii) clarifying that accounting policies related to immaterial transactions are also immaterial and as such do not need to be disclosed and iii) clarifying that not all accounting policies related to material transactions are themselves material to an entity's financial statements

The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on applying materiality to accounting policy disclosures. These changes are consistent with the revised definition of material:

"Accounting policy information is material if, when considered in conjunction with other information included in an entity's financial statements, it can reasonably be expected to influence the decisions that primary users of financial statements generally make on the basis of those financial statements."

The IASB issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify how entities should distinguish changes in accounting policies from changes in accounting estimates, with the main focus on defining and clarifying accounting estimates.

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary values in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates, specifying that an entity develops an accounting estimate to achieve the objective established by an accounting policy. The effects of changes in such data or measurement techniques are changes in accounting estimates.

The amendments are effective for periods beginning on or after 1 January 2023, and will be applied prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period to which the entity applies the amendments.

The IASB issued amendments to IAS 12 - Income Taxes', on 7 May 2021.

The changes require companies to recognise deferred taxes on transactions which, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

In certain circumstances, companies are exempt from recognising deferred taxes when they recognise assets or liabilities for the first time. Previously, there was some uncertainty as to whether the exemption applied to transactions such as leases and provisions for dismantling, i.e. transactions in which companies recognise an asset and a liability. The amendments clarify that the exemption does not apply to this type of transaction and that companies are obliged to recognise deferred taxes. The aim of the changes is to reduce diversity in the disclosure of deferred taxes on leases and provisions for dismantling.

On 23 May 2023, the IASB issued International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12 to clarify the application of IAS 12 - Income Taxes to income taxes arising from tax legislation enacted or substantially enacted to implement the OECD Pillar Two model rules.

The changes introduce:

- A mandatory temporary exception to the accounting of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of financial statements understand an entity's exposure to Pillar Two income tax arising from that legislation, especially before its effective date.

The mandatory temporary exception
- the use of which must be publicised applies immediately. The other disclosure
requirements apply to annual reporting
periods beginning on or after 1 January 2023

The above standards, amendments and interpretations had no impact on the financial statements.

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\$	Standards, amendments and interpretations of mandatory application on or after 1 January 2024					
	No expected impact on the financial statements					
	Standards and amendments endorsed by the European Union that the company has chosen not to apply	in advance				
Standard	Clarification of the requirements for classifying liabilities as current or non-current (amendments to IAS 1 - Presentation of Financial Statements)	Lease liability in a sale and leaseback transaction (amendments to IFRS 16 - Leases)				
Amendment	On 23 January 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current and non-current.  The amendments clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement that an entity has the right to defer settlement of the liability for at least 12 months after the reporting period.  The changes are aimed at:  a. specify that an entity's right to defer liquidation must exist at the end of the reporting period and must be substantive;  b. clarify that the ratios that the company must fulfil after the balance sheet date (i.e. future ratios) do not affect the classification of a liability on the balance sheet date. However, when non-current liabilities are subject to future ratios, companies must disclose information that allows users to understand the risk that these liabilities may be repaid within 12 months of the balance sheet date; and  c. clarify the requirements for classifying liabilities that an entity will settle, or can settle, by issuing its own equity instruments (e.g. convertible debt).  This amendment is effective for periods after 1 January 2024.	In September 2022, the IASB issued amendments to IFRS 16 - Leases which introduce a new accounting model for variable payments in a sale and leaseback transaction.  The changes confirm that:  On initial recognition, the seller - lessee includes variable lease payments when measuring a lease liability arising from a sale and leaseback transaction;  After initial recognition, the seller - lessee applies the general requirements for subsequent accounting of the lease liability, so that it does not recognise any gain or loss related to the right of use it retains.  A seller - lessee can adopt different approaches that satisfy the new subsequent measurement requirements.  The changes are effective for annual periods beginning on or after 1 January 2024, with early application permitted.  In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, a seller - lessee will have to apply the changes retrospectively to sale and leaseback transactions entered into on or after the date of initial application of IFRS 16. This means that it will have to identify and re-analyse the sale and leaseback transactions entered into since the implementation of IFRS 16 in 2019 and potentially restate those that included variable lease payments.				
Date of Application	1 January 2024	1 January 2024				

ANNUAL REPORT

2023

## Standards, amendments and interpretations of mandatory application on or after 1 January 2024 No expected impact on the financial statements Standards and amendments endorsed by the European Union that the company has chosen not to apply in advance Clarification of the requirements for classifying liabilities as current or non-current Lease liability in a sale and leaseback transaction (amendments to IFRS 16 - Leases) (amendments to IAS 1 - Presentation of Financial Statements) On 15 August 2023, the International Accounting Standards Board (IASB or Board) issued Lack of Convertibility On 25 May 2023, the International Accounting Standards Board (IASB) published Supplier Financing Arrangements with amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments (Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates) (the amendments). Disclosures. The amendments clarify how an entity should assess whether a currency is convertible or not and how it should The changes concern disclosure requirements relating to supplier financing arrangements - also known as determine a spot exchange rate in situations of lack of convertibility. supply chain financing, accounts payable financing or recourse factoring arrangements. A currency is convertible into another currency when a company is able to exchange that currency for another The new requirements complement those already included in the IFRS standards and include disclosures on: currency on the measurement date and for a specific purpose. When a currency is not convertible, the company has to estimate a spot exchange rate. • Terms and conditions of supplier financing agreements; According to the changes, companies will have to provide new disclosures to help users assess the impact of using • The amounts of the liabilities that are the subject of such agreements, the extent to which suppliers have an estimated exchange rate on financial statements. These disclosures may include: already received payments from the lenders and the heading under which these liabilities are presented in the • The nature and financial impacts of the currency not being convertible; balance sheet; Due date ranges; and The spot exchange rate used; Information on liquidity risk. The estimation process; and The changes are effective for financial years beginning on or after 1 January 2024. The risks for the company because the currency is not convertible. The changes apply to annual reporting periods beginning on or after 1 January 2025. Early application is permitted. 1 January 2024 1 January 2025







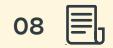


















The preparation of consolidated financial statements requires estimates and judgements to be made that affect the amounts of income, expenses, assets, liabilities and disclosures at the date of the consolidated financial position. To this end, the Group's Board of Directors is based on:

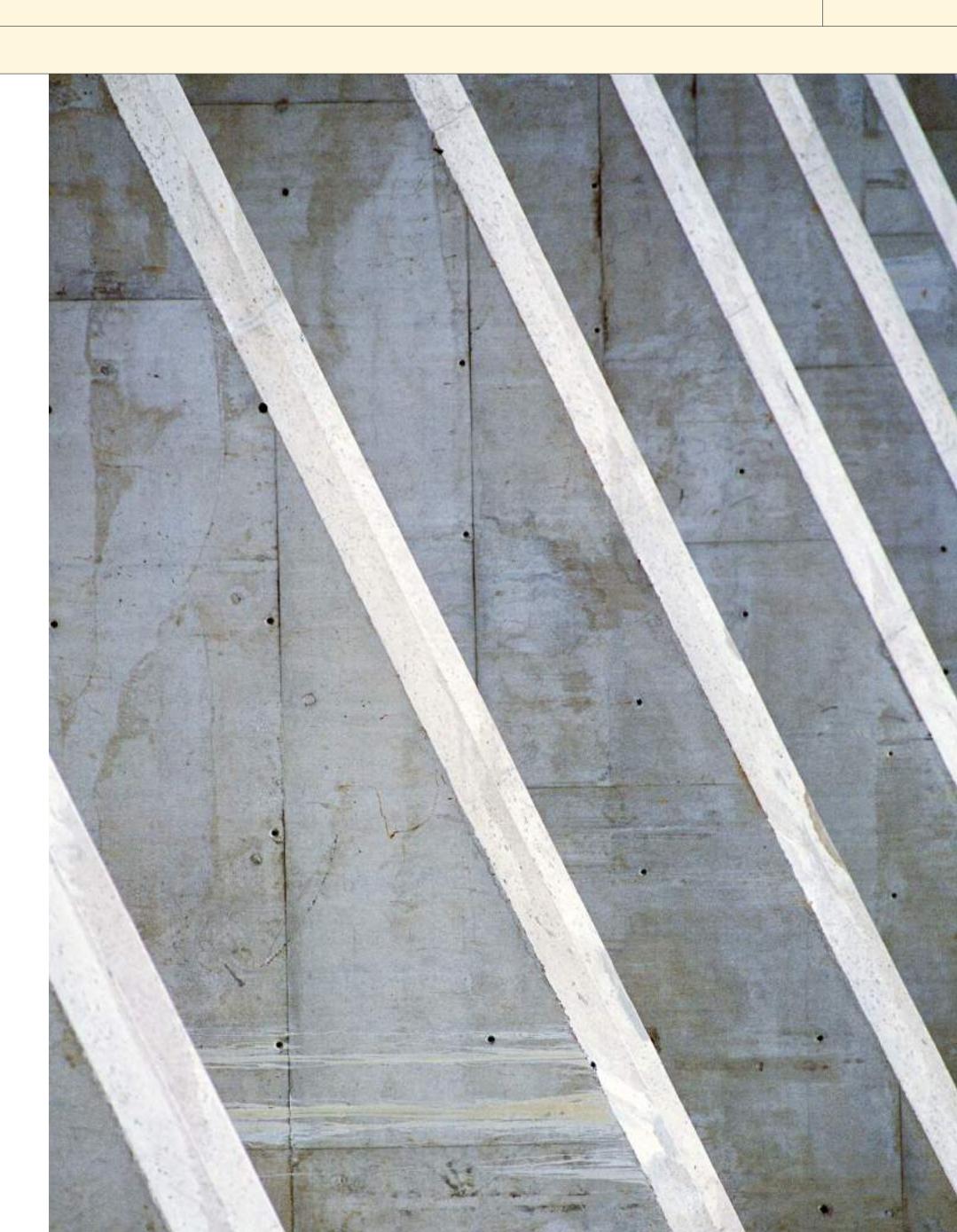
- (i) the best information and knowledge of present events and in some cases independent expert reports, and
- (ii) in the actions that the Group believes it can take in the future.

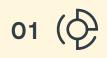
On the date the operations are realised, their results may differ from these estimates.

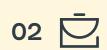
### Most significant estimates and judgements

The estimates and assumptions that present a significant risk of causing a material adjustment to the book value of assets and liabilities in the following financial year are presented below:

Estimates and judgements	Note
Recoverability of goodwill and brands;	3.1 - Goodwill 3.2 - Intangible Assets
Uncertainty as to the income tax treatment;	6.1 - Income tax for the period 6.2 - Deferred taxes
Actuarial assumptions	7.2 - Employee benefits
Recognition of provisions	9.1 Provisions
Recoverability, useful life and depreciation of property, plant and equipment	3.3 - Property, plant and equipment







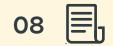
















5.2
Operational performance

5.2.1 \_\_\_ Revenue

### Business management policy

The Secil Group's Executive Committee is primarily responsible for making the Group's operational decisions, analysing the financial and operational information reports for each geographical segment on a regular and consistent basis. The reports are used to monitor the operational performance of its businesses and decide on the best allocation of resources to the segment, as well as evaluating its performance and making strategic decisions.

Five operating segments have been identified, based on the geographical areas in which the Group operates: Portugal, Lebanon, Tunisia, Brazil and Angola. It should be noted that Portugal includes Cape Verde, the Netherlands and Spain, as exports to these countries are made from Portugal and are monitored together with national sales.

Amounts in Euro	Note	'23	'22
Revenue	2.1	693,348,710	602,980,604
Other operating income	2.2	127,747,613	94,205,494
		821,096,324	697,186,098
Costs of goods sold and materials consumed	4.1	(243,549,201)	(221,631,246)
Variation in production	4.1	7,494,798	9,687,461
External supplies and services	2.3	(220,791,290)	(187,638,327)
Payroll costs	7.1	(87,638,580)	(78,357,311)
Other operating expenses	2.4	(8,333,510)	(6,425,295)
		(552,817,782)	(484,364,718)
		268,278,542	212,821,380

























#### Revenue

In this Note, the Group presents revenue broken down by geographical area, based on the country of destination of the goods and services sold by the Group.

#### Cement

A significant part of the Secil Group's revenue relates to the sale of grey cement, in bulk or bagged, on pallets or in packets. How the cement is packaged and where it is delivered depends on the size of the customer and the end use of the product.

The Secil Group's main customers are industrial companies in the concrete, precast and civil construction sectors and consortia involved in the construction of highly complex technical works such as dams and bridges. The sale of bagged cement to the end consumer is residual and is ensured through local resellers.

Secil supplies its products at its plants and warehouses and ensures transport to the customer's premises by subcontracting transport, in which case there are two performance obligations, to which Secil allocates the transaction price based on sales prices.

The revenue recognised for the sale of cement in the warehouses results from the price lists in force adjusted by cash discounts and quantity discounts granted to customers, depending on whether they

are reseller customers or industrial customers, as described in the general sales conditions. For large clients and specific projects, prices and discount conditions are fixed on a contract-by-contract basis.

The discounts granted constitute a variable component of the price which is taken into account in determining the revenue recognised on the date of delivery of the product to the customer, which corresponds to the date of transfer of control of the products.

In the case of exports, the transfer of control of the products generally takes place when the products pass to the control of the customer, in accordance with the Incoterms negotiated.

#### **Materials**

The materials business line concerns cement "derivatives": ready-mixed concrete, aggregates, mortars and precast concrete.

Revenue from materials is recognised on the date the product is delivered to the customer, even if the contract involves phased deliveries, due to the different stages of the work and the quantities to be handled.

Revenue is recognised at the amount of the performance obligation satisfied, with the transaction price corresponding to a fixed amount invoiced according to the quantities sold, with the granting of quantity discounts (rappel) that can be reliably determined.

With regard to mortars, the hire of site equipment for the storage, mixing and application of mortars corresponds to a separate performance obligation with an autonomous sales price less any discounts granted.

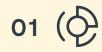
The precast concrete area is essentially concerned with the commercialisation of standard precast materials, and there is no production of precast on specific customer request. In this business area, the Group recognises revenue for all products when the product is delivered to the customer.

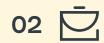
#### Revenue by geographical segment, based on the country of destination of the goods and services sold by the Group

In the financial years 2023 and 2022 the Group's revenue, based on the destination of the goods and services sold, is as follows:

Amounts in Euro	'23	'22
Portugal	351,831,885	300,923,948
Rest of Europe	65,282,618	53,324,022
America	123,738,833	126,998,735
Africa	84,711,072	92,542,694
Asia	67,784,302	29,191,206
	693,348,710	602,980,604







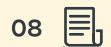
















## 5.2.2 \_\_\_ Other operating income and gains.

In the financial years 2023 and 2022, other operating income and gains were broken down as follows:

Amounts in Euro	'23	'22
Gains on disposal of non-current assets	1,152,350	5,271,229
Grants - CO₂ emission allowances	112,554,020	73,448,882
Income from waste treatment	1,459,141	1,220,385
Own work capitalised	688,337	2,840,893
Supplementary income	358,463	597,379
Operating grants	557,076	950,092
Compensations	261,266	4,620,245
REN - Power interruptibility	6,163,414	-
REN - Regulation Reserve Band	_	2,247,044
Compensatory interest (tax disputes)	1,265,408	942,264
Other operating income	3,288,137	2,067,081
	127,747,613	94,205,494

Gains on the sale of non-current assets in 2023 essentially include gains on the sale of land. In 2022, the item essentially includes the gains generated by Secil's sale of 100% of its stake in the subsidiary Silonor, S.A. (Euros 1,993,480) and the sale of the 50% stake in the joint venture Allmicroalgae - Natural products, S.A. (Euros 1,910,180), as described in **Notes 10.2**.

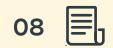
The amount shown under Subsidies - CO<sub>2</sub> emission licences is CO<sub>2</sub> emission allowances corresponds to the recognition in the income statement of the subsidy resulting from the free allocation of licences (as described in Note 3.2).

## 5.2.3 \_\_\_ External supplies and services

In the financial years 2023 and 2022, external supplies and services were broken down as follows:

Amounts in Euro	'23	'22
Energy and fluids	63,417,451	42,962,297
Transport of goods	54,152,390	56,736,942
Specialised work	29,250,445	40,860,845
Repair and maintenance	36,343,307	26,047,600
Miscellaneous services	10,000,926	15,457,125
Fees	726,457	611,123
Insurance	4,806,493	4,239,012
Subcontracts	1,004,633	86,482
Other	21,089,189	636,901
	220,791,290	187,638,327









#### Fees invoiced for statutory audit and auditing services

In the financial years 2023 and 2022, the fees invoiced and recognised as expenses were as follows:

		'23		'22
Amounts in Euro	Expenses in the period	Invoiced fees	Expenses in the period	Invoiced fees
KPMG (SROC) and other entities belonging to the same network				
Statutory audit and audit services	300,433	328,942	296,443	278,492
Permissible tax assurance services	_	_	-	-
Other reliability assurance services	9,849	42,500	74,549	22,200
Other services	44,546	24,925	10,000	10,000
	354,828	396,367	380,992	310,692

The services listed under other assurance services essentially concern the issuing of reports on financial information.

The Board of Directors believes that there are sufficient procedures in place to safeguard the independence of the auditors through the Audit Board's processes for analysing the work proposed and its careful definition in the contracting process.

## 5.2.4 \_\_\_ Other operating costs and expenses;

In the financial years 2023 and 2022, other operating costs and losses are broken down as follows:

Amounts in Euro	'23	'22
Impairment of receivables (Note 8.1.4)	861,475	1,861,815
Impairment of inventories (Note 4.1)	2,012,733	(132,772)
Donations	638,818	565,173
Bank charges	1,096,680	703,146
Losses on disposal of non-current assets	473,052	35,759
Indirect taxes and fees	1,174,379	1,162,756
Levies	737,240	641,307
Fines and penalties	53,850	108,615
Other operating costs	1,285,284	1,479,496
	8,333,510	6,425,295





5.3 Investments

5.3.1 \_\_\_ Goodwill

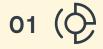
### Accounting policies

Goodwill represents the difference between the fair value of the acquisition cost and the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries included in the consolidation on the date of acquisition of control and is allocated to each Cash Generating Unit (CGU) or group of lower CGUs to which it belongs.

Amortisation and impairment	Goodwill is not amortised. The Group carries out impairment tests on goodwill annually, or whenever there are signs of impairment. The recoverable amounts of cash flow generating units are determined as the higher of value in use and fair value less cost to sell. Impairment losses on goodwill cannot be reversed.
Disposals and loss of control	Gains or losses arising from the sale or loss of control over an entity or business to which goodwill is allocated include the value of the corresponding goodwill.
Acquisitions in a currency other than the presentation currency	Goodwill arising on the acquisition of a foreign entity is recognised in that entity's functional currency and converted into the Group's reporting currency (Euro) at the exchange rate in force on the reporting date. The exchange rate differences generated in this conversion are recorded under the heading Currency conversion reserve (Note 5. 4) as other comprehensive income.
Tax deductibility	In the light of the tax legislation currently in force in Portugal, i t is not expected that the goodwill recognised or to be recognised will be tax deductible. In other countries where the Group operates, the tax treatment is different.

Amounts in Euro	Note	<b>'23</b>	'22
Statement of Financial Position			
Assets			
Goodwill	3.1	123,085,894	121,631,847
Intangible assets	3.2	236,976,532	183,753,886
Property, plant and equipment	3.3	455,433,465	432,174,474
Right-of-use assets	3.4	35,731,773	40,649,749
Investment properties	3.5	40,347	274,941
Non-current assets held for sale	3.6	1,008,000	1,008,000
		852,276,011	779,492,897
Income Statement			
Depreciation, amortisation and impairment losses	3.7	(49,438,618)	(58,549,558)







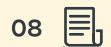
















### **Y** Accounting estimates and judgements

#### **Impairment tests**

For the purposes of impairment tests, the recoverable amount of the CGUs is ascertained based on the value in use, in accordance with the discounted cash flows method. The recoverable amount of the CGUs derives from assumptions relating to the activity, namely sales volumes, average sales prices and variable costs which in the projection periods result from a combination of economic forecasts for the regions and markets in which the Group operates, industry forecasts, including changes in the markets deriving from changes in installed capacity for each operating activity, internal management projections and historical performance.

These projections result from the budgets for the following year and the estimated cash flows for a subsequent four-year period reflected in the Medium-Long Term Plans approved by the Board of Directors.

In its analysis, the Group primarily identifies its cash-generating units, which are the geographies in which it operates.

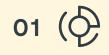
In the development of the asset recovery analysis tests, different projection assumptions were considered according to the relevant geographies.

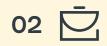
### **Assumptions behind business plans**

Assumptions (CAGR 2024-2028)	Portugal	Tunisia	Lebanon	Brazil	Angola
Volume of sales (kt)					
Reference	Cement and clinker				
CAGR Volume of sales (kt)	-1.57%	5.91%	6.91%	3.75%	6.52%
Average sales price ML/t					
Reference	Grey cement on domestic market				
CAGR average sales price ML/t	3.00%	2.69%	2.08%	3.35%	12.95%

## Assumptions (CAGR 2023-2027)

Volume of sales (kt)					
Reference	Cement and clinker				
CAGR Volume of sales (kt)	-0.38%	3.03%	16.45%	2.01%	3.95%
Average sales price ML/t					
Reference		Grey cemer	nt on domestic marke	et	
CAGR average sales price ML/t	3.25%	5.68%	39.93%	3.99%	7.47%





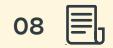
















### Macroeconomic and financial assumptions

The main macroeconomic assumptions are the GDP growth rate and inflation projections for the markets in which the Group operates. The sources of the projections are the IMF and the Bank of Portugal.

The growth rate in perpetuity reflects management's medium/long-term vision for the different CGUs, bearing in mind macroeconomic assumptions.

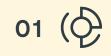
### Impairment test

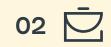
As a result of the impairment tests carried out in the 2023 period, no impairment losses related to goodwill were identified.

In the 2022 period, an impairment loss was recognised on the goodwill attributed to the Tunisia CGU, in the amount of 17,875,953 euros, and no impairment losses were identified in any of the other CGUs.

			31/12/2023		31/12/2022	
Financial assumptions	WACC Rate	Tax rate	Perpetuity growth rate	WACC Rate	Tax rate	Perpetuity growth rate
Portugal (EUR)						
Explicit planning period	6.55%	27.50%	-	6.48%	27.50%	-
Perpetuity	6.55%	27.50%	1.88%	6.48%	27.50%	1.85%
Tunisia (TND)						
Explicit planning period	19.72%	15.00%	-	17.50%	15.00%	-
Perpetuity	15.03%	15.00%	4.68%	14.66%	15.00%	4.80%
Lebanon (2023:USD / 2022:LBP)						
Explicit planning period	20.75%	17.00%	-	51.55%	17.00%	-
Perpetuity	13.23%	17.00%	2.13%	35.70%	17.00%	22.89%
Brazil (BRL)						
Explicit planning period	9.57%	34.00%	-	9.33%	34.00%	-
Perpetuity	8.82%	34.00%	3.01%	9.21%	34.00%	3.03%
Angola (AOA)						
Explicit planning period	25.22%	25.00%	-	18.71%	25.00%	-
Perpetuity	20.97%	25.00%	9.12%	17.17%	25.00%	6.38%





















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Sensitivity a	analysis
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A sensitivity analysis was carried out on the key assumptions (independently for each assumption) as follows:

Change in Enterprise Value due to:	31/12/2023	31/12/2022	
Portugal			
1) 1% decrease in the perpetuity growth rate			
Decrease in assessment amount:	-13.13%	-13.69%	
Result:	No impairment	No impairment	
2) 50 basis points increase in the discount rate (WACC)			
Decrease in assessment amount:	-7.08%	-7.28%	
Result:	No impairment	No impairment	
Tunisia			
1) 1% decrease in the perpetuity growth rate			
Decrease in assessment amount:	-6.28%	-6.80%	
Result:	No impairment	Imparidade	
2) 50 basis points increase in the discount rate (WACC)			
Decrease in assessment amount:	-3.41%	-4.04%	
Result:	No impairment	Imparidade	
Lebanon			
1) 1% decrease in the perpetuity growth rate			
Decrease in assessment amount:	-8.56%	-7.88%	
Result:	No impairment	No impairment	
2) 50 basis points increase in the discount rate (WACC)			
Decrease in assessment amount:	-4.30%	-5.34%	
Result:	No impairment	No impairment	
Brazil			
1) 1% decrease in the perpetuity growth rate			
Decrease in assessment amount:	-14.97%	-14.64%	
Result:	No impairment	No impairment	
2) 50 basis points increase in the discount rate (WACC)			
Decrease in assessment amount:	-7.82%	-7.68%	
Result:	No impairment	No impairment	

Change in Enterprise Value due to:	31/12/2023	31/12/2022
Angola		
1) 1% decrease in the perpetuity growth rate		
Decrease in assessment amount:	6.01%	-1.48%
Result:	No impairment	No impairment
2) 50 basis points increase in the discount rate (WACC)		
Decrease in assessment amount:	-3.25%	-0.47%
Result:	No impairment	No impairment

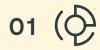
#### Goodwill - net value

Goodwill is attributed to the Group's cash flow generating units (CGUs), which correspond to the geographies in which the Group operates, as follows:

Amounts in Euro	'23	'22
Portugal	82,293,104	82,293,103
Lebanon	67,420	148,819
Tunisia	1,019,902	1,036,879
Brazil	39,705,468	38,153,046
	123,085,894	121,631,847

Amounts in Euro	'23	'22
Net amount at the beginning of the period	121,631,847	134,765,512
Acquisitions	-	148,819
Impairment (Note 3.7 and Note 6.1)	-	(17,875,953)
Exchange rate adjustment	1,454,047	4,593,469
Net amount at the end of the period	123,085,894	121,631,847

























#### **=** Accounting policies

Intangible assets are recorded at acquisition cost less amortisation and impairment losses, on a straight-line basis over a period of between 3 and 5 years.

#### Greenhouse gas emission rights (CO<sub>2</sub>)

Given the absence of accounting standards for the recognition and measurement of CO2 licences the policy defined by management is as follows:

Initial recognition and measurement	The CO <sub>2</sub> emission licences granted to the Group under the 2021-2030 EU ETS (European Greenhouse Gas Emissions Trading Scheme), free of charge, are recorded under "Intangible assets", at fair value on the date they were granted, against a grant recognised under "Current payables" (Note 4.3).  CO <sub>2</sub> emission licences acquired for use are recorded at their acquisition cost under "Intangible assets".
Subsequent measurement and impairments	CO <sub>2</sub> emission licences are measured at fair value.  If the market value of the licences falls significantly below the book value and the decrease is considered permanent, an impairment loss is recorded on the licences that the Group will not use in its operations against the heading "Depreciation, amortisation and impairment losses on non-financial assets" (Note 3.7).
Recognition in results	For the CO <sub>2</sub> emissions made, the Group records a cost under Provisions against a liability under "Provisions" (Note 9.1). CO <sub>2</sub> emissions are measured at the book value of the licences held, according to the FIFO costing formula. If the issues made are settled in the following year with free allowances in the portfolio, a gain is recognised under "Other operating income" (Note 2.2), by recognising the corresponding subsidy against "Current payables" (Note 4.3). On the date of settlement of the emissions made, with the delivery of the CO <sub>2</sub> emission licences, the intangible asset and the provision set up (Note 9.1) are derecognised.  The sale of CO <sub>2</sub> emission licences gives rise to a gain or loss, calculated between the realisation value and the respective acquisition cost, less the corresponding subsidy, recorded under "Other operating income" (Note 2.2) or "Other operating expenses" (Note 2.4), respectively.
Brands	
Initial recognition and measurement	Whenever brands are identified in a business combination, the Group recognises them separately, measured at fair value on the acquisition date.  The fair value of the brands recognised on the acquisition date is net of accumulated amortisation and impairment losses up to 31 December 2017, in accordance with generally accepted accounting principles in Portugal.
Subsequent measurement and impairments	At cost minus accumulated impairment losses. Brands are not subject to amortisation as they are not considered to have a defined useful life.  The Group carries out impairment tests on its brands on an annual basis, or whenever there are signs of impairment.

#### Internally developed intangibles

Development costs are only recognised as an intangible asset to the extent that the technical capacity to complete the development of the asset is demonstrated and the asset is available for own use or commercialisation. If expenses do not fulfil these requirements, namely research expenses, they are recorded as costs when incurred.

#### **Y** Accounting estimates and judgements

#### **Brands - Impairment tests**

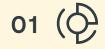
For the purposes of brand impairment tests, annual valuations are prepared by an independent entity based on the income-split method, a post-tax annual valuations are prepared by an independent entity based on the income-split method, a post-tax cash flow model associated with the influence of the brand (difference between the brand's net margin less marketing investments and the net margin of the associated white label), discounted to the time of valuation based on a specific discount rate, taking into account the different expected market dynamics.

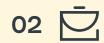
#### Main assumptions used in brand valuations

				'23
Brand	Market	Discount rate	Perpetuity growth rate	Tax rate
Supremo Cimentos	Brazil	9.44%	3.00%	34.00%

				'22
Brand	Market	Discount rate	Perpetuity growth rate	Tax rate
Supremo Cimentos	Brazil	9.21%	3.03%	34.00%







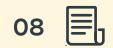
















### Impairment test

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As a result of the evaluations carried out at 2023 and 2022, no impairment loss was identified for the Supremo Cimentos brand.

#### Sensitivity analysis

Sensitivity analyses were carried out on the fundamental assumptions considered in the evaluations carried out:

- 1. a 5% reduction in the EVA indicator compared to that used in the base scenario, and
- 2. a 50 basis point increase in the WACC rate in euros used in the base scenario.

These sensitivity analyses were carried out independently for each assumption. If these assumptions had been adopted for the brands identified, this sensitivity analysis would not have determined any impairment loss.

### Movements in intangible assets

In the periods ending on 31 December 2023 and 2022, the movement under Intangible assets and the respective amortisation and impairment losses is as follows:

Gross amount	Brands	Industrial property and other rights	CO <sub>2</sub> emission allowances	Development projects	Other intangible assets	Intangible assets in progress	Advance payments	Total
Balance as at 1 January 2022	14,577,045	329,987	68,476,563	-	_	6,546,675	2,737,943	92,668,213
Changes in the perimeter	-	-	-	-	291,951	-	-	291,951
Acquisitions/Attributions	-	-	114,025,920	-	-	16,176,789	-	130,202,709
Disposals	-	-	(64,011)	-	-	-	-	(64,011)
Allowances returned to the Licensing Coordinating Entity	-	-	(37,588,566)	-	-	-	-	(37,588,566)
Adjustments, transfers and write-offs	-	-	-	-	-	1,094,080	(1,094,080)	_
Exchange rate adjustment	1,968,477	-	-	-	(88,346)	-	-	1,880,131
Balance as at 31 December 2022	16,545,521	329,987	144,849,906	-	203,605	23,817,544	1,643,863	187,390,427
Acquisitions/Attributions	-	5,148	116,284,054	-	131	9,254,295	-	125,543,627
Disposals	-	-	(33,604)	-	-	-	-	(33,604)
Allowances returned to the Licensing Coordinating Entity	-	-	(73,631,872)	-	-	-	-	(73,631,872)
Adjustments, transfers and write-offs	-	1,190,325	-	33,024,124	1,076,202	(31,640,074)	(1,415,598)	2,234,980
Hyperinflationary economies (Lebanon)	-	214,135	-	-	-	-	-	214,135
Exchange rate adjustment	673,226	(271,583)	-	-	(224,469)	-	-	177,174
Balance as at 31 December 2023	17,218,747	1,468,013	187,468,484	33,024,124	1,055,469	1,431,765	228,265	241,894,867
Accumulated amortisation and impairment losses								
Balance as at 1 January 2022	(2,915,410)	(315,114)	-	-	-	-	-	(3,230,524)
Amortisation for the period (Note 3.7)	_	(12,322)	-	-	-	-	-	(12,322)
Exchange rate adjustment	(393,695)	-	-	_	-	-	_	(393,695)
Balance as at 31 December 2022	(3,309,105)	(327,436)	_	-	-	-	_	(3,636,541)
Amortisation for the period (Note 3.7)	_	(95,020)	0	(1,593,152)	(11,265)	-	-	(1,699,438)
Adjustments, transfers and write-offs	-	(707,186)	0	(24,723)	(1,222,289)	-	-	(1,954,198)
Exchange rate adjustment	(134,645)	163,204	-	-	199,237	-	-	227,797
Balance as at 31 December 2023	(3,443,751)	(966,438)	0	(1,617,875)	(1,034,317)	-	-	(7,062,381)
Net amount as at 31 December 2022	13,236,416	2,552	144,849,906	-	203,605	23,817,544	1,643,863	183,753,886
Net amount as at 31 December 2023	13,774,997	501,575	187,468,484	31,406,249	21,152	1,431,765	228,265	234,832,486







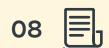
















#### **Brands**

On 31 December 2023 and 2022 the net value of the brands was as follows:

Amounts in Euro	31/12/2023	31/12/2022
Supremo (Brazil)	13,774,997	13,236,416
	13,774,997	13,236,416

#### Greenhouse gas emission licences (CO<sub>2</sub>)

On 31 December 2023 and 2022, the Group had CO2 allowances registered in accordance with the policy described above, with the following detail:

	31/12/2023	31/12/2022
CO <sub>2</sub> allowances (Tons)	2,370,341	2,326,945
Average unit value	79,1	62,2
	187,468,484	144,849,906
Market quotation	78	81

#### Greenhouse gas licences (CO<sub>2</sub>) - movements for the period

In the periods ending 31 December 2023 and 2022, the movement in greenhouse gas emission licences is as follows:

		'23		'22
Amounts in Euro	Toneladas	Valor	Toneladas	Valor
Opening balance	2,326,945	144,849,906	2,349,519	68,476,563
Allowances granted free of charge	1,347,306	116,284,054	1,355,323	113,860,685
Adjustments	(1,303,910)	(73,631,872)	(1,377,897)	(37,487,342)
Allowances returned to the Licensing Coordinating Entity	_	(33,604)		
Closing balance	2,370,341	187,468,484	2,326,945	144,849,906

No CO₂ allowances were sold in the periods ended 31 December 2023 and 2022.

#### Intangible assets in progress

In the periods ended 31 December 2023 and 2022, the Group capitalised internal expenses in the amounts of Euros 274,549 and Euros 2,553,654, respectively, as part of the CCL - Clean Cement Line project, a project to update the technology of its production unit in Outão, which uses more efficient mature technologies and innovative technologies that will allow for a reduction in carbon emissions and more efficient consumption of electricity and thermal energy.























## 5.3.3 — Property, plant and equipment

2023

#### = Accounting policies

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The Group's property, plant and equipment consist of basic equipment used in the extraction of limestone and crushed stone (crushers) and in the production of clinker, cement (kilns, mills) and concrete (concrete plants and loaders).

Initial recognition and
measurement

Tangible fixed assets acquired up to 1 January 2019 (date of transition to IFRS) are recorded at acquisition cost, or revalued acquisition cost in accordance with generally accepted accounting principles in Portugal up to that date, less depreciation and accumulated impairment losses.

Tangible fixed assets acquired after the transition date are stated at acquisition cost less depreciation and impairment losses.

Depreciation is calculated using the straight-line method from the moment the asset is available for use, using the rates that best reflect its estimated useful life.

Depreciation of exploration land results from the estimated average useful life of the reserves, taking into account the extraction period.

		Exploration lands
Depreciation and mpairment	Estimated average useful life (years):	Buildings and other constructions
		Basic equipment
		Transport equipment
		Administrative equipment

The residual values of the assets and their useful lives are reviewed and adjusted, if necessary, on the date of the consolidated financial position. If the carrying amount is higher than the recoverable value of the asset, it is readjusted to the estimated recoverable amount by recording impairment losses (Note 3.7).

Other tangible fixed assets

Subsequent
expenses

Subsequent costs are included in the cost of acquisition of the fixed asset or recognized as separate assets, as appropriate, only when it is probable that future economic benefits will flow to the company and their cost can be measured reliably.

Other costs for repairs and maintenance are recognized as expenses in the period in which they are incurred.

### Spare parts

Spare parts are considered strategic when their use is not intended for consumption within the production process and their use is expected to last for more than one economic period, and maintenance parts considered to be "critical spare parts" are recognised under non-current assets, as Tangible fixed assets. In line with this classification, spare parts are depreciated from the moment they become available for use and are assigned a useful life that follows the nature of the equipment they are expected to be integrated into, not exceeding their remaining useful life.

Items for the maintenance of values considered intangible and whose intended use is for a period of less than one year are classified as inventories.

#### Financial charges on loans

14

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4 – 20

Borrowing costs directly related to the acquisition or construction (if the construction or development period exceeds one year) of fixed assets are capitalised as part of the asset's cost.

During the periods presented, no borrowing costs directly related to the acquisition or construction of tangible fixed assets were capitalised.

#### Write-offs and disposals

Gains or losses arising from write-offs or disposals are determined by the difference between the proceeds from disposals, where applicable less transaction costs, and the carrying amount of the asset, and are recognised in the income statement under Other operating income (Note 2.2) or Other operating expenses (Note 2.4).

#### Investment subsidies -Initial recognition and in profit or loss

Investment subsidies received with the aim of compensating the Group for investments made in tangible fixed assets are recorded as a deduction from assets and are recognised in the income statement over the estimated useful life of the respective subsidised assets, being deducted from depreciation for the period for presentation purposes.























### Y Accounting estimates and judgements

#### Recoverability of property, plant and equipment

2023

The recoverability of property, plant and equipment requires the definition of estimates and assumptions by Management, namely, when applicable, with regard to the determination of value in use within the scope of impairment tests on the Group's cash-generating units.

#### **Useful life and depreciation**

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Tangible fixed assets represent the most significant component of the Group's total assets. These assets are subject to systematic depreciation over the period determined to be their economic useful life. Determining the useful lives of assets, as well as the depreciation method to be applied, is essential for determining the amount of depreciation to be recognised in the Consolidated Income Statement for each period.

These two parameters are defined according to the Board of Directors' best judgement for the assets and businesses in question, also taking into account the practices adopted by companies in the sector at international level and the evolution of the economic conditions in which the Group operates.

The existence of production units located in countries with relevant political risk, including geographies with risk of and/or actual conflict, requires greater monitoring and follow-up in the development of regular impairment tests.

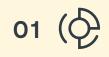
#### Movements in property, plant and equipment

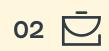
In the periods ended 31 December 2023 and 2022, the movement in property, plant and equipment and in the respective depreciation and impairment losses is as follows:

Amounts in Euro	Land and natural resources	Landscape recovery	Buildings and other constructions	Equipment and other assets	Assets under construction	Advance payments	Investment grants	Total
Acquisition cost								
Balance as at 1 January 2022	210,426,964	16,558,409	399,693,402	1,300,578,288	24,907,785	6,767,668	-	1,958,932,515
Changes in the perimeter	-	-	(6,509,309)	(6,703,628)	(25,000)	-	-	(13,237,937)
Acquisitions	-	-	43,477	1,406,600	45,715,291	942,877	-	48,108,245
Disposals	(175,344)	-	(746,469)	(33,164,928)	-	-	-	(34,086,741)
Adjustments, transfers and write-offs	504,176	450,633	2,301,778	22,931,718	(18,468,501)	(5,080,751)	-	2,639,053
Hyperinflationary economies (Lebanon)	2,561,401	196,318	25,476,858	83,674,472	261,606	(33,637)	-	112,137,018
Exchange rate adjustment	(2,819,309)	(63,003)	5,012,598	(7,647,111)	129,585	(17,420)	-	(5,404,660)
Balance as at 31 December 2022	210,497,888	17,142,357	425,272,335	1,361,075,411	52,520,766	2,578,736	-	2,069,087,493
Acquisitions	-	-	49,838	3,278,584	36,978,253	3,570,661	-	43,877,337
Revaluations	-	529,662	-	-	-	-	-	529,662
Disposals	(112,061)	-	(409,724)	(3,494,907)	(4,882)	(75,361)	-	(4,096,934)
Adjustments, transfers and write-offs	(10,156,555)	249,218	(2,388,283)	78,854,746	(67,445,575)	(1,076,415)	-	(1,962,863)
Hyperinflationary economies (Lebanon)	4,595,312	(467,104)	5,678,219	(39,969,001)	1,988,422	-	-	(28,174,151)
Exchange rate adjustment	(9,628,520)	(186,804)	(15,739,001)	(72,687,093)	(1,064,904)	50,042	-	(99,256,281)
Balance as at 31 December 2023	195,196,064	17,267,330	412,463,384	1,327,057,741	22,972,081	5,047,663		1,980,004,262

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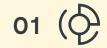
Amounts in Euro	Land and natural resources	Landscape recovery	Buildings and other constructions	Equipment and other assets	Assets under construction	Advance payments	Investment grants	Total
Accumulated depreciation and impairment losses								
Balance as at 1 January 2022	(61,228,014)	(7,860,588)	(321,466,678)	(1,168,993,252)	1,809,596	(267,500)	(355,343)	(1,558,361,778)
Changes in the perimeter	-	-	5,656,139	5,683,105	-	-	-	11,339,244
Depreciation for the period (Note 3.7)	(2,988,552)	(2,978,343)	(5,984,996)	(19,388,016)	-	-	159,484	(31,180,423)
Grants received in the period	-	-	-	-	-	-	(52,300)	(52,300)
Disposals	701	-	694,992	17,789,285	-	-	-	18,484,978
Impairment losses (Note 3.7)	-	-	-	6,226,680	-	-	-	6,226,680
Reversals of impairment losses (Note 3.7)	-	-	-	(5,947,694)	-	-	-	(5,947,694)
Adjustments, transfers and write-offs	5,504	402	279,583	10,542,854	-	-	-	10,828,342
Hyperinflationary economies (Lebanon)	3,860,775	(28,564)	(15,504,277)	(97,846,221)	-	-	-	(109,518,287)
Exchange rate adjustment	2,429,701	5,040	787,496	18,045,860	-	-	124	21,268,220
Balance as at 31 December 2022	(57,919,885)	(10,862,052)	(335,537,742)	(1,233,887,400)	1,809,596	(267,500)	(248,035)	(1,636,913,019)
Depreciation for the period (Note 3.7)	(2,866,277)	(899,624)	(5,474,463)	(22,065,511)	-	-	96,344	(31,209,531)
Disposals	-	-	400,213	3,452,337	-	-	-	3,852,551
Impairment losses (Note 3.7)	(72,910)	-	(1,246,148)	(5,595,555)	-	-	-	(6,914,612)
Reversals of impairment losses (Note 3.7)	-	-	35,037	128,170	-	-	-	163,206
Adjustments, transfers and write-offs	3,285,181	(10,083)	8,252,064	(4,900,497)	(3,068,442)	267,500	-	3,825,722
Hyperinflationary economies (Lebanon)	(1,186,231)	(13,059)	(3,359,804)	53,248,754	-	-	-	48,689,660
Exchange rate adjustment	1,097,529	22,416	11,235,629	83,205,720	517,920	-	58	96,079,273
Balance as at 31 December 2023	(57,662,593)	(11,762,401)	(325,695,214)	(1,126,413,983)	(740,926)	-	(151,633)	(1,522,426,751)
Net amount as at 31 December 2022	152,578,002	6,280,305	89,734,593	127,188,011	54,330,362	2,311,236	(248,035)	432,174,474
Net amount as at 31 December 2023	137,533,470	5,504,928	86,768,170	200,643,757	22,231,155	5,047,663	(151,633)	457,577,511

In the period ending 31 December 2023, industrial equipment acquired in 2016 continues to be recognised as non-current assets held for sale, which is fully impaired (Note 3.6).

In 2023 and 2022, regularisations, transfers and write-offs essentially refer to the transfer of investments in progress to the other items of firm tangible fixed assets, which took place when they became available for their intended use.

>>> The commitments entered into by the Group for the acquisition of tangible fixed assets are detailed in Note 9.2 - Commitments.







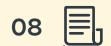
















## 5.3.4 \_\_\_ Right-of-use assets

### **Accounting policies**

#### Initial recognition and measurement

On the effective date of the lease, the Group recognises a right-of-use asset at its cost, which corresponds to the initial amount of the lease liability adjusted for: i) any prepayments; ii) lease incentives received; and iii) initial direct costs incurred.

To the asset under right of use may be added the estimate of removing and/or restoring the underlying asset and/or the site where it is located, when required by the lease contract.

#### Depreciation, remeasurement and impairment

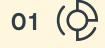
The right-of-use asset is subsequently depreciated using the straightline method from the effective date until the lower of the end of the asset's useful life and the lease term. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for any remeasurements of the lease liability. The useful life considered for each class of right-of-use assets is equal to the useful life of the tangible fixed assets (Note 3.3) in the same class when there is a purchase option and the Group expects to exercise it.

### Right-of-use assets

In the periods ending 31 December 2023 and 2022, the movement in Assets under right of use and in the respective depreciation is as follows:

	Industrial	Land and	Building	Equipment	
Amounts in Euro	property and other rights	natural resources	and other constructions	and other assets	Total
Acquisition cost					
Balance as at 1 January 2022	833,583	18,695,716	4,579,051	35,246,983	59,355,333
Changes in the perimeter	-	(984,268)	-	-	(984,268)
Acquisitions (Note 5.9)	-	534,494	636,395	7,028,336	8,199,225
Adjustments, transfers and write-offs	-	(155,823)	(685,240)	(3,465,516)	(4,306,579)
Exchange rate adjustment	-	14,168	34,834	201,655	250,656
Balance as at 31 December 2022	833,583	18,104,286	4,565,040	39,011,458	62,514,367
Acquisitions (Note 5.9)	11,820	909,172	944,264	6,262,537	8,127,794
Adjustments, transfers and write-offs	-	(205,567)	(278,721)	(4,935,778)	(5,420,065)
Exchange rate adjustment	-	(5,472)	(59,930)	71,951	6,550
Balance as at 31 December 2023	845,403	18,802,419	5,170,654	40,410,169	65,228,645
Accumulated amortisation, depreciation and impairment losses					
Balance as at 1 January 2022	(209,796)	(2,494,926)	(2,302,204)	(10,898,119)	(15,905,046)
Changes in the perimeter	-	207,517	-	-	207,517
Depreciation (Note 3.7)	(69,435)	(1,398,874)	(1,021,873)	(8,535,137)	(11,025,320)
Adjustments, transfers and write-offs	-	72,729	429,521	4,500,202	5,002,451
Exchange rate adjustment	-	643	11,684	(156,548)	(144,221)
Balance as at 31 December 2022	(279,231)	(3,612,911)	(2,882,873)	(15,089,603)	(21,864,618)
Depreciation (Note 3.7)	(70,393)	(1,479,040)	(1,110,934)	(8,411,155)	(11,071,521)
Adjustments, transfers and write-offs	-	121,615	273,899	2,991,150	3,386,664
Exchange rate adjustment	-	7,727	65,784	(20,908)	52,603
Balance as at 31 December 2023	(349,624)	(4,962,608)	(3,654,124)	(20,530,517)	(29,496,872)
Net amount as at 31 December 2022	554,352	14,491,375	1,682,167	23,921,855	40,649,749
Net amount as at 31 December 2023	495,780	13,839,811	1,516,530	19,879,652	35,731,773







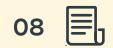
















## \_ Investment properties

2023

The Group classifies as investment property in the consolidated financial statements real estate held for the purpose of capital appreciation and/or obtaining rents from third parties.

#### **Accounting policies**

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#### Measurement

An investment property is initially measured at its acquisition or production cost, including transaction costs directly attributable to it. After initial recognition, investment properties are measured at cost less accumulated amortisation and impairment losses.

Subsequent investment property costs are only added to the cost of the asset if it is probable that they will result in increased future economic benefits compared to those considered at initial recognition.

#### **Movements in investment property**

In the periods ending on 31 December 2023 and 2022, the movement in Investment properties and the respective depreciation is as follows:

Amounts in Euro	Land	Buildings	Total
Gross amount			
Balance as at 1 January 2022	246,596	38,304	284,900
Balance as at 31 December 2022	246,596	38,304	284,900
Disposals	(233,828)	-	(233,828)
Balance as at 31 December 2023	12,768	38,304	51,072
Accumulated amortisation and impairment losses			
Balance as at 1 January 2022	-	(9,194)	(9,194)
Amortisation and impairment losses (Note 3.7)	-	(766)	(766)
Balance as at 31 December 2022	-	(9,960)	(9,960)
Amortisation and impairment losses (Note 3.7)	-	(766)	(766)
Balance as at 31 December 2023	-	(10,726)	(10,726)
Net amount as at 31 December 2022	246,596	28,344	274,941
Net amount as at 31 December 2023	12,768	27,578	40,347

These assets, made up essentially of land and real estate held for rent and/or capital appreciation, are not allocated to the Group's operational activity, nor do they have a specific future use.



## 5.3.6 \_\_\_ Non-current assets held for sale

#### Accounting policies

Non-current assets (or discontinued operations) are classified as held for sale if their value is realisable primarily through a sale transaction rather than through their continued use.

This situation is considered to occur only when i) the sale is highly probable and the asset is available for immediate sale in its current condition; ii) the Group has made a commitment to sell; and iii) the sale is expected to materialise within 12 months.

# Measurement and presentation

Once tangible assets are classified as non-current assets held for sale, they are measured at the lower of book value or fair value less costs to sell, and their depreciation ceases. When the fair value less costs to sell is lower than the book value, the difference is recognised in the income statement under Depreciation, amortisation and impairment losses on non-financial assets (**Note 3.7**)

#### Disposals

Gains or losses on disposals of non-current assets, determined by the difference between the sale price and the respective net book value, are recognised in the income statement as Other operating income (Note 2.2) or Other operating expenses (Note 2.4).

#### **Breakdown of assets held for sale**

On 31 December 2023 and 2022, Assets held for sale were broken down as follows:

Amounts in Euro	31/12/2023	31/12/2022
Industrial equipment		
Gross amount	4,800,000	4,800,000
Accumulated impairment losses	(4,800,000)	(4,800,000)
Deferred tax assets	1,008,000	1,008,000
Assets held for sale	1,008,000	1,008,000

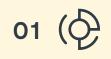
On 31 December 2023 and 2022, the assets presented as non-current held for sale correspond to industrial equipment acquired from the Insolvent Estate of CNE - Cimentos Nacionais ou Estrangeiros, S.A..

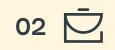
## 5.3.7 \_\_\_ 5.1.2.1. Depreciation amortization and impairment losses

In the periods ended 31 December 2023 and 2022, depreciation, amortisation and impairment losses" were as follows:

Amounts in Euro	31/12/2023	31/12/2022
Depreciation of property, plant and equipment for the period	31,305,876	31,339,906
Use of investment grants	(96,344)	(159,484)
Depreciation of property, plant and equipment, net of grants used (Note 3.3)	31,209,531	31,180,423
PIS and COFINS on depreciation	(1,294,045)	(1,266,240)
Impairment of property, plant and equipment for the period (Note 3.3)	6,751,406	(278,985)
Impairment of goodwill (Note 3.1)	_	17,875,953
Amortisation of intangible assets for the period (Note 3.2)	1,699,438	12,322
Depreciation of right-of-use assets for the period (Note 3.4)	11,071,521	11,025,320
Depreciation of investment properties (Note 3.5)	766	766
	49,438,618	58,549,558













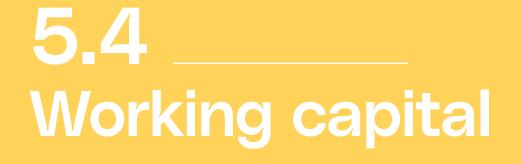








Consolidated Einancial Statements



5.4.1 \_\_\_ Inventories

Accounting policies

Goods and raw materials						
Initial Measurement	At acquisition cost, which includes expenses incurred up to storage.					
Subsequent Measurement	The lower of the acquisition cost and the net realisable value.  Differences between cost and net realizable value, if lower, are recorded under "Impairment of inventories".					
Costs	Weighted average cost.					
Finished produc	cts, intermediate products and work in progress					
Valuing	The lower of production cost (which includes the cost of incorporated raw materials, labour and manufacturing overheads, based on the normal level of production) and net realisable value.  The net realizable value corresponds to the estimated sale price less estimated costs of finishing and marketing.  Differences between cost and net realizable value, if lower, are recorded under "Impairment of inventories".					
Costs	Weighted average cost.					

Amounts in Euro	Note	31/12/2023	31/12/2022
Statement of Financial Position			
ASSETS			
Inventories	4.1	101,882,425	92,390,804
Receivables and other non-current assets	4.2	2,845,745	3,071,482
Receivables and other current assets	4.2	126,327,916	119,774,004
LIABILITIES			
Payables and other non-current liabilities	4.3	(10,091,069)	(9,403,349)
Payables and other current liabilities	4.3	(282,108,359)	(260,917,925)
		(61,143,342)	(55,084,984)
Income Statement			
Costs of goods sold and materials consumed	4.1	(243,549,201)	(221,631,246)
Impairment losses on inventories	4.1	2,012,733	(132,772)
Variation in production	4.1	7,494,798	9,687,461























### Inventories - details by nature

On 31 December 2023 and 2022 inventories net of accumulated impairment losses were as follows:

Amounts in Euro	31/12/2023	31/12/2022
Raw materials	64,812,499	49,471,382
Goods	9,769,667	16,531,565
Subtotal	74,582,166	66,002,947
Finished and intermediate products	26,702,042	24,947,257
Products and work in progress	598,217	1,435,766
Subtotal	27,300,259	26,383,023
Advance payments for purchases	-	4,834
Total	101,882,425	92,390,804

As at 31 December 2023 and 2022, there are no inventories whose ownership is restricted and/or pledged as security for liabilities.

### Cost of goods sold and materials consumed in the period

The cost of goods sold and materials consumed recognised in the periods ending 31 December 2023 and 2022 is detailed as follows:

Amounts in Euro	31/12/2023	31/12/2022
Opening balance	66,002,947	53,012,227
Purchases	252,128,420	234,621,966
Closing balance	74,582,166	66,002,947
Cost of goods sold and materials consumed	(243,549,201)	(221,631,246)

#### Variation in production in the period

The variation in production recognised in the periods ending 31 December 2023 and 2022 is detailed as follows:

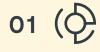
Amounts in Euro	31/12/2023	31/12/2022
Opening balance	(26,383,023)	(18,354,516)
Adjustments	6,221,343	1,390,153
Exchange rate adjustment	356,219	268,801
Closing balance	27,300,259	26,383,023
Variation in production	7,494,798	9,687,461

#### Movements in impairment losses on inventories

The movements in accumulated impairment losses on inventories in the periods ended 31 December 2023 and 2022 are as follows:

Amounts in Euro	31/12/2023	31/12/2022
Opening balance	6,901,380	7,261,175
Increases	2,430,013	824,551
Reversals	(417,280)	(957,323)
Impact on profit for the period (Note 2.4)	2,012,733	(132,772)
Charge-off	(21,185)	(74,094)
Hyperinflationary Economies	(27,221)	(2,359)
Exchange rate adjustment	(265,613)	(150,570)
Closing balance	8,600,095	6,901,380

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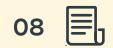
















## 5.4.2 Receivables **Example 2** Accounting policies Trade and other receivables Trade receivables result from the Group's main activities and the business model followed is "hold to collect", although the Group occasionally uses Classification confirming. Other debtors' balances are typically of the "hold to collect" model. Initial At fair value. Measurement Subsequent At amortised cost, less impairment losses Measurement Impairment losses are recognised on the basis of the simplified model laid down in IFRS 9, recording expected losses until maturity. Expected losses Impairment are determined on the basis of historical actual loss experience over a from trade statistically relevant period and representative of the specific characteristics receivables of the underlying credit risk (see Note 8.1.4). Impairment Impairment losses are recognised on the basis of the general model of other of estimated credit losses in IFRS 9 (see Note 8.1.4). receivables

2023

#### Receivables - detail

As at 31 December 2023 and 2022, receivables, net of accumulated impairment losses, are detailed as follows:

			'23			'22
Amounts in Euro	Non-current	Current	Total	Non-current	Current	Total
Trade receivables	-	79,965,645	79,965,645	-	70,135,124	70,135,124
Receivables - Related parties (Note 10.4)	-	1,771,812	1,771,812	-	806,858	806,858
State	-	17,904,636	17,904,636	-	16,600,833	16,600,833
Advance payments to suppliers	_	8,875,024	8,875,024	-	4,111,064	4,111,064
Advance payments to investment suppliers	-	16,257	16,257	-	-	-
Accrued income	-	958,327	958,327	-	4,873,716	4,873,716
Accrued income - related parties (Note 10.4)	_	5,902	5,902	-	-	-
Deferred expenses	-	275,290	275,290	-	2,105,364	2,105,364
Derivative financial instruments (Note 8.2.2)	_	3,856,902	3,856,902	-	6,258,968	6,258,968
Securities provided to third parties	-	28,323	28,323	1,682,052	-	1,682,052
Deposit (collateral)	-	-	_	577,118	-	577,118
Lease assets	-	-	_	794,433	815,754	1,610,186
Pledge on deposits	265	3,936,831	3,937,096	-	4,815,516	4,815,516
Other	2,845,480	8,732,968	11,578,449	17,879	9,250,806	9,268,685
	2,845,745	126,327,916	129,173,662	3,071,482	119,774,004	122,845,486

<sup>&</sup>gt;>> The above figures are presented net of accumulated impairment losses. The impairment analysis of receivables is presented in Note 8.1.4 - Credit risk.







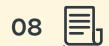
















#### Tax on Circulation of Goods and Services State - detail

2023

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As at 31 December 2023 and 2022, the State is detailed as follows:

Amounts in Euro	31/12/2023	31/12/2022
Value Added Tax (VAT)	9,003,679	7,258,354
Tax on the Movement of Goods and Services (ICMS):		
Programa Paraná Competitivo	-	1,474,947
ICMS - Other	1,862,050	418,413
PIS and COFINS on property, plant and equipment	7,025,624	7,423,957
Other taxes	13,282	25,162
	17,904,636	16,600,833

The Paraná Competitivo Programme, granted by the State Government of Paraná to the subsidiary Margem - Companhia de Mineração, SA, refers to a tax incentive that has the following benefits: a) payment in instalments of the incremental ICMS; b) deferral of payment of the ICMS on electricity and natural gas for a period of 96 months, starting in August 2015; c) payment in instalments, until maturity, of the ICMS declared, in the case of judicial recovery; and d) granting of presumed credit due to the carrying out of infrastructure work in Paraná territory.

On 31 December 2023 and 2022, PIS and COFINS on fixed assets, in the amount of Euros 7,025,624 and Euros 7,423,957, respectively, refers to the estimated PIS and COFINS credit of the subsidiaries Supremo Cimentos, SA and Margem Companhia de Mineração, SA, on specific items of fixed assets, as provided for in Law 10,673/2002 (PIS) and Law 10,833/2003 (COFINS), which is being recovered at the same rate as the depreciation of the respective assets.

#### **Accrued income - details**

As at 31 December 2023 and 2022, accrued income is detailed as follows:

Amounts in Euro	31/12/2023	31/12/2022
Accrued income		
Interest receivable	30,730	23,909
Related parties (Note 10.4)	5,902	-
Discounts on purchases	_	366,100
Grants receivable	-	78,363
Compensations receivable	-	4,062,997
REN remuneration - Regulation Reserve Band	517,490	187,856
Other	410,107	154,492
	964,229	4,873,716

#### **Deferred costs - details**

As at 31 December 2023 and 2022, deferred costs are detailed as follows:

Amounts in Euro	31/12/2023	31/12/2022
Deferred expenses		
Rentals	64,624	64,185
Insurance	42,448	1,610,177
Other	168,218	431,002
	275,290	2,105,364



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Consolidated Financial Statements

## 5.4.3 \_\_\_ Amounts payables

## Accounting policies

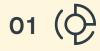
Financial liabilities at amortised cost				
Initial Measurement	At fair value, net of transaction costs incurred.			
Subsequent Measurement	At amortised cost, using the effective interest rate method.  The difference between the repayment value and the initial measurement value is recognised in profit or loss over the period of the debt under "Interest on other financial liabilities at amortised cost" (Note 5.10).			

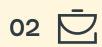
## **Amounts payable - detail**

The amounts payable on 31 December 2023 and 2022 are detailed as follows:

			'23			'22
Amounts in Euro	Non-current	Current	Total	Non-current	Current	Total
Trade payables - current account	-	94,118,716	94,118,716	-	86,147,534	86,147,534
Trade payables - related parties (Note 10.4)	_	3,170,396	3,170,396	-	7,688,892	7,688,892
State	-	44,974,242	44,974,242	-	47,965,743	47,965,743
Trade payables - investments - current account	-	8,660,644	8,660,644	-	6,722,815	6,722,815
Advance payments to customers	-	1,391,004	1,391,004	-	1,381,405	1,381,405
Other creditors	-	8,522,432	8,522,432	-	2,940,627	2,940,627
Accrued expenses	-	33,532,823	33,532,823	-	26,692,084	26,692,084
Accrued expenses - related parties (Note 10.4)	_	373,492	373,492	-	-	-
Deferred income	10,091,069	80,131,946	90,223,016	9,403,349	74,302,138	83,705,487
Derivative financial instruments (Note 8.2.2)	_	7,232,663	7,232,663	-	7,076,688	7,076,688
	10,091,069	282,108,359	292,199,428	9,403,349	260,917,925	270,321,274

























As at 31 December 2023 and 2022, the State is detailed as follows:

Amounts in Euro	31/12/2023	31/12/2022
Withholding income tax	814,071	1,011,791
Value Added Tax (VAT)	5,814,717	5,990,804
Contributions to Social Security	233,963	1,829,247
ICMS - Tax on Circulation of Goods and Services:		-
Programa de Desenvolvimento da Empresa Catarinense (PRODEC)	793,579	781,096
Programa Paraná Competitivo	33,936,235	36,370,666
ICMS - Other	1,242,038	1,246,835
Other	2,139,638	735,304
	44,974,242	47,965,743

The amount presented on 31 December 2023 and 2022 under the heading "Programa de Desenvolvimento da Empresa Catarinense (PRODEC)", in the amount of Euros 793,579 and Euros 781,096, respectively, refers to a tax benefit attributed to the subsidiary Supremo Cimentos S.A., which consists of the deferral of the ICMS payment period due on sales revenue. Payment will be made on the 10th day of the 48th month following the end of the ICMS assessment period (March 2010 to February 2025). The amounts shown are discounted to their present value.

The Competitive Paraná Programme, awarded by the Paraná State Government Programme to the subsidiary Margem - Companhia de Mineração, SA, relates to a tax incentive with the following benefits:

- a) payment of incremental ICMS by instalments;
- b) deferral of ICMS electricity and natural gas payment for 96 months, beginning in August 2015;
- c) payment by instalments, until maturity, of declared ICMS, in the case of court recovery; and
- d) award of assumed credit based on completion of infrastructure work in Paraná.

#### **Accrued expenses - detail**

As at 31 December 2023 and 2022, accrued expenses are detailed as follows:

Amounts in Euro	31/12/2023	31/12/2022
Accrued expenses		
Payroll costs	13,675,936	12,304,519
Interest payable	2,508,775	1,773,396
Advisory	1,627,696	1,410,978
Electricity expenses	8,236,649	2,633,071
Other	7,857,260	8,570,120
	33,906,315	26,692,084

#### **Deferred income - details**

As at 31 December 2023 and 2022 deferred income is detailed as follows:

		31/12/2023		31/12/2022
<b>Amounts in Euro</b>	Não Corrente	Corrente	Não Corrente	Corrente
Deferred income				
CO <sub>2</sub> emission allowances	-	75,001,176	-	71,343,238
Waste management	-	4,821,757	-	2,403,668
Government grants	10,091,069	242,686	9,403,349	507,422
Other	-	66,327	-	47,810
	10,091,069	80,131,946	9,403,349	74,302,138

Within the scope of the PT 2020 European support and financing programme, the Group signed a financial investment contract with the Agência para o Investimento e Comércio Externo de Portugal, E.P.E. ("AICEP"), to support the investment to be made by Secil, S.A. called "Clean Cement Line", the aim of which is to develop and demonstrate a new cement production technology, implemented at the Outão plant, which enables the production of low-carbon clinker and, consequently, the creation of a range of cements with a low ecological footprint. The total amount of the planned investment is 86,339,792 euros, with a maximum incentive of 14,924,773 euros, of which around 11,443,580 euros is non-refundable. Up to the period ending 31 December 2023, an amount of Euros 10,091,069 has already been received.





## 5.5.1 \_\_\_ Capital management

### Capital management policy

For capital management purposes, Equity and Net Debt raised by the Group from third parties are taken into account.

The Group's capital management policy aims to optimise the capital structure in order to:

- a) Maintaining adequate funding levels for the operation and development of each business unit;
- b) Reducing the cost of capital, minimising costs and boosting the Group's results
- c) Providing shareholder return and punctual compliance with creditors
- d) Ensuring the Group's liquidity and solvency.

The Group monitors its level of indebtedness essentially through the Net Debt/EBITDA ratio and the Equity ratio.

The Group's policy is to favour local financing in order to maintain balanced financing structures in each geography, to foster relations with the local financial market and to ensure a natural hedge against exchange rate risk.

The Secil Group also has a policy of renegotiating/renewing loans before they mature, in order to maintain an adequate level of available credit lines and debt maturities set for the medium to long term.

Amounts in Euro	Note	31/12/2023	31/12/2022
Statement of Financial Position			
Equity			
Share capital	5.2	100,395,212	100,395,212
Other equity instruments	5.3	0	32,300,000
Reserves	5.4	98,292,042	89,591,424
Retained earnings	5.4	23,997,137	28,117,902
Profit for the period	5.5	53,373,941	16,468,002
		276,058,333	266,872,540
Liabilities			
Interest-bearing liabilities	5.6	348,697,372	375,227,211
Lease liabilities	5.7	32,385,479	37,997,062
Cash and cash equivalents	5.8	(60,614,596)	(69,001,851)
		320,468,255	344,222,422
Statement of Cash Flows			
Cash flows from financing activities	5.9	-48,780,602	15,122,398
Income Statement			
Financial income and expenses	5.10	(27,033,468)	(32,264,447)







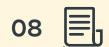
















## Share capital and treasury shares

2023

### **Accounting policies**

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Share capital	
Recognition	Subscribed and unpaid capital is recorded under "Receivables".
Issue of new shares	Costs directly attributable to issues of new shares or other equity instruments are recorded as deductions, net of taxes, from the amount received.  Costs directly charged to the issuance of new shares or options for the acquisition of a business are included in the cost of acquisition as part of the purchase price.
Own shares	
Recognition	At acquisition value, as a reduction in equity.
Acquisitions by Group company	When a Group company acquires shares of the parent company the payment, which includes the directly associated incremental costs, is deducted from the equity attributable to the equity holders of the parent company until the shares are cancelled, reissued or sold.
Impairment of other receivables	When treasury shares are subsequently sold or reissued, any receipt, net of directly attributable transaction costs and taxes, is reflected in the equity of the owners of the company's capital, in other reserves (Note 5.4).
Extinction of own actions	The cancellation of own shares is reflected in the consolidated financial statements as a reduction in Share capital and under Own shares, for the amount equivalent to the nominal value and the acquisition value, respectively, and the difference between the two amounts is recognised under Other reserves.

#### Secil's shareholders

Secil's share capital is fully subscribed and paid up and is represented by 48,735,540 shares with a nominal value of Euros 2.06.

As at 31 December 2023 and 2022, the company's share capital is held by the following legal entities:

		31/12/2023		31/12/2022
Name	No. of shares	%	No. of shares	%
Shares with a nominal value of Euro 4.06				
Semapa, S.G.P.S., S.A.	48,734,540	100.00%	48,734,540	100.00%
CIMO - Gestão de participações, SGPS, S.A.	1,000	0.00%	1,000	0.00%
	48,735,540	100.00%	48,735,540	100.00%

## 5.5.3 \_\_\_ Other equity instruments

In the periods ended 31 December 2023 and 2022, the movement in Other equity instruments is as follows:

Amounts in Euro	31/12/2023	31/12/2022
Opening balance	32,300,000	72,800,000
Repayment of additional capital contributions	(32,300,000)	(40,500,000)
Closing balance	_	32,300,000

The amounts recognised under this heading relate to ancillary services provided by the shareholder Semapa-Sociedade de Investimentos e Gestão, SGPS, S.A..

Under the terms of the articles of association, these instalments can only be returned to the shareholders provided that the shareholders' equity does not fall below the sum of the share capital and the legal reserve.

The General Shareholders' Meeting held on 3 July 2023 decided to refund accessory benefits to the shareholder Semapa -Sociedade de Investimento e Gestão, SGPS, S.A. in the amount of Euros 32,300,000.

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2023

#### **Accounting policies**

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#### **Currency translation reserve**

Recognition

The currency translation reserve corresponds to the accumulated amount relating to the appropriation by the Group of foreign exchange rate differences resulting from the translation of the financial statements of subsidiaries and associates (goodwill, Note 3.1) and loans that qualify as extensions of the net investment operating outside the Eurozone, namely in Brazil, Tunisia, Lebanon and Angola.

#### Fair value reserve

Recognition

Corresponds to the accumulated change in fair value of derivative financial instruments classified as hedging (Note 8.2), and financial investments measured at fair value through other comprehensive income (Note 8.3), net of deferred taxes.

#### **Legal reserve**

Recognition

Commercial legislation requires at least 5% of annual net income to be used for the legal reserve until it reaches at least 20% of share capital. This reserve is not distributable except in the event of the company's liquidation. It can, however, be used to absorb losses, once the other reserves have been used up, or incorporated into the capital.

#### **Revaluation surplus**

Recognition

This corresponds to the revaluation of tangible fixed assets and investment properties, carried out under the terms of the applicable legislation, which has not yet been realised. This reserve is not available for distribution to the Group's shareholders.

#### Other reserves

Recognition

This item corresponds to reserves created through the transfer of profits from previous periods and other movements.

#### **Bookings - details**

As at 31 December 2023 and 2022, Reserves are detailed as follows:

Amounts in Euro	31/12/2023	31/12/2022
Currency exchange reserve	(244,025,115)	(247,150,489)
Fair value reserves	2,796,254	4,537,752
Legal reserve	20,079,044	20,079,044
Other reserves	319,441,859	312,125,117
	98,292,042	89,591,424

#### **Currency translation reserve**

In the periods ended 31 December 2023 and 2022, the movement in the currency translation reserve, by currency, is as follows:

Amounts in Euro	31/12/2023	31/12/2022
Opening balance	(247,150,489)	(258,502,377)
Brazilian real	4,949,051	15,294,474
Tunisian dinar	(644,687)	(596,766)
Lebanese pound	(3,789,496)	(3,219,620)
American dollar	(614,767)	1,179,969
Angolan kwanza	3,225,272	(1,306,169)
Closing balance	(244,025,115)	(247,150,489)







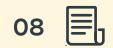














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#### Fair value reserve

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In the periods ended 31 December 2023 and 2022, the movement in the Fair value reserve is as follows:

Amounts in Euro	31/12/2023	31/12/2022
Opening balance	4,537,752	462,926
Fair value increases (Note 8.2.1)	(2,402,066)	5,620,450
Tax effect	660,568	(1,545,624)
Closing balance	2,796,254	4,537,752

#### Legal reserve

In the periods ended 31 December 2023 and 2022, the movement in the Legal reserve is as follows:

Amounts in Euro	31/12/2023	31/12/2022
Opening balance	20,079,044	20,079,044
Closing balance	20,079,044	20,079,044

#### Other reserves

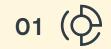
In the periods ended 31 December 2023 and 2022, the movement in Other reserves is as follows:

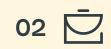
Amounts in Euro	31/12/2023	31/12/2022
Opening balane	312,125,117	247,203,690
Appropriation of prior year's profit	16,468,002	66,305,752
Remeasurements of post-employment benefits		
Remeasurements	933,849	(1,910,668)
Tax effect	(254,228)	526,343
Acquisitions/ Disposals of non-controlling interests	2,799	-
Revaluation reserves	(113,750)	-
Dividends paid	(8,772,397)	-
Other changes	(947,533)	
Closing balance	319,441,859	312,125,117

As at 31 December 2023, Other reserves include Revaluation reserves in the amount of Euros 3,554,938 (2022: 539,168).

The General Shareholders' Meeting held on 3 July 2023 decided to distribute Reserves to shareholders in the total amount of Euros 8,772,397.20, corresponding to Euros 0.18 per share, with Euros 8,772,217.20 being distributed to the shareholder Semapa - Sociedade de Investimento e Gestão, SGPS, S.A. and Euros 180.00 to the shareholder Cimo - Gestão de Participações, SGPS, S.A.







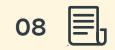














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### Retained earnings - movement

In the periods ending 31 December 2023 and 2022, the movement in Retained earnings is as follows:

Amounts in Euro	31/12/2023	31/12/2022
Opening balance	28,117,902	28,324,622
Hyperinflationary economies	(1,145,758)	(206,720)
Acquisitions/ Disposals of non-controlling interests (Note 10.2)	(4,036,291)	-
Other changes	1,061,283	-
Closing balance	23,997,137	28,117,902

#### 5.5.5 Earnings per share

## Accounting policies

Income per share	е
	Earnings per share are calculated by dividing the profit or loss attributable to Secil ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.
Recognition	For the purpose of calculating diluted earnings per share, Secil adjusts the profit or loss attributable to ordinary equity holders, as well as the weighted average number of shares outstanding, for the purposes of all dilutive potential ordinary shares.

For the periods ended 31 December 2023 and 2022, earnings per share are determined as follows:

Amounts in Euro	'23	'22
Net profit attributable to the Shareholders of Secil to Secil's Shareholders	53,373,941	16,468,002
Weighted average number of shares (Note 5.2)	48,735,540	48,735,540
Basic earnings per share	1,095	0,338
Diluted earnings per share	1,095	0,338

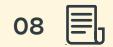
There are no convertible financial instruments on Secil's shares, so there is no dilution of income.

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## 5.5.6 \_\_\_ Obtained financing

Financing obtained includes bond loans, commercial paper, bank loans and other financing.

### Accounting policies

Initial Measurement	At fair value, net of transaction costs incurred.
Subsequent Measurement	At amortised cost, using the effective interest rate method.  The difference between the repayment value and the initial measurement value is recognised in the Income Statement over the period of the debt under "Interest expense on other borrowings" in Note 5.10 - Financial income and expenses.
Fair value	The book value of short-term loans or loans with variable interest rates approximates their fair value.  The fair value of fixed-rate loans is disclosed in Note 8.4 - Financial assets and liabilities.
Presentation	In current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **Commercial paper**

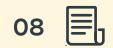
The Group has a number of negotiated commercial paper issuance programmes, under which issues with a contractual maturity of less than one year, but of a revolving nature, are frequently carried out. Where the Group expects to roll over these loans, it presents them as non-current liabilities.

#### Financing obtained - details

At 31 December 2023 and 2022, the financing obtained is detailed as follows:

			'23			'22
Amounts in Euro	Non-current	Current	Total	Non-current	Current	Total
Bond loans	140,000,000	-	140,000,000	110,000,000	45,714,286	155,714,286
Commercial paper	70,000,000	1,000,000	71,000,000	70,000,000	-	70,000,000
Bank loans	69,095,369	61,091,903	130,187,272	87,493,747	55,901,501	143,395,248
Loan issuing charges	(316,969)	(524,692)	(841,662)	(460,251)	(837,223)	(1,297,474)
Interest-bearing bank debt	278,778,400	61,567,210	340,345,610	267,033,496	100,778,564	367,812,060
Bank overdrafts	-	4,956,586	4,956,586	-	7,415,151	7,415,151
Other non-remunerated	-	3,395,175	3,395,175	-	-	-
Other financing obtained	-	8,351,761	8,351,761	-	7,415,151	7,415,151
Total financing obtained	278,778,400	69,918,972	348,697,372	267,033,496	108,193,715	375,227,211







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As at 31 December 2023 and 2022, loans for bonds are detailed as follows:

Amounts in Euro	31/12/2023	31/12/2022	Vencimento	Taxa de Juro
Secil 2016/2023	-	25,714,286	2023	Fixed
Secil 2018/2023	-	20,000,000	2023	Fixed
Secil 2019/2026	60,000,000	60,000,000	2026	Fixed
Secil 2020/2023	-	-	2023	Fixed
Secil 2020/2027	50,000,000	50,000,000	2027	Fixed
Secil 2023/2030	30,000,000		2026	Euribor
Secil 2020/2027			2030	Euribor
	140,000,000	155,714,286		

### **Commercial paper**

On 31 December 2023 the amounts of Commercial Paper contracted and used are detailed as follows:

	<u> </u>	Amount used			
Amount contracted	Non-current	Current	Total	Maturity date	Interest rate
20,000,000	20,000,000	-	20,000,000	2027	Indexada a Euribor
50,000,000	-	-	-	2026	Indexada a Euribor
50,000,000	50,000,000	_	50,000,000	2027	Indexada a Euribor
75,000,000	-	-	-	2026	Indexada a Euribor
1,000,000	_	1,000,000	1,000,000	2024	Fixa
196,000,000	70,000,000	1,000,000	71,000,000	22,231,155	

On 31 December 2022 the amounts of Commercial Paper contracted and used are detailed as follows:

	Amount used				
Amount contracted	Non-current	Current	Total	Maturity date	Interest rate
20,000,000	20,000,000	-	20,000,000	2027	Indexada a Euribor
50,000,000	-	-	-	2026	Indexada a Euribor
50,000,000	50,000,000	-	50,000,000	2027	Indexada a Euribor
75,000,000	-	-	-	2026	Indexada a Euribor
195,000,000	70,000,000	_	70,000,000		

#### **Bank loans**

On 31 December 2023 and 2022, the amounts of bank loans contracted at a fixed rate, variable rate and associated index are detailed as follows:

			'23			'22
Amounts						
in Euro	Non-current	Current	Total	Non-current	Current	Total
Variable rate	68,941,692	59,227,975	128,169,668	87,493,747	55,901,501	143,395,248
Fixed rate	153,677	1,863,927	2,017,604	-	-	-
	69,095,369	61,091,903	130,187,272	87,493,747	55,901,501	143,395,248







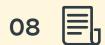
















#### Loan repayment deadlines

2023

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The portion classified as non-current at 31 December of 2023 and 2022 has the following defined repayment plan:

Amounts in Euro	31/12/2023	31/12/2022
1 to 2 years	42,357,571	31,391,843
2 to 3 years	75,782,360	42,512,768
3 to 4 years	125,972,197	65,393,155
4 to 5 years	3,312,868	125,004,587
More than 5 years	31,670,375	2,731,143
Total	279,095,370	267,033,496

#### Financial covenants in force

For certain types of financing operations, there are commitments to maintain certain financial ratios, the limits of which are negotiated in advance. The existing covenants refer in particular to Cross default, Pari Passu, Negative pledge, Ownership-clause clauses, clauses related to the maintenance of the Group's activities, maintenance of financial ratios, namely Net Debt/EBITDA, Indebtedness and Financial Autonomy, as well as fulfilment of its obligations (operational, legal and tax), common in financing contracts and fully known in the market even considering the impact of the adoption of IFRS 16.

In addition, the Group complies with the ratios to which it is obliged under the financing contracts in force on 31 December 2023 and 2022.

### 5.5.7 \_\_\_ Lease liabilities

#### = Accounting policies

## **Initial Measurement**

On the lease commencement date, the Group recognises lease liabilities measured at the present value of future lease payments, which include fixed payments less lease incentives receivable, variable lease payments, and amounts expected to be paid as guaranteed residual value. Lease payments also include the exercise price of purchase or renewal options reasonably certain to be exercised by the Group or lease termination penalty payments, if the lease term reflects the Group's option to terminate the contract.

When calculating the present value of future lease payments, the Group uses an incremental financing interest rate if the interest rate implicit in the lease is not easily determinable.

Subsequent Measurement

Subsequently, the value of lease liabilities is increased by the value of interest (Note 5.10 - Financial income and expenses) and decreased by lease payments (rents).

On 31 December 2023 and 2022, the amounts of "Lease liabilities" relate to the following rights of use by geographical segment:

	31/12/2023				3	1/12/2022
Amounts in Euro	Non- current	Current	Total	Non- current	Current	Total
Angola	-	7,664	7,664	-	7,149	7,149
Brazil	-	2,155,340	2,155,340	-	1,673,611	1,673,611
Lebanon	-	46,642	46,642	-	1,997	1,997
Portugal	24,013,596	6,160,195	30,173,791	28,725,912	7,579,847	36,305,759
Tunisia	-	2,042	2,042	8,545		8,545
	24,013,596	8,371,883	32,385,479	28,734,457	9,262,605	37,997,062

>>> The maturity analysis of lease liabilities is presented in Note 8.1.3 - Liquidity risk.

## 5.5.8 \_\_\_ Cash and cash equivalents

### Accounting policies

Recognition	Cash and cash equivalents include cash, bank deposits and other short- term investments with an initial maturity of up to 3 months that can be mobilised immediately without significant risk of fluctuations in value.
Presentation	For the purposes of the cash flow statement, this item also includes bank overdrafts, which are shown in the Consolidated financial position under current liabilities, in the item Borrowings ( <b>Note 5.6</b> ).

On 31 December 2023 and 2022, the balances of "Cash and cash equivalents" are as follows:

Amounts in Euro	31/12/2023	31/12/20202
Cash	1,863,660	871,467
Short-term bank deposits	58,751,515	68,686,267
Cash and cash equivalents - gross amount	60,615,174	69,557,734
Impairment losses from the application of IFRS 9	(578)	(555,883)
Cash and cash equivalents - net amount	60,614,596	69,001,851

As at 31 December 2023 and 2022, there are no significant balances under "Cash and cash equivalents" that are subject to restrictions on use by the Group.

>>> The balances relating to bank deposits over which there are pledges are included in Note 4.2 - Receivables.

## 5.5.9 \_\_\_ Cash flows from financing activities

In the periods ended 31 December 2023 and 2022, the movements in the Group's liabilities from financing activities are as follows:

Amounts in Euro	01/01/2023	Cash flows from financing activities	Transactions r  Lease recognition	not affecting cas  Amortisation of charges	Sh and cash ed Accrued interest	Exchange rate differences	31/12/2023
Interest-bearing liabilities	s (Note 5.6)						
Bond loans	155,714,286	(15,714,286)	-	-	-	_	140,000,000
Commercial paper	70,000,000	1,000,000	-	-	-	_	71,000,000
Bank loans	143,395,248	(11,620,317)	-	-	-	(1,587,660)	130,187,272
Loan issuing charges	(1,297,474)	(1,972,220)	-	2,428,565	-	(532)	(841,662)
Other interest-bearing liabilities	7,415,151	1,023,434	-	-	-	(86,823)	8,351,761
Lease liabilities (Note 5.7)	37,997,062	(14,855,552)	8,127,794	-	1,049,115	67,061	32,385,479
Total	413,224,273	(42,138,941)	8,127,794	2,428,565	1,049,115	(1,607,954)	381,082,851

			Transactions not affecting cash and cash equivalents				
Amounts in Euro	01/01/2022	Cash flows from financing activities	Lease recognition	Amortisation of charges	Accrued interest	Exchange rate differences	31/12/2022
Interest-bearing liabilities	s (Note 5.6)						
Bond loans	175,714,286	(20,000,000)	-	-	-	-	155,714,286
Commercial paper	8,000,000	62,000,000	-	-	-	-	70,000,000
Bank loans	146,708,964	(18,085,672)	-	-	-	14,771,956	143,395,248
Loan issuing charges	(1,564,759)	(1,706,481)	-	2,018,309	-	(44,543)	(1,297,474)
Other interest-bearing liabilities	222,528	7,301,124	-	-	-	(108,501)	7,415,151
Lease liabilities (Note 5.7)	41,606,271	(14,386,573)	8,199,225	-	2,456,189	121,949	37,997,062
Total	370,687,290	15,122,398	8,199,225	2,018,309	2,456,189	14,740,861	413,224,273

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#### 5.5.10 **Lease liabilities**

\_ 2023

### Accounting policies

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The Group classifies it as "Financial income and expenses":

**Presentation** 

income and gains resulting from treasury management activities, such as: i) interest earned on the investment of cash surpluses; and ii) changes in the fair value of derivative financial instruments negotiated to hedge the interest rate and exchange rate risk of financing, regardless of the formal designation of the hedge.

As at 31 December 2023 and 2022, the breakdown of financial income and expenses is as follows:

Amounts in Euro	31/12/2023	31/12/2022
Interest paid on debt securities and bank debt	(19,408,096)	(15,429,965)
Interest paid on other interest-bearing liabilities		-
Interest income on other financial liabilities at amortised cost	(2,052,353)	(2,104,670)
Interest expense by applying the effective interest method	(21,460,449)	(17,534,635)
Commissions on loans and expenses with credit facilities	(2,428,565)	(2,018,309)
Unfavourable exchange differences on interest-bearing liabilities and lease liabilities	2,437,740	8,073,417
Interest expense on lease liabilities	(1,640,663)	(1,297,739)
Financial expenses related to the Group's capital structure	(1,631,489)	4,757,369
Financial discount on provisions (Note 9.1)	(288,498)	(117,714)
Other unfavourable exchange differences	(60,230,371)	(26,574,824)
Losses on trading derivatives (Note 8.2.1)	(11,544,864)	(6,706,507)
Interest expense on derivative instruments	(254,081)	(25,237,565)
Other financial expenses and losses	(2,274,560)	(952,368)
Financial expenses and losses	(97,684,313)	(72,366,244)
Interest earned on financial assets at amortised cost	4,399,870	15,615,741
Favourable exchange rate differences	66,250,232	24,486,056
Other financial income	743	-
Financial income and gains	70,650,845	40,101,797
Financial results	(27,033,468)	(32,264,447)

At 2023 and 2022, the item Other financial expenses and losses includes Euros (1,733,606) and Euros (395,837) resulting from the (recognition) / reversal of impairments arising from the application of IFRS 9 on cash and cash equivalents balances.







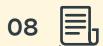
















## 5.5.11 \_\_\_ Hyperinflationary economies | Lebanon

In the last quarter of 2020, Lebanon was considered a hyperinflationary economy, under the terms of IAS 29 - Financial Reporting in Hyperinflationary Economies, based on inflation over the last three years. In fact, on 31 December 2023 and 2022, the accumulated inflation rate over the last three years continues to exceed 100 percent, which is an objective quantitative condition that leads us to consider, in addition to the existence of other conditions laid down in IAS 29, that Lebanon is a hyperinflationary economy.

On 2023 and 2022 there were the following levels of prices and inflation in Lebanon:

Amounts in Euro	CPI	Inflation rate
31 December 2022 (a)	2,045,46	122.0%
31 December 2023 (a)	6,760,99	231.0%
Average in 2023	4,569,34	226,0%

(a) Estimated CPI since the actual CPI as at 31 December 2023 was not available on the date of preparation of the accounts. The estimated monthly inflation for December 2023 was 13.12%, with the actual inflation later published at 0.02%.

IAS 29 applies to the individual financial statements and consolidated financial statements of any entity whose functional currency is the currency of a hyperinflationary economy and is applicable from the beginning of the reporting period in which the entity identifies its currency as hyperinflationary.

In accordance with this standard, the non-monetary assets and liabilities of Lebanon's subsidiaries are restated by applying a general price index that reflects changes in Lebanon's general purchasing power since the date the assets were acquired. The restated amount of a non-monetary item is reduced when it exceeds its recoverable amount. The monetary items of the Lebanese subsidiaries are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date.

The change in the net monetary position resulting from the price changes in 2023 and 2022 was recognised in the income statement under Gains or losses on the net monetary position, representing gains of Euros 14,455,321 and Euros 979,084, respectively.

The income statement items relating to the Lebanese subsidiaries have been restated by applying the change in the general price index from the dates on which the income and expense items were recorded in the financial statements. The impact of this restatement is recognised in Comprehensive income and in 2023 amounted to Euros (2,160,137) (2022: Euros (441,356)), less the tax effect of Euros (84,246) (2022: 36,418 euros).

As at 31 December 2023, the net value of the assets and liabilities of the foreign operation in Lebanon in the Group's consolidated financial statements amounts to Euro 21.5 million (2022: 13.8 million).



















Companies taxed under the Special Regime of Group Taxation(RETGS)

# 5.6 Income tax

# 5.6.1 \_\_\_ Income tax for the period

#### Accounting policies

Recognition of liabilities

and assets

Measurement

Recognition

in the income statement

Current tax for the period and for previous periods is, to the extent that it has not
been paid, recognised as a liability under "Income tax".

If the amount already paid in respect of the period and previous periods exceeds the amount due for that period, the excess is recognised as an asset under "Income tax".

# Current tax liabilities (assets) for the period and prior periods are measured at the amount expected to be paid (recovered) to the tax authorities, using the tax rates (and tax laws) that have been enacted.

Current income tax is determined on the basis of the net results for the period of the various entities included in the consolidation perimeter, adjusted in accordance with the respective tax legislation in force on the date of the consolidated financial position.

Taxable income differs from accounting income, since it excludes various expenses and income that will only be deductible or taxable in other periods. Taxable income also excludes expenses and income that will never be deductible or taxable.

Since 1 January 2014, Secil and some of its subsidiaries resident in Portugal have been part of the tax group of which Semapa, SGPS, S.A. was the dominant company until 31 December 2022, and are taxed under the Special Taxation Regime for Groups of Companies (RETGS), made up of companies with a holding of 75% or more and which meet the conditions set out in article 69 et seq. of the IRC code. As of 1 January 2023, the parent company of the tax group became Sodim, SGPS, SA.

The companies included in the perimeter of the group of companies under this scheme calculate and record income tax as though they were taxed individually. The tax assessed, payable or receivable, is recognised as a liability or asset under the heading "Income tax", however it is payable or reimbursed to Semapa, SGPS, S.A. (Note 10).

Note	31/12/2023	31/12/2022
6.1	4,918,844	12,813,609
6.2	50,308,964	46,364,384
6.1	29,281,888	14,412,818
6.2	61,267,020	54,767,209
6.1	8,520,902	6,829,607
6.1	10,019,837	7,486,061
6.1	464,068	14,626,105
	19,004,807	28,941,773
	6.1 6.2 6.1 6.2 6.1 6.1	6.1 4,918,844 6.2 50,308,964  6.1 29,281,888 6.2 61,267,020  6.1 8,520,902 6.1 10,019,837 6.1 464,068







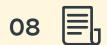


















#### **Additional settlement liabilities**

The Group recognises liabilities for additional tax assessments that may result from reviews carried out by the tax authorities in the different territories where the Group operates. When the final result of these situations differs from the values initially recorded, the differences will have an impact on income tax in the period in which these differences occur.

The annual declarations of income in Portugal are subject to revision and possible adjustment by the tax authorities for 4 years. However, if tax losses are declared, these may be subject to review by the tax authorities for a 6 year period. In other countries in which the Group operates, deadlines differ but are usually longer.

The Board of Directors believes that any corrections to those declarations as a result of reviews/ inspections by the tax authorities will not have a significant effect on the consolidated financial statements as at 31 December 2023, given that, with regard to the Secil Group companies that are part of the Semapa tax group, the periods up to and including 2020 have already been reviewed by the Tax and Customs Authority.

# **Uncertain tax positions**

The amount of the estimated assets and liabilities recognised on account of tax proceedings is the result of an assessment made by the Group with reference to the date of the consolidated statement of financial position, regarding potential differences of understanding with the tax authorities, taking into account developments in tax matters.

With regard to the measurement of uncertain tax positions, the Group takes into account the provisions of IFRIC 23 - 'Uncertainty about income taxes', namely in the measurement of risks and uncertainties in the definition of the best estimate of the expense required to settle the obligation, by weighing up all the possible outcomes it controls and their associated probabilities.

#### Tax recognised in the consolidated income statement

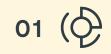
At 31 December 2023 and 2022, the breakdown of "Income tax" is as follows:

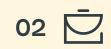
Amounts in Euro	'23	'22
Current tax	8,520,902	6,829,607
Change in uncertain tax positions in the period	10,019,837	7,486,061
Deferred tax (Note 6.2)	464,068	14,626,105
	19,004,807	28,941,773

#### Nominal tax rate in the main geographies where the Group operates

Amounts in Euro	<b>'23</b>	'22
Portugal		
Nominal income tax rate	21.0%	21.0%
Municipal surcharge	1.5%	1.5%
%	22.5%	22.5%
State surcharge - on taxable income between Euro 1,500,000 and Euro 7,500,000	3.0%	3.0%
State surcharge - on taxable income between Euro 7,500,000 and Euro 35,000,000	5.0%	5.0%
State surcharge - on taxable income above Euro 35,000,000	9.0%	9.0%
Other countries		
Brazil - nominal rate	34.0%	34.0%
Tunisia - nominal rate	15.0%	15.0%
Lebanon - nominal rate	17.0%	17.0%
Angola - nominal rate	25.0%	25.0%





















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# Reconciliation of the effective income tax rate for the period

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Amounts in Euro	<b>'23</b>	'22
Profit before tax	84,678,229	45,828,963
Expected tax at nominal rate (22.5%)	19,052,601	10,311,517
State surcharge (5.0%)	4,233,911	2,291,448
Tax resulting from the applicable rate	23,286,512	12,602,965
Differences (a)	3,622,541	5,041,311
Tax relating to prior periods	(1,957,237)	(293,796)
Recoverable tax losses	(369,902)	(760,082)
Non-recoverable tax losses	1,911,970	2,931,715
Change in Uncertain Tax Positions in the period	10,019,837	7,486,061
Effect of different tax rates	(3,720,550)	(636,747)
Tax benefits	(325,590)	4,661,039
Hyperinflationary economies	(2,563,079)	(196,523)
Other adjustments to taxable amount (b)	(10,899,695)	(1,894,170)
	19,004,807	28,941,773
Effective tax rate	22.44%	63.15%
(a) This amount mainly relates to:	'23	'22
Effect of the application of the equity method (Note 10.3)	580,078	1,227,648
Tax gains/ (losses)	124,992	(285,897)
Accounting gains/ (losses)	(420,679)	(4,749,768)
Taxed impairment and provisions	2,809,628	759,624
Tax benefits	(280,546)	(292,969)
Reduction of taxed impairment and provisions	(945,022)	(513,407)
Intra-group profit subject to tax	(959,434)	1,298,252
Equity changes - Interest on Equity		(1,597,065)
Coodwill amountination and insurainment langua (Nata 21)		17,936,757
Goodwill amortisation and impairment losses (Note 3.1)		
Other	12,263,858	4,548,864
<u> </u>	12,263,858 13,172,875	

# (b) The amount shown under "Adjustments to collection" essentially relates to Tax Benefits, namely SIFIDE.

# Tax recognised in the consolidated statement of financial position

At 31 December 2023 and 2022, the breakdown of "Income tax" is as follows:

Amounts in Euro	31/12/2023	31/12/2022
Assets		
Income tax	4,918,844	12,813,609
	4,918,844	12,813,609
Liabilities		
Income tax	6,210,423	875,624
Additional tax liabilities	23,071,465	13,537,194
	29,281,888	14,412,818

# Breakdown of income tax

Amounts in Euro	'23	'22
Income tax		
Income tax for the period	4,445,712	3,252,880
Exchange rate adjustment	(24,717)	(43,353)
Payments on account, special payments and additional payments on account	(1,379,965)	(1,695,334)
Withholding tax recoverable	(485,034)	(1,666,264)
Income tax from prior periods	(1,102,443)	(1,530,630)
	1,453,553	(1,682,701)
Income tax - Semapa tax business group		
Income tax for the period	5,468,448	3,870,522
Payments on account, special and additional payments on account	(5,226,834)	(13,822,106)
Withholding tax recoverable	(403,588)	(242,007)
Income tax from prior periods	0	(61,693)
	(161,974)	(10,255,284)
	1,291,579	(11,937,985)























# **Uncertain tax positions - liabilities**

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Amounts in Euro	'23	'22
Balance at the beginning of the period	13,537,194	6,280,279
Increases	12,487,763	8,205,748
Reversals	(2,467,926)	(719,687)
Changes in the perimeter	-	10,682
Transfers	-	1,422,554
Charge-off	(25,876)	(1,596,012)
Exchange rate adjustment	(459,690)	(66,370)
Balance at the end of the period	23,071,465	13,537,194
Amount recognised in the income statement - (gains) / losses	10,019,837	7,486,061

# **Deferred taxes**

# Accounting policies

Deferred tax is calculated on the basis of the liability of the consolidated financial position, on temporary differences between the book values of assets and liabilities and the respective tax base.
Deferred tax assets are recognised whenever there is reasonable certainty that future taxable profits will be generated against which they can be used.
To determine deferred tax, the tax rate expected to be in force in the period in which the temporary differences are reversed is used.
Deferred taxes are recorded as an expense or income for the period, unless they result from amounts recorded directly in equity, in which case the deferred tax is also recorded under the same heading. Tax incentives granted as part of investment projects to be developed by the Group are recognised in the income statement for the period to the extent that there is taxable income in the beneficiary companies that allows them to be used.

#### Y Estimates and judgements

#### Deferred taxes recognised in relation to unused tax losses

At 31 December 2023, the deferred tax assets recorded in relation to unused tax losses refer to the Group's subsidiaries in Portugal Beto Madeira - Betões e Britas da Madeira, S.A. and Cimentos Madeira, Lda., the Group's subsidiary based in Spain Cementos Secil, SLU and Margem Companhia de Mineração, S.A., the Group's subsidiary based in Brazil. According to tax legislation in Portugal, namely the changes to the Corporate Income Tax Code regarding the recoverability of tax losses introduced by the 2023 State Budget Law (Law no. 24-D/2022), there is no longer a time limit for deducting tax losses. In this sense, it is management's conviction that, according to the medium-term business plan, the companies will generate taxable profits that will be offset against accumulated tax losses that have not expired by 31 December 2023.

With regard to the subsidiary Margem Companhia de Mineração, S.A., it owns the new cement plant built by the Group in Adrianópolis, Paraná State, which came into operation in the second half of 2015. Insofar as current Brazilian tax legislation does not impose any time limit on its utilisation against future taxable profits, it is management's conviction that, in accordance with the medium-term business plan, the project will generate taxable profits that will be offset against the tax losses accumulated in these first years of start-up.

In addition, it should be noted that the tax depreciations of Margem Companhia de Mineração, S.A. are faster than the economic depreciations,

generating a significant negative impact on the tax result of this subsidiary.

The deferred tax assets recorded in relation to unused tax losses with reference to 31 December 2022 refer to the Group's subsidiaries in Portugal Florimar, SGPS, Lda. and Secil Betão, S.A. and to Margem Companhia de Mineração, S.A., the Group's subsidiary based in Brazil.

#### Deferred taxes recognised in relation to unused tax credits

The deferred tax assets recorded in relation to unused tax credits with reference to 31 December 2023 refer to Secil and the subsidiaries resident in Portugal that obtained tax credits arising from expenditure on research and development.

In accordance with the medium-term business plan, Secil and the aforementioned subsidiaries generate taxable profits and consequently sufficient revenue to utilise the available tax credits.









# **Movements in deferred taxes**

During the periods ended 31 December 2023 and 2022, the movements in deferred tax assets and liabilities are as follows:

			Income Statement						
			Income	e tax					
Amounts in Euro	As at 1 January 2023	Exchange rate adjustment	Increases	Decreases	Net monetary position	Equity	Reclassification to assets held for sale	Changes in the perimeter	As at 31 December 2023
Temporary differences originating deferred tax assets									
Tax losses carried forward	71,940,934	2,697,896	4,271,731	(6,735,778)		-	-	-	72,174,784
Provisions for environmental and landscape remediation	3,835,387	(284,467)	1,043,885	(1,580,782)	-	5,138	-	-	3,019,161
Taxed impairment and provisions	17,824,629	(70,763)	11,849,366	(2,307,950)	-	_	-	-	27,295,282
Post-employment and other long-term benefits	2,594,033	(17,241)	172,185	(376,948)	-	(148,276)	-	_	2,223,753
Financial instruments		106,080	226,534	(1,839)	-	-	-	-	330,776
Deferred accounting gains on intra-group transactions	3,117,906	10,016	762,691	(113,347)	-	-	-	-	3,777,266
Fair value calculated on business combinations	61,366	_	_	-	-	-	-	-	61,366
Amortisation of intangible assets	48,711,612	_	347,500	(3,822,500)	-	-	-	-	45,236,612
Impairment of property, plant and equipment	2,680,797	28,089	5,282,050	(375,834)	-	-	-	-	7,615,101
Other temporary differences	6,071,897	(774,674)	5,934,845	(6,246,915)	-	-	-	-	4,985,152
	156,838,561	1,694,936	29,890,787	(21,561,893)	-	(143,139)		-	166,719,253
Temporary differences originating deferred tax liabilities									
Revaluation of property, plant and equipment	(35,234,521)	(1,369,891)	_	586,192	-	_	_	_	(36,018,220)
Financial instruments	1,893,377	320,029	(1,230,591)	14,759	-	2,402,066	-	_	3,399,640
Deferral of Capital Gains Tax	(438,619)	1,133	-	188,184	-	-	-	-	(249,302)
Accrued depreciation	(59,906,172)	(1,770,816)	(7,259,792)	2,110,863	-	-	-	-	(66,825,917)
Fair value calculated on business combinations	(55,558,627)	138,859	863,514	-	-	-	-	-	(54,556,254)
Pension Fund surplus	(29,509)	_	6,206	-	-	(780,312)	-	-	(803,615)
Hyperinflationary economies	3,503,589	6,660,116	-	2,293,265	(17,462,048)	(2,247,266)	-	-	(7,252,344)
Other temporary differences	(20,333,523)	74,809	(10,616,526)	2,337,240		5,640			(28,532,360)
	(166,104,005)	4,054,239	(18,237,190)	7,530,503	(17,462,048)	(619,872)	-	-	(190,838,372)
Deferred tax assets	46,364,384	782,972	8,178,599	(4,977,107)	-	(39,883)	-	-	50,308,964
Deferred tax liabilities	(54,767,209)	69,160	(5,546,983)	1,881,424	(2,968,548)	65,136	-	-	(61,267,020)

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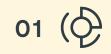


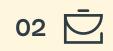


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			Income Statement						
			Incom	e tax					
Amounts in Euro	As at 1 January 2022	Exchange rate adjustment	Increases	Decreases	Net monetary position	Equity	Reclassification to assets held for sale	Changes in the perimeter	As at 31 December 2022
Temporary differences originating deferred tax assets									
Tax losses carried forward	59,428,537	8,058,639	4,453,758	-	_	-	-	-	71,940,934
Provisions for environmental and landscape remediation	4,133,614	1,062	(209,222)	(90,067)	_	-	-	-	3,835,387
Taxed impairment and provisions	19,380,777	52,780	7,501,929	(9,119,942)	-	-	-	9,085	17,824,629
Post-employment and other long-term benefits	3,087,303	(2,792)	30,343	(398,790)	-	(122,031)	-	-	2,594,033
Deferred accounting gains on intra-group transactions	2,569,589	_	755,571	(207,254)	-	-	-	-	3,117,906
Fair value calculated on business combinations	87,991	(26,625)	-	-	-	-	-	-	61,366
Amortisation of intangible assets	52,209,124	(8,040)	3,475,000	(6,964,472)	-	-	-	-	48,711,612
Impairment of property, plant and equipment	2,512,581		232,028	(10,400,025)	-	-	10,336,213	-	2,680,797
Other temporary differences	7,175,833	139,464	1,620,577	(3,502,495)	-	638,518	-	-	6,071,897
	150,585,349	8,214,488	17,859,984	(30,683,045)	-	516,487	10,336,213	9,085	156,838,561
Temporary differences originating deferred tax liabilities									
Revaluation of property, plant and equipment	(31,666,399)	(4,066,439)	-	498,317	-	-	-	-	(35,234,521)
Financial instruments	1,820,140	103,611	-	6,228,594	-	(6,258,968)	-	-	1,893,377
Deferral of Capital Gains Tax	(444,302)	_	-	5,683	-	-	-	-	(438,619)
Accrued depreciation	(48,280,255)	(4,702,272)	(5,782,207)	(1,141,438)	-	-	-	-	(59,906,172)
Fair value calculated on business combinations	(55,358,645)	(726,627)	-	1,640,573	-	-	-	(1,113,928)	(55,558,627)
Pension Fund surplus	(2,065,797)	_	770	-	_	2,035,518	_	-	(29,509)
Hyperinflationary economies	-	5,246,735	(777,752)	-	(1,179,620)	214,226	-	-	3,503,589
Other temporary differences	(291,667)	(21,955)	(21,531,539)	1,511,638	-	-	-	-	(20,333,523)
	(136,286,925)	(4,166,947)	(28,090,728)	8,743,367	(1,179,620)	(4,009,224)	-	(1,113,928)	(166,104,005)
Deferred tax assets	49,460,949	2,908,041	4,217,756	(13,521,819)	-	143,454	3,154,459	1,544	46,364,384
Deferred tax liabilities	(45,421,230)	(2,507,688)	(8,004,549)	2,682,507	(200,535)	(1,126,346)	-	(189,368)	(54,767,209)





















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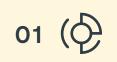
# Unused tax losses without recognised deferred taxes

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The tax losses for which the Group considers, at this date, that there is no capacity for deduction from future taxable income and, as such, there are no deferred tax assets, are detailed per year of limitation as follows:

	31/12/2023							
Amounts in Euro	Total	2024	2025	2026	2027	2028	2029 and beyond	
Not taxed by RETGS								
ALLMA - Microalgas, Lda.	162,851	_	_		-		162,851	
Madebritas - Sociedade de Britas da Madeira, Lda.	17,558	_	_	_	-	_	17,558	
Secil Angola, SARL	1,210,668	620,422	590,246	_	-	_	_	
Secil - Companhia de Cimento do Lobito, S.A.	4,105,333	1,157,755	2,071,150	876,428	-	_	_	
Soime, S.A.L.	12,437	12,437	_	-	-	_	_	
Zarzis Béton	60,710	_	_	-	-	-	60,710	
Secil Brasil Participações, S.A.	6,557,458	_	-	-	-	-	6,557,458	
Supremo Cimentos, S.A.	57,490,564	_	-	-	-	-	57,490,564	
	69,617,578	1,790,613	2,661,396	876,428	-	_	64,289,141	
Taxed by RETGS								
Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A.	263,119	_	_	-	-	-	263,119	
Florimar- Gestão e Participações, S.G.P.S., Lda.	1,953,932	_	-	-	-	-	1,953,932	
Ciminpart - Investimentos e Participações, S.G.P.S., S.A.	41,033,405	_	-	-	-	-	41,033,405	
BETOTRANS II - Unipessoal, Lda.	2,358,750	_		_	_	_	2,358,750	
Unibetão - Indústrias de Betão Preparado, S.A.	8,312,259		-	-	-	-	8,312,259	
	53,921,464	-	-	_	-	_	53,921,464	
	123,539,042	1,790,613	2,661,396	876,428	_	_	118,210,605	





















						31/12/2022	
Amounts in Euro	Total	2023	2024	2025	2026	2027	2028 and beyond
Not taxed by RETGS							
ALLMA - Microalgas, Lda.	162,851	-	-	-	-	-	162,851
Madebritas - Sociedade de Britas da Madeira, Lda.	17,558	-	-	-	-	-	17,558
Secil Angola, SARL	1,227,694	629,147	598,547	-	-	-	-
Secil - Companhia de Cimento do Lobito, S.A.	6,356,982	-	2,309,455	2,844,042	1,203,485	-	-
Soime, S.A.L.	27,452	27,452	-	-	-	-	-
Zarzis Béton	61,085	-	-	-	-	-	61,085
Secil Brasil Participações, S.A.	6,427,424	-	-	-	-	-	6,427,424
Supremo Cimentos, S.A.	51,250,983	-	-	-	-	-	51,250,983
	65,532,029	656,599	2,908,002	2,844,042	1,203,485	-	57,919,901
Taxed by RETGS							
Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A.	337,368	-	-	-	-	-	337,368
Beto Madeira - Betões e Britas da Madeira, S.A.	373,149	-	-	-	-	-	373,149
Cimentos Madeira, Lda.	291,967	-	-	-	-	-	291,967
Ciminpart - Investimentos e Participações, S.G.P.S., S.A.	41,033,405	-	-	-	-	-	41,033,405
BETOTRANS II - Unipessoal, Lda.	1,630,599	-	-	-	-	-	1,630,599
Florimar- Gestão e Participações, S.G.P.S., Lda.	295,718	-	-	-	-	-	295,718
Unibetão - Indústrias de Betão Preparado, S.A.	3,183,779	-			_		3,183,779
	47,145,984	-	-	-	-	-	47,145,984
	112,678,013	656,599	2,908,002	2,844,042	1,203,485	-	105,065,886





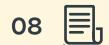














Consolidated Financial Statements

5.7
Personnel

5.7.1 \_\_\_ Payroll costs

Accounting policies

These liabilities are recognised in the period in which the employees acquire the respective right, against the income statement, regardless of the date of payment, and the balance outstanding at the date of the consolidated statement of financial position is shown under Current payables.

#### Holidays and holiday pay

According to current legislation, employees are entitled to 22 working days of holiday each year, as well as a holiday allowance, which is acquired in the year prior to payment.

#### Variable remuneration

According to the performance management system in place, employees may receive variable remuneration if they fulfil certain objectives, a right which is normally acquired in the year prior to payment.

# Termination benefits

Short-term benefits

Termination benefits are recognised when the Group is no longer able to withdraw the offer of benefits; or in which the Group recognises the costs of a restructuring, within the scope of recording provisions. Benefits due more than 12 months after the end of the reporting period are discounted to their present value.

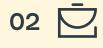
Amounts in Euro	Note	31/12/2023	31/12/2022
Statement of Financial Position			
Passivo			
Liabilities for long-term employee benefits	7.2	888,568	2,053,280
Income Statement			
Payroll costs	7.1	87,638,580	78,357,311

#### At 31 December 2023 and 2022, the breakdown of personnel costs is as follows:

Amounts in Euro	'23	'22
Remuneration of Corporate Bodies (Note 7.3)	2,513,689	3,625,246
Remuneration of employees	59,939,882	49,678,769
Post-employment benefits (Note 7.2.4)	1,069,956	1,543,238
Other long-term benefits (Note 7.2.4)	93,057	(28,391)
Compensation	746,715	103,446
Social Security and similar contributions	13,880,343	12,616,392
Insurance	759,303	643,354
Social action expenses	5,210,947	5,976,663
Other payroll costs	3,424,689	4,198,593
Payroll costs	87,638,580	78,357,311























#### Number of employees at the end of the period

2023

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	31/12/2023	31/12/2022	Var. 23/22
Portugal	1,158	1,082	76
Lebanon	391	403	(12)
Tunisia	251	259	(8)
Angola	97	96	1
Brazil	556	548	8
	2,453	2,388	65

# **Employee benefits**

The Group grants its employees various post-employment benefits (defined benefit and defined contribution) and other long-term benefits (seniority bonuses and death grants).

#### !! Risk management policy associated with defined benefit plans

Across the Group, exposure to risk is limited to the number of existing beneficiaries and will tend to decrease, since there are no defined benefit plans open to new employees.

The most significant risks to which the Group is exposed through defined benefit plans include:

- a) Risk of altering the longevity of participants;
- b) Market rate variation risk rate variation impacts the rate used to discount liabilities (technical interest rate), which is based on yield curves of highly rated

bonds with maturities similar to the maturity dates of the liabilities and the rate of return on the assets:

- c) Risk of a change in the wage and pension growth rate;
- d) Risk of a change in social security legislation in Portugal, the Group's Defined Benefit plans provide a supplement to the Social Security pension, so a change in the rules will have an impact on the value of the liabilities.

The fund's level of funding may vary depending not only on the risks listed, but also on the profitability of the fund's financial assets. Despite the fund's conservative profile and diversification, the verification of the aforementioned risks could lead to the need for additional contributions to the fund considering its defined benefit nature.

The Group maintains at least the level of coverage of liabilities calculated using the assumptions defined by the Insurance and Pension Funds Supervisory Authority.

#### Accounting policies

#### **Post-employment benefits**

Secil and some of the Group's subsidiaries have undertaken to pay their employees cash benefits in the form of supplementary retirement pensions for old age, disability, early retirement and survivors' pensions, constituting defined benefit plans.

In order to finance part of its liabilities, the Group has set up autonomous pension funds. The majority of companies resident in Portugal joined the Secil Group Pension Fund, which resulted from the amendment to the Secil Pension Fund's constitutive contract, fully replacing the previous contracts and taking effect on 1 January 2010. This Fund is the financial support for the payment of benefits under the Pension Plans of each member (now jointly managed).

Based on the projected unit credit method, the Group recognises the costs of attributing these benefits as the services are rendered by the employees. In this way, the Group's total liability is estimated for each plan separately by a specialised and independent entity at the date of the annual closing of accounts.

#### Defined benefit plans.

The liability thus determined is shown in the consolidated financial position, less the fair value of the funds set up, under the heading Pensions and other post-employment benefits.

Actuarial deviations resulting from changes in the value of estimated liabilities, as a result of changes to the financial and demographic assumptions used and experience gains, plus the difference between the actual return on the fund's assets and the estimated share of net interest, are referred to as remeasurements and recognised directly in the statement of comprehensive income, under retained earnings.

The net interest corresponds to the application of the discount rate to the value of the net liabilities (value of the liabilities less the fair value of the fund's assets) and is recognised in the results for the period under Staff costs.

Gains and losses generated by a cut or settlement of a defined benefit pension plan are recognised in the income of the period when the cut or settlement occurs. A cutback occurs when there is a material reduction in the number of employees.

Costs for past liabilities resulting from the implementation of a new plan or increases in the benefits attributed are recognised immediately in the income statement for the period.

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2023





















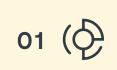




Retirement and survivors' pension supplements (with Fund managed by Third Party)				
Benefit awarded	Old age and disability pension supplement, early retirement and survivor's pension.			
Fund set up	Secil Group Pension Fund.			
Old age and invalidi	ty pensions			
Classification	Defined benefit.			
Benefit awarded	Payment of an old-age and invalidity retirement allowance on the basis of the Collective Labour Agreement, article 52.			
Fund set up	Insurance policy.			
Employer / Beneficiaries	Secil Lobito - Active employees.			
Benefit awarded	Payment of an old-age retirement allowance.			
Sickness care				
Classification	Defined benefit.			
Employer / Beneficiaries	Cimentos Madeira - Applicable only to retired employees on the date the insurance policy starts.			
Benefit awarded	Sickness assistance scheme, supplementary to official health services, for pensioners.			
Fund set up	Health insurance.			
Pension scheme				
Classification	Defined contribution.			

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Pension scheme	
	Secil - All employees who opted for the Defined Contribution Plan on 31 December 2009 and all employees hired after that date. It also applies to members of management bodies.
Employer / Beneficiaries	Secil Betão - All employees in service on 31 December 2009 and hired after that date, except those covered by the CCT signed between APEB and FEVICCOM. It also applies to members of management bodies.
	Beto Madeira - All employees in service on 31 December 2010 and hired after that date, except for those covered by the CCT signed between APEB and FEVICCOM.
	SECIL - Agregados - All employees in service on 31 December 2009 and hired after that date. It also applies to members of management bodies.
	Brimade - All employees in service on 1 July 2012 and hired after that date.
	Cimentos Madeira - All employees in service on 1 January 2012 and hired after that date. It also applies to members of management bodies.
Long-term benefits	
Recognition and measurement	Secil has assumed responsibility with its employees for the payment of long-service bonuses and death grants, and the liability is recognised in the balance sheet against personnel costs, corresponding to the present value of the obligation for these benefits, determined in accordance with the actuarial valuations at each annual reporting date.
	Actuarial gains and losses and all past service costs are recognised immediately as income or expense for the period.
Death allowances	
Classification	Long-term benefit.
Employer /	Secil - Active employees who were hired before 1 January 2012.
Beneficiaries	Secil Lobito - All active employees.
Benefit granted	Death grant.

Seniority bonus	
Classification	Long-term benefit.
Employer /	Secil - Active employees.
Beneficiaries	Cimentos Madeira - Active employees.
	Secil - Premium paid to workers who:
	(i) have worked for the company for 25 years.
Benefit granted	(ii) in 2011 have more than 25 years' service and less than 35 years' service and reach 35 years' service with the company.
	Cimentos Madeira - Premium paid to workers who:
	(i) have worked for the company for 20 years.
	(ii) have worked for the company for 35 years.











# **Y** Estimates and judgements

2023

## **Actuarial assumptions**

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The Group considered the following actuarial assumptions, associated with economic and demographic indicators, when assessing defined benefit liabilities:

	31/12/2023	31/12/2022
Social Security Benefits Formula	Decree La	aw no. 187/2007 of 10 May
Disability table	EKV 80	EKV 80
Mortality table	TV 88/90	TV 88/90
Salary growth rate	2.25%	2.00%
Technical interest rate	3.00%	2.50%
Pensions growth rate	1.58%	1.35%
Health insurance premium growth rate	4.60%	4.60%

Changes in these assumptions may in some cases have a significant impact on the calculation of liabilities.

# **Sensitivity analysis**

The Group considers the technical interest rate and the expected salary growth rate to be the most significant variables in calculating the liabilities relating to defined benefit plans. The following is a sensitivity analysis to changes in the technical interest rate and the wage growth rate:

Amounts in Euro	31/12/2023	31/12/2022
0.5% decrease in the technical interest rate		
Increase in liabilities assumed	445,214	525,419
0.5% increase in the wage growth rate		
Increase in liabilities assumed	406,953	674,029

#### **Net liabilities**

As at 31 December 2023 and 2022, the net liabilities reflected in the consolidated statement of financial position and the number of beneficiaries of the retirement and survivor benefit plans in force in the Group are detailed as follows:

	3	1/12/2023	3	1/12/2022
Amounts in Euro	No. of Benef.	Amount	No. of Benef.	Amount
Group liabilities for past services				
Active employees (Note 7.2.2)	40	22,452	39	167,889
Retired employees (Note 7.2.2)	445	10,956,536	456	12,071,912
Market value of pension Funds (Note 7.2.3)	-	(11,702,073)	-	(12,184,420)
Grants - Insured capital (Note 7.2.2)	56	168,149	66	185,458
Insurance policies (Note 7.2.3)	-	(82,126)	-	(108,062)
Reserve account*	-	(568,807)	-	(548,482)
Pension liabilities – funded	541	(1,205,868)	561	(415,705)
Retired employees (Note 7.2.2)	90	1,525,456	109	1,908,066
Pension liabilities – unfunded	90	1,525,456	109	1,908,066
Pension liabilities – net	631	319,588	670	1,492,361
Other unfunded liabilities				
Health insurance (Note 7.2.2)	5	43,567	5	43,457
Retirement grants (Note 7.2.2)	230	86,707	66	94,874
Total post-employment liabilities	866	449,861	741	1,630,692
Other long-term benefits				
Death grants (Note 7.2.2)	468	61,398	366	57,103
Long-service awards (Note 7.2.2)	386	377,309	377	365,485
Total Other long-term benefits		438,707		422,588
Total net liabilities	866	888,568	741	2,053,280

<sup>\*</sup> Excess funds in the transition to DC and balances of employees who have left the Company not entitled to the full amount of the contributions made by the Company.

# **Historical information - last five years**

\_ 2023

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Over the last five years, liabilities and the fair value of assets and reserve accounts have evolved as follows:

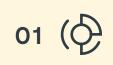
Amounts in Euro	2019	2020	2021	2022	2023
Present value of obligations	20,688,459	18,920,796	16,998,228	14,894,244	13,241,574
Fair value of assets and reserve account	18,790,086	17,873,880	16,589,082	12,840,964	12,353,006
(Surplus) / deficit	1,898,374	1,046,916	409,146	2,053,280	888,568
Remeasurements	(90,858)	422,747	351,253	(1,907,673)	933,921

# Liabilities for pensions and other post-employment and long-term benefits

At 2023 and 2022 the liabilities for pensions and other post-employment and long-term benefits evolve as follows:

	<b>'2</b> :						'23
Amounts in Euro	Opening balance	Exchange rate changes	Current services cost	Net interest	Actuarial deviations	Payments performed	Closing balance
Group pensions (Note 7.2.1)	1,908,066	-	-	42,916	(143,311)	(282,215)	1,525,456
Autonomous pension fund (Note 7.2.1)	12,239,801		4,943	287,345	(99,527)	(1,453,574)	10,978,988
Retirement grants - Insured capital (Note 7.2.1)	185,458	(2,888)	6,925	15,748	18	(37,113)	168,149
Health insurance (Note 7.2.1)	43,457	-	-	1,037	2,766	(3,693)	43,567
Retirement allowance (Note 7.2.1)	94,874	(13,876)	10,308	4,254	(8,852)	(O)	86,707
Total liabilities – Post-employment benefits	14,471,656	(16,764)	22,176	351,300	(248,906)	(1,776,595)	12,802,867
Death grant (Note 7.2.1)	57,103	(1,995)	2,982	5,694	-	(2,387)	61,398
Long-service awards (Note 7.2.1)	365,485	_	26,204	9,793	56,748	(80,921)	377,309
Total liabilities – Other long-term benefits	422,588	(1,995)	29,186	15,487	56,748	(83,308)	438,707
Total liabilities	14,894,244	(18,759)	51,362	366,787	(192,158)	(1,859,903)	13,241,573





















	'22						
Amounts in Euro	Opening balance	Exchange rate changes	Current services cost	Net interest	Actuarial deviations	Payments performed	Closing balance
Group pensions (Note 7.2.1)	2.413.507	-	-	27.831	(210.337)	(322.935)	1.908.066
Autonomous pension fund (Note 7.2.1)	13.816.091	-	140	162.383	(193.722)	(1.545.091)	12.239.801
Retirement allowance - Insured capital (Note 7.2.1)	187.856	(3.804)	6.842	16.679	(17.359)	(4.756)	185.458
Health insurance (Note 7.2.1)	39.915	-	-	480	6.429	(3.367)	43.457
Retirement grants (Note 7.2.1)	78.654	3.991	10.848	12.205	(7.537)	(3.287)	94.874
Total liabilities – Post-employment benefits	16.536.023	187	17.830	219.578	(422.526)	(1.879.436)	14.471.656
Death grant (Note 7.2.1)	67.525	-	3.300	885	(14.607)	-	57.103
Long-service awards (Note 7.2.1)	394.680	-	28.442	5.208	(51.619)	(11.226)	365.485
Total liabilities – Other long-term benefits	462.205	-	31.742	6.093	(66.226)	(11.226)	422.588
Total liabilities	16.998.228	187	49.572	225.671	(488.752)	(1.890.662)	14.894.244

The average expected duration of the benefit liabilities borne by the Secil Group Pension Fund is 7 years.







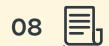
















#### **Funds**

**ANNUAL REPORT** 

# Funds allocated to defined benefit pension plans - evolution

2023

At 2023 and 2022, the funds allocated to defined benefit pension plans show the following evolution:

		'23		'22
Amounts in Euro	Autonomous fund	Insured capital	Autonomous fund	Insured capital
Opening balance	12,184,420	108,062	15,866,510	108,746
Exchange rate changes	_	(1,518)	-	(2,216)
Contribution for the period	3,527	_	3,015	_
Interest	285,961	9,394	186,361	10,115
Expected return of the plan assets	681,741	3,301	(2,326,373)	(3,826)
Pensions paid	(1,453,576)	(37,113)	(1,545,093)	(4,757)
Closing balance (Note 7.2.1)	11,702,073	82,126	12,184,420	108,062

## Funds allocated to defined benefit plans - estimated contributions in the next period

The contributions forecast for the next annual reporting period are, among other factors, dependent on the relationship between the return on fund assets and the technical interest rate.

# Funds allocated to defined benefit plans - composition of assets

As at 31 December 2023 and 2022, the composition of the Fund's assets is as follows:

Amounts in Euro	'23	%	'22	%
Securities listed in active market				
Bonds	1,115,702	9.5%	7,778,534	63.8%
Shares	2,388,818	20.4%	2,453,942	20.1%
Public debt	6,434,743	55.0%	-	0.0%
Other treasury investments	1,663,324	14.2%	1,830,100	15.0%
Unlisted securities				
Liquidity	99,486	0.9%	121,844	1.0%
	11,702,073	100%	121,844	100%

The amounts shown, with the exception of Liquidity, correspond to the fair values of these assets, fully determined on the basis of observable prices in active (regulated) liquid markets on the reference date of the consolidated statement of financial position.

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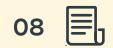
# **Expenses incurred with post-employment and long-term benefit plans**

The costs incurred with post-employment benefit plans in the periods ended 31 December 2023 and 2022 are as follows:

	'2					
Amounts in Euro	Current services cost	Net interest	Actuarial deviations	Period contributions (Defined contribution plans)	Impact in net profit for the period (Note 7.1)	
Pensions assumed by the Group	-	42,916	-		42,916	
Pensions with Autonomous fund	4,943	1,384	_	_	6,327	
Insurance policies	6,925	6,354	-	_	13,279	
Retirement grants	10,308	7,722	-	-	18,029	
Health insurance	-	5,907	-	-	5,907	
Contributions to defined contribution plans				983,497	983,497	
Post-employment benefits	22,176	64,283	_	983,497	1,069,956	
Death grant	2,982	(2,670)	-	_	312	
Long-service awards	26,204	9,793	56,748	-	92,745	
Other long-term benefits	29,186	7,123	56,748	_	93,057	
	51,362	71,406	56,748	983,497	1,163,013	

					'22
Amounts in Euro	Current services cost	Net interest	Actuarial deviations	Period contributions (Defined contribution plans)	Impact in net profit for the period (Note 7.1)
Pensions assumed by the Group	_	27,831			27,831
Pensions with Autonomous fund	140	(23,978)			(23,838)
Insurance policies	6,842	6,564			13,406
Retirement grants	10,848	12,205			23,053
Health insurance	-	480	-	-	480
Contributions to defined contribution plans	-	-	-	1,502,306	1,502,306
Post-employment benefits	17,830	23,102	-	1,502,306	1,543,238
Death grant	3,300	885	(14,607)	-	(10,422)
Long-service awards	28,442	5,208	(51,619)	-	(17,969)
Other long-term benefits	31,742	6,093	(66,226)	-	(28,391)
	49,572	29,195	(66,226)	1,502,306	1,514,848







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# Remeasurements recognised directly in other comprehensive income

The remeasurements recognised directly in other comprehensive income in the periods ended 31 December 2023 and 2022 are as follows:

					'23
Amounts in Euro	Gains and losses	Return on plan assets	Gross amount	Deferred tax	Impact on Equity
Post-employment benefits					
Group pensions	143,311	_	143,311	(39,397)	103,914
Autonomous pension fund	99,509	685,016	784,524	(215,048)	569,476
Retirement grants	8,852	-	8,852	(389)	8,463
Health insurance	(2,766)	_	(2,766)	595	(2,171)
	248,906	685,016	933,921	(254,239)	679,682

					'22
Amounts in Euro	Gains and losses	Return on plan assets	Gross amount	Deferred tax	Impact on Equity
Post-employment benefits					
Group pensions	210,337	_	210,337	(57,869)	152,468
Autonomous pension fund	211,081	(2,330,199)	(2,119,118)	583,058	(1,536,060)
Retirement grants	7,537	_	7,537	(258)	7,279
Health insurance	(6,429)	_	(6,429)	1,383	(5,046)
	422,526	(2,330,199)	(1,907,673)	526,314	(1,381,359)

# 5.6.2 \_\_\_ Deferred taxes

For the periods ending on 31 December 2023 and 2022, the remuneration of the members of the governing bodies was as follows:

Amounts in Euro	'23	'22
Secil's Corporate Bodies		
Board of Directors	1,917,637	2,854,775
Supervisory Board	54,579	54,579
Corporate bodies from other Group companies	541,473	770,471
Total	2,513,689	3,679,825

#### Remuneration of Members of the Board of Directors

As at 31 December 2023 and 2022, for the members of Secil's Board of Directors, there were: i) no additional liabilities relating to post-employment benefits, ii) no termination benefits, iii) no payments based on shares awarded and iv) no outstanding balances.





















# 5.8 \_\_\_\_\_ Financial instruments

# 5.8.1 \_\_\_ Financial risk management

The Secil Group has defined a financial risk management policy that outlines guidelines across the Group in order to identify, measure and manage the different risks to which it is exposed.

This management policy covers, among other things, exchange rate risk, interest rate risk, liquidity risk and credit risk.

Risk management is carried out by the Group's Finance Department, which regularly analyses developments in the financial markets, monitors the degree of the Group's exposure to the different risks identified, adopts measures to manage them and hedges them using financial instruments whenever deemed appropriate.

#### **Exchange Rate Risk**

# !! Foreign exchange risk management policy

The Group's foreign exchange exposure arises mainly from investments held in various countries outside the Eurozone, since the Group prepares its consolidated financial statements in Euros. The main currencies to which the Group is exposed in terms of currency conversion are the BRL (Brazilian real), the TND (Tunisian dinar), the LBP (Lebanese pound), the AOA (Angolan kwanza) and the USD (US dollar).

The Group also has exchange rate exposure to operating flows mainly in USD, namely those relating to fuel purchases and ship charters.

The Group endeavours to mitigate the exchange rate exposure of its assets in the various geographies in which it operates by contracting local financing issued in the same currency as the respective assets.

In addition, and with a view to hedging the risk of currency flows, the Group's policy is to maximise the natural hedging potential of its currency exposure by offsetting currency flows, particularly intra-group. The Group's foreign exchange exposure is controlled in an integrated manner, taking into account global flows.

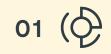
#### **Use of derivative financial instruments**

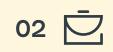
Occasionally, when it seems appropriate, the Group uses derivative financial instruments to manage exchange rate risk, in accordance with a defined policy.

In the periods presented, the Group holds derivatives that are hedging the exchange rate risk of future operations in a currency other than the presentation currency (see Note 8.2 - Derivative financial instruments).

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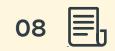












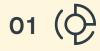


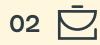
Exposure of	of financia	ıl assets ar	nd liabili	ties to ex	xchange	e rate r	isk an	d se	nsiti	vity a	analys	is
				_								

As at 31 December 2023 and 2022, the Group's exposure to exchange rate risk, based on the values of financial assets and liabilities, converted into euros based on the exchange rates on that date, is as follows:

						31/12/2023
	US dollar	Brazilian real	Lebanese pound	Tunisian dinar	Angolan kwanza	Total (Euro)
Exchange rate at the end of the period	1.1050	5.3503	99.1185	3.3897	925.3583	-
Valuation/(devaluation) compared to the previous period	(3.60%)	3.91%	(120.73%)	(1.66%)	(69.90%)	-
Average exchange rate for the period	1.0816	5.4011	99.1185	3.3548	747.8882	-
Valuation/(devaluation) compared to the previous period	(2.68%)	0.73%	(120.73%)	(3.11%)	(53.66%)	-
Amounts in foreign currency						-
Cash and cash equivalents	9,698,908	77,266,349	95,272,119	3,294,010	110,560,798	25,271,234
Receivables and other current assets	5,475,399	109,932,796	17,825,753	49,112,329	3,197,931,358	43,626,568
Total financial assets	15,174,307	187,199,145	113,097,872	52,406,339	3,308,492,156	68,897,803
Interest-bearing liabilities	15,174,307	187,199,145	113,097,872	52,406,339	3,308,492,156	68,897,803
Payables and other current liabilities	(49,042,855)	(165,792,085)	-	(133,212,541)	(1,731,892,009)	(116,540,915)
Total financial liabilities	(33,868,548)	21,407,060	113,097,872	(80,806,202)	1,576,600,146	(47,643,112)
Financial net position in foreign currency	(18,694,240)	208,606,204	226,195,745	(28,399,863)	4,885,092,302	
Financial net position in Euro	(16,917,865)	38,989,628	2,282,074	(8,378,282)	5,279,136	21,254,691
Impact of +10% change in exchange rate	1,537,988	(3,544,512)	(207,461)	761,662	(479,921)	(1,932,245)
Impact of -10% change in exchange rate	(1,879,763)	4,332,181	253,564	(930,920)	586,571	2,361,632







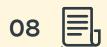














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						31/12/2022
	US dollar	Brazilian real	Lebanese pound	Tunisian dinar	Angolan kwanza	Total (Euro)
Exchange rate at the end of the period	1.0666	5.5680	44.9039	3.3342	544.6434	-
Valuation/(devaluation) compared to the previous period	5.83%	11.90%	(43.39%)	(2.05%)	13.88%	-
Average exchange rate for the period	1.0534	5.4409	44.9039	3.2535	486.7246	-
Valuation/(devaluation) compared to the previous period	10.94%	14.68%	(43.39%)	1.08%	35.22%	-
Amounts in foreign currency						-
Cash and cash equivalents	10,930,155	200,689,277	35,277,945	9,188,351	199,214,219	50,198,185
Receivables and other current assets	6,130,205	42,990,334	10,456,180	41,533,126	213,256,184	26,549,500
Total financial assets	17,060,361	243,679,611	45,734,125	50,721,477	412,470,404	76,747,685
Interest-bearing liabilities	(56,508,439)	(209,076,285)	-	(110,959,947)	-	(123,808,924)
Payables and other current liabilities	(8,681,563)	(309,937,974)	(123,624,248)	(45,894,250)	(397,337,690)	(81,050,940)
Total financial liabilities	(65,190,002)	(519,014,258)	(123,624,248)	(156,854,197)	(397,337,690)	(204,859,865)
Financial net position in foreign currency	(48,129,642)	(275,334,647)	(77,890,124)	(106,132,720)	15,132,714	
Financial net position in Euro	(45,124,359)	(49,449,470)	(1,734,596)	(31,831,540)	27,785	(128,112,180)
Impact of +10% change in exchange rate	(4,512,436)	(4,944,947)	(173,460)	(3,183,154)	2,778	(12,811,218)
Impact of -10% change in exchange rate	4,512,436	4,944,947	173,460	3,183,154	(2,778)	12,811,218

#### **Interest rate risk**

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# !! Interest rate risk management policy

The Group's exposure to interest rate risk is associated with the net interest-bearing debt contracted by the Group, and the objective of interest rate risk management is to reduce the volatility of financial costs in the income statement.

The interest rate risk management strategy is reviewed annually, depending on the expected evolution of rates in each market where the Group operates. Currently, the strategy for managing interest rate risk involves contracting part of the debt at a fixed rate.

#### **Use of derivative financial instruments**

Where management deems it appropriate, the Group uses derivative financial instruments (Note 8.2) to manage interest rate risk. The purpose of these instruments is to fix the interest rate on the loans it obtains within certain parameters deemed appropriate by the Group's risk management policies.

# Y Estimates and judgements

#### Sensitivity analysis

The Group uses the sensitivity analysis technique that measures estimated changes in the income and capital of an immediate increase or decrease in market interest rates, with all other variables constant. This analysis is for illustrative purposes only as, in practice, market rates rarely change in isolation.

The sensitivity analysis is based on the following assumptions:

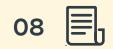
- Changes in market interest rates affect interest income or expenses on variable financial instruments;
- Changes in market interest rates affect the fair value of derivatives and other financial assets and liabilities;
- Changes in the fair value of derivatives and other financial assets and liabilities are estimated by discounting future cash flows from net present values using year-end market rates.

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Under these assumptions, the impact of a 0.5% increase in interest rates, for all loans or derivative financial instruments contracted by the company on 31 December 2023 and 2022, is as follows:

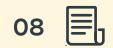
Amounts in Euro	31/12/2023	31/12/2022
0.5% increase in market interest rates		
Impact on profit before tax - increase / (decrease)	(640,848)	(794,969)

# **Exposure to interest rate risk**

Financial assets and liabilities remunerated at a fixed rate (which do not expose the Group to interest rate risk) and remunerated at a variable rate (which expose the Group to interest rate risk) are detailed as follows:

		31/12/202				
	- 1 month	1-3 month	3-12 month	1-5 years	5+ years	Total
ASSETS						
Current						
Cash and cash equivalents (Note 5.8)	58,751,515	-	-	_	_	58,751,515
Total financial assets	58,751,515	-	_	_	_	58,751,515
LIABILITIES						
Non-current						
Interest-bearing liabilities (Note 5.6)	_	-	_	232,082,999	47,012,370	279,095,370
Current						
Interest-bearing liabilities (Note 5.6)	15,429,631	226,723	51,392,134	-	-	67,048,488
Derivative financial instruments (Note 8.2.1)	-	-	1,513,277	5,719,385	-	7,232,663
Total financial liabilities	15,429,631	226,723	52,905,412	237,802,385	47,012,370	353,376,521
Net financial position	74,181,145	226,723	52,905,412	237,802,385	47,012,370	412,128,035









						31/12/2022
	- 1 month	1-3 month	3-12 month	1-5 years	5+ years	Total
ASSETS						
Current						
Cash and cash equivalents (Note 5.8)	68,686,267	-	-	-	-	68,686,267
Total financial assets	68,686,267	-	-	-	-	68,686,267
LIABILITIES						
Non-current						
Interest-bearing liabilities (Note 5.6)	-	20,000,000	50,000,000	194,762,606	2,731,141	267,493,747
Current						
Interest-bearing liabilities (Note 5.6)	44,875,920	18,440,732	45,714,286	-		109,030,938
Derivative financial instruments (Note 8.2.1)	-	-	7,076,688	-		7,076,688
Total financial liabilities	44,875,920	38,440,732	102,790,974	194,762,606	2,731,141	383,601,373
Net financial position	23,810,347	(38,440,732)	(102,790,974)	(194,762,606)	(2,731,141)	(314,915,106)

# **Liquidity risk**

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# !! Liquidity risk management policy

The Group manages liquidity risk in two ways:

- by ensuring that its financial debt has a high mediumand long-term component with maturities appropriate to the nature of the industries in which it operates; and
- by taking out contracts with financial institutions with credit lines available at all times for an amount that guarantees adequate liquidity.

The cash flow forecast is drafted by the group's operating entities and aggregated by Secil Group's Financial Department during drafting of the annual budget. This Department is responsible for monitoring the Group's liquidity needs forecasts so as to ensure the maintenance of sufficient cash flow for the financing needs of each operating unit.

The Group's Financial Plans determine the objectives for each geography, in terms of the amounts and terms of financing to be secured and compliance with financial policies and debt ratios.

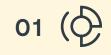
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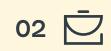
**Total liabilities** 

2023

705,386,789

37,369,446



















# Contractual maturity of financial liabilities (undiscounted flows, including interest)

For 31 December 2023 and 2022, the liquidity of the contracted financial liabilities will give rise to the following undiscounted monetary flows, including interest, based on the remaining period until contractual maturity:

						31/12/2023
	- 1 month	1-3 month	3-12 month	1-5 years	+ de 5 years	Total
Interest-bearing liabilities (Note 5.6)						
Bond loans	259,125	518,250	3,109,500	119,084,575	32,091,612	155,063,063
Commercial paper	1,239,679	475,833	2,855,000	77,320,616	-	81,891,129
Bank loans	10,895,947	3,069,387	31,432,521	85,294,724	17,171,153	147,863,731
Other interest-bearing liabilities	4,956,586	-	_	_	-	4,956,586
Lease liabilities (Note 5.7)		-	8,371,883	13,348,255	10,665,340	32,385,478
Payables and other current liabilities (Note 4.3)						
Derivative financial instruments (Note 8.2.2)		-	1,513,277	5,704,626	-	7,217,904
Other financial liabilities		3,395,175	-	-	-	3,395,175
Total passivos	17,351,337	7,458,646	47,282,181	300,752,796	59,928,106	432,773,066
						31/12/2022
						31/12/2022
	- 1 month	1-3 month	3-12 month	1-5 years	+ de 5 years	Total
Interest-bearing liabilities (Note 5.6)						
Bond loans	533,750	26,055,000	21,481,339	116,378,333	-	164,448,422
Commercial paper	12,211	328,750	340,961	50,000,000	20,000,000	70,681,922
Bank loans	41,277,901	20,753,295	-	92,134,270	3,021,514	157,186,981
Other interest-bearing liabilities	7,703,504	-	-	-		7,703,504
Lease liabilities (Note 5.7)	168,329	337,332	9,993,034	19,601,409	14,347,932	44,448,035
Payables and other current liabilities (Note 4.3)						
Derivative financial instruments (Note 8.2.2)			7,076,688			7,076,688
Other financial liabilities			253,841,237			253,841,237
	40.005.005			0=0.114.010	07.000.116	

47,474,377

292,733,258

278,114,012

49,695,695

<sup>&</sup>gt;>> The contractual maturity of the loans obtained presented assumes compliance with financial covenants, as detailed in Note 5.6 - Loans obtained.























The Group is subject to credit risk on balances

#### **Available and unused credit lines**

2023

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As at 31 December 2023 and 2022, the company has bank credit lines available and undrawn as follows:

Amounts in Euro	31/12/2023	31/12/2022
Undrawn credit facilities		
Commercial paper	125,000,000	125,000,000
Bond loans	75,000,000	-
Other credit facilities	56,511,022	33,190,566
	256,511,022	158,190,566

Secil - Companhia Geral de Cal e Cimento contracted with Caixa Geral de Depósitos and Caixa - Banco quarantees in favour of the Group. de Investimento two bond loans called "Obrigações Verdes Secil 2030 - taxa fixa" and "Obrigações Verdes Secil 2030 - taxa variável", totalling 75,000,000 euros, to (re)finance the CCL Project. The bonds were issued in full in January 2024. The financing will be repaid

The bonds qualify as green financing instruments according to Secil's Green Bond Framework.

on 25 January 2030 and has a maximum maturity of

#### Credit risk

seven years.

# Credit risk management policy

receivable from customers and other debtors, and has adopted a policy of managing risk coverage within certain levels through credit insurance with specialised independent entities and/or obtaining bank

The Group in Portugal has adopted a credit insurance policy for the materials area for most of the balances receivable from customers. It is therefore considered that the Group's effective exposure to credit risk is mitigated to acceptable levels in relation to sales.

However, a worsening of global economic conditions or adversities that only affect economies on a local scale could lead to a deterioration in the ability of the company's customers to repay their obligations, causing credit insurers to significantly reduce the amount of their cover for these customers, which could result in an increase in the percentage of sales without insurance cover.

#### **Cash equivalents**

The Group has a strict policy of approving its financial counterparties, limiting its exposure according to an individual risk analysis and pre-approved ceilings.

Analysing the quality of counterparties' credit risk is based whenever possible on their rating.

#### Accounting policies

#### **Expected credit** losses

The Group assesses, on a prospective basis, the expected credit losses associated with its financial assets measured at amortised cost, as de-tailed in Note 8.4.1 - Categories of the **Group's financial instruments.** 

Impairment losses on customer balances are recognised on the basis of the simplified model laid down in IFRS 9, recording expected losses until maturity. Expected losses are determined on the basis of historical actual loss experience over a statistically relevant period and representative of the specific characteristics of the underlying credit risk.

The model used to assess impairments in accordance with IFRS 9 is as follows:

- 1. Establishing the customer's payment profile, defining intervals for the frequency of payments;
- Recognition of impairment
- 2. Based on 1. above, estimate the probability of default (i.e. the amount of bad debts calculated in 1. compared to the balance of open sales in each interval calculated in 2);
- 3. Adjust the percentages obtained in 3. in relation to future projections;
- 4. Apply the default percentages as calculated in 4. to the customer balances open on the reporting date.

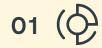
The Group also recognises impairments on a case-by-case basis, based on specific balances and specific past events, taking into account the historical information of the counterparties, their risk profile and other observable data in order to record impairment for these financial assets.

#### Derecognition of assets

Financial assets are derecognised when there is no real expectation of recovery and are considered uncollectible.

Despite being derecognised, the company continues to take steps to recover the amounts owed. In cases of successful recovery, these amounts are recognised in the income statement for the period.







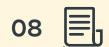














Maximum exposure to credit risk
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The Group's maximum exposure to the credit risk of financial assets corresponds to their net value, as follows:

Amounts in Euro	31/12/2023	31/12/2022
Non-current		
Other financial investments (Note 8.3)	406,207	429,190
Receivables and other current assets (Note 4.2)	2,845,745	3,071,482
Current		-
Receivables and other current assets (Note 4.2)	104,566,379	96,914,202
Derivative financial instruments (Note 8.2)	3,856,902	6,258,968
Cash and cash equivalents (Note 5.8)	58,750,936	68,130,384
	170,426,170	174,804,227

## Ageing structure of customer balances

At 31 December 2023 and 2022, trade receivables had the following structure, taking the due date of the outstanding amounts as a reference:

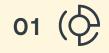
Amounts in Euro	31/12/2023	31/12/2022
Amounts not yet overdue	52,854,187	43,496,832
Amounts overdue:		
1 to 90 days	21,100,878	21,174,834
91 to 180 days	3,793,649	3,414,312
181 to 360 days	2,218,713	1,425,869
361 to 540 days	712,952	767,972
541 to 720 days	334,684	396,908
More than 721 days	2,594,833	6,462,629
	83,609,898	77,139,356
Litigation - doubtful debts	12,308,407	7,602,003
Impairment	(14,180,847)	(13,799,445)
Trade receivables balance (Note 4.2)	81,737,457	70,941,914
Contracted credit insurance limit	221,511,525	173,375,525

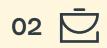
The amounts presented are the outstanding amounts, given the maturity terms contracted.

Although there are delays in the settlement of certain amounts in relation to these maturities, this does not mean that any impairment have been identified beyond impairments considered through the corresponding losses.

These are calculated based on information collected regularly about the financial behaviour of the Group's customers which, together with experience gained in the analysis of the portfolio and with credit claims, for the part not attributable to the insurer, is used to define the amount of the losses to be recognised in the period.







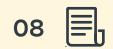














As at 31 December 2023 and 2022, the analysis of the ageing of overdue debtor balances and the respective impairment losses is as follows:

		31/12/2023	31/12/2022		
Amounts in Euro	Gross amount	Fair Value Guarantees	Gross amount	Fair Value Guarantees	
Overdue debtor balances not impaired:					
Overdue for less than 3 months	20,841,926	926,815	20,997,567	2,006,866	
Overdue for more than 3 months	8,275,345	136,851	6,667,534	195,044	
	29,117,271	1,063,667	27,665,101	2,201,910	
Overdue debtor balances impaired:					
Overdue for less than 3 months	258,952	-	177,267	-	
Overdue for more than 3 months	13,687,894	_	13,402,159	_	
	13,946,846	-	13,579,426	-	
	43,064,117	1,063,667	41,244,527	2,201,910	

# Credit risk of cash equivalents

As at 31 December 2023 and 2022, the quality of the Group's credit risk in relation to financial assets (bank deposits, treasury applications and derivative financial instruments with a positive fair value) whose counterparties are financial institutions, is detailed as follows:

Amounts in Euro	31/12/2023	31/12/2022
A	663,067	427,411
A-	8,099,945	3,697,892
BBB+	3,412,543	1,913,036
BBB	5,583,465	634
BBB-	13,312,531	3,034,440
BB+	5,334,450	10,040,777
BB	8,922,827	5,697,168
BB-	-	34,793,497
B+	621,961	-
В	-	17,933
B-	20,373	2,308,949
CCC+	-	2,205,418
No rating	12,780,352	4,549,112
	58,751,515	68,686,267
Derivative financial instruments (Note 8.2)	3,856,902	6,258,968
	62,608,416	74,945,235







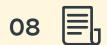
















Impairment fron	n trade and	d other receivables
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In the periods ended 31 December 2023 and 2022, the movements in accumulated impairment losses on customers and other receivables are as follows:

Amounts in Euro	31/12/2023	31/12/2022
Accumulated impairment at the beginning of the period	22,782,310	21,990,477
Variations due to:		
Increase	3,475,722	2,387,178
Reversals	(2,614,247)	(525,363)
Variation recognised in profit for the period (Note 2.4)	861,475	1,861,815
Changes in the perimeter	_	166
Exchange rate adjustment	(170,558)	27,861
Charge-off	(74,165)	2,227
Restructuring	_	(1,100,236)
Accumulated impairment at the end of the period	23,399,063	22,782,310

# 5.8.2 \_\_\_ Derivative financial instruments

# **=** Accounting policies

#### **Presentation**

The fair value of derivative financial instruments is included under Payables (**Note 4.3**) when negative and under Receivables (**Note 4.2**) when positive.

Having adopted the IFRS for the first time with a transition date of 1 January 2020, the Group applies the hedge accounting requirements of IFRS 9 - Financial Instruments.

#### Derivative financial instruments at fair value through profit or loss

Although the derivatives contracted by the Group are effective economic hedging instruments, not all of them qualify as accounting hedging instruments in accordance with the applicable rules and requirements.

Instruments that do not qualify as hedging instruments are recorded in the Statement of Financial Position at fair value and changes in fair value are recognised in Financial income and expenses (**Note 5.10**), when they relate to financing operations, or in External supplies and services (**Note 2.3**) or Revenue( **Note 2.2**), when they refer to hedging exchange risks on the purchase of raw materials or flows of sales receipts in a currency other than the presentation currency.

#### Hedging derivative financial instruments

Derivative financial instruments used for hedging purposes can be classified for account-ing purposes as hedging instruments provided they fulfil all the conditions set out in IFRS 9.











#### **Hedging derivative financial instruments**

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Cash flow hedging

(interest rate

Hedging net

abroad (exchange

investment

rate risk)

rate risk)

and exchange

The Group manages its exposure to interest and exchange rates by hedging cash flows. These transactions are recognised in the interim statement of financial position at fair value and, to the extent that they are considered effective hedges, changes in fair value are initially recognised in other comprehensive income for the period. If hedging operations prove ineffective, the resulting gain or loss is recognised directly in the income statement. The amounts accumulated in equity are transferred to the income statement when the hedged item affects the income statement (for example, when the hedged future sale materialises). The gain or loss corresponding to the effective component of interest rate swaps hedging variable rate loans is recognised under financial income (Note 5.10). However, when the hedged future transaction gives rise to the recognition of a non-financial asset (for example, inventories or property, plant and equipment), the gains and losses previously deferred in equity are included in the initial measurement of the asset's cost.

When a hedging instrument matures or is sold, or when it no longer meets the criteria required to be recognised as a hedge, the cumulative gains and losses in equity are recycled to the Income Statement, except when the hedged item is a future transaction in which the cumulative gains and losses in equity at that date remain in equity, in which case they are only recycled to the Income Statement when the transaction is recognised in the Income Statement. Hedging net investment abroad (exchange rate risk).

The Group manages its exposure to interest and exchange rates by hedging cash flows. These transactions are recognised in the interim statement of financial position at fair value and, to the extent that they are considered effective hedges, changes in fair value are initially recognised in other comprehensive income for the period. If hedging operations prove ineffective, the resulting gain or loss is recognised directly in the income statement. The amounts accumulated in equity are transferred to the income statement when the hedged item affects the income statement (for example, when the hedged future sale materialises). The gain or loss corresponding to the effective component of interest rate swaps hedging variable rate loans is recognised under financial income (Note 5.10). However, when the hedged future transaction gives rise to the recognition of a non-financial asset (for example, inventories or property, plant and equipment), the gains and losses previously deferred in equity are included in the initial measurement of the asset's cost.

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## **Hedging derivative financial instruments**

Hedging exchange rate risk on exports and fuel purchas-es

The Group occasionally hedges sales in currencies other than the presentation currency and hedges future fuel purchases, namely petcoke.

Cash flow/ interest rate hedging on loans to foreign operations

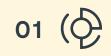
When a foreign operation of the Group borrows in a currency that is not the functional currency in the country of activity of that operation, the Group carries out hedging operations so that the exposure reflects the functional currency.

#### **Y** Estimates and judgements

#### Fair value of derivative financial instruments

Whenever possible, the fair value of derivatives is estimated on the basis of quoted instruments. In the absence of market prices, the fair value of derivatives is estimated using the discounted cash flow method and option valuation models, in accordance with assumptions generally used in the market.







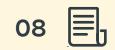
















# Movements in derivative financial instruments

Movement in the fair value of derivatives, in the periods ended 31 December 2022 and 2023, is as follows:

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# Details and maturity of derivative financial instruments by nature

As at 31 December 2023 and 2022, the fair value of derivative financial instruments is detailed as follows:

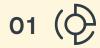
			'23			'22
Amounts in Euro	Trading derivatives	Hedging derivatives	Net total	Trading derivatives	Hedging derivatives	Net total
Balance at the beginning of the period	(7,076,688)	6,258,968	(817,720)	(884,094)	638,518	(245,576)
New contracts / settlements	11,676,851	-	11,676,851	633,300	-	633,300
Change in fair value through profit and loss (Note 5.10)	(11,544,864)	-	(11,544,864)	(6,706,507)	-	(6,706,507)
Change in fair value through other comprehensive income (Note 5.4)	_	(2,402,066)	(2,402,066)	-	5,620,450	5,620,450
Exchange rate adjustment	(287,962)	-	(287,962)	(119,388)	-	(119,388)
Balance at the end of the period	(7,232,663)	3,856,902	(3,375,761)	(7,076,688)	6,258,968	(817,720)

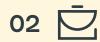
						31/12/2023
Amounts in Euro	Notional	Currency	Maturity	Positive (Note 4.2)	Negative (Note 4.3)	Net
Hedging						
Interest rate swaps (Swaps)	50,000,000	EUR	2027	3,856,902	-	3,856,902
				3,856,902	-	3,856,902
Trading						
Exchange forwards	5,650,000	USD	2024	-	(32,040)	(32,040)
Exchange forwards	800,000	USD	2024	-	(3,261)	(3,261)
Exchange forwards	(4,800,000)	USD	2024	-	20,542	20,542
Cross currency interest rate swap	7,500,000	EUR	2023	-	-	-
Cross currency interest rate swap	18,145,527	USD	2025	-	(2,189,238)	(2,189,238)
Cross currency interest rate swap	10,000,000	EUR	2024	-	(1,033,017)	(1,033,017)
Cross currency interest rate swap	18,000,000	USD	2025	-	(1,861,088)	(1,861,088)
Cross currency interest rate swap	16,000,000	USD	2025	-	(1,654,300)	(1,654,300)
Cross currency interest rate swap	10,000,000	EUR	2024	-	(478,588)	(478,588)
Cross currency interest rate swap	9,256,687	EUR	2024	-	(1,673)	(1,673)
				-	(7,232,663)	(7,232,663)
				3,856,902	(7,232,663)	(3,375,761)

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						31/12/2022
Amounts in Euro	Notional	Currency	Maturity	Positive (Note 4.2)	Negative (Note 4.3)	Net
Hedging						
Interest rate swaps (Swaps)	50,000,000	EUR	2027	6,258,968	-	6,258,968
				6,258,968	-	6,258,968
Trading						
Cross currency interest rate swap	7,500,000	EUR	2023	-	(575,203)	(575,203)
Cross currency interest rate swap	18,145,527	USD	2025	-	(2,504,766)	(2,504,766)
Cross currency interest rate swap	10,000,000	EUR	2024	-	(2,037,753)	(2,037,753)
Cross currency interest rate swap	18,000,000	USD	2025	-	(960,574)	(960,574)
Cross currency interest rate swap	16,000,000	USD	2025	-	(853,843)	(853,843)
Cross currency interest rate swap	10,000,000	EUR	2024	-	(144,548)	(144,548)
				-	(7,076,688)	(7,076,688)
				6,258,968	(7,076,688)	(817,720)

# Derivatives at fair value through profit or loss

In December 2021, the subsidiary Supremo contracted a EUR 10,000,000 loan maturing in June 2024, with two capital repayments, the first in June 2023 and the last at maturity. On the same date, a cross currency interest rate swap contract was signed to hedge exchange rate exposure. This derivative allowed Supremo to fix the nominal value of the financing in BRL and pay interest at the CDI rate plus a spread, fully replicating the amortisation plan of the financing in EUR.

In December 2021, the Supremo subsidiary also contracted a USD 7,000,000 loan maturing in

December 2022, with a capital repayment on maturity. On the same date, a cross currency interest rate swap contract was signed to hedge exchange rate exposure. This derivative allowed Supremo to fix the nominal value of the financing in BRL and pay interest at the CDI rate plus a spread, fully replicating the amortisation plan of the financing in USD.

In January 2022, the Supremo subsidiary contracted a USD loan equivalent to BRL 100,000,000 maturing in January 2025, with half-yearly capital repayments, the first in January 2023 and the last on maturity.

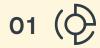
On the same date, a cross currency interest rate swap contract was signed to hedge exchange rate exposure. This derivative allowed Supremo to fix the nominal value of the financing in BRL and pay interest at the CDI rate plus a spread, fully replicating the amortisation plan of the financing in USD.

In May 2022, the subsidiary Supremo contracted external financing in the amount of USD 18,000,000 maturing in May 2025, with a single repayment on maturity. On the same date, a cross currency interest rate swap contract was signed to hedge exchange

rate exposure. This derivative allowed Supremo to fix the nominal value of the financing in BRL and pay interest at the CDI rate plus a spread, fully replicating the amortisation plan of the financing in USD.

In May 2022, the subsidiary Margem contracted external financing in the amount of USD 16,000,000 maturing in May 2025, with a single repayment on maturity. On the same date, a cross currency interest rate swap contract was signed to hedge exchange rate exposure. This derivative allowed Margem to fix the nominal value of the financing in BRL and pay







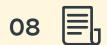
















interest at the CDI rate plus a spread, fully replicating the amortisation plan of the financing in USD.

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In June 2022, the subsidiary Margem contracted external financing in the amount of EUR 10,000,000 maturing in June 2024, with a single repayment on maturity. On the same date, a cross currency interest rate swap contract was signed to hedge exchange rate exposure. This derivative allowed Margem to fix the nominal value of the financing in BRL and pay interest at the CDI rate plus a spread, fully replicating the amortisation plan of the financing in EUR.

In June 2023, the subsidiary Margem contracted an external loan of EUR 6,000,000 maturing in December 2023, with a single repayment on maturity. On the same date, a cross currency interest rate swap contract was signed to hedge exchange rate exposure. This derivative allowed Margem to fix the nominal value of the financing in BRL and pay interest at the CDI rate plus a spread, fully replicating the amortisation plan of the financing in EUR.

In October 2023, the subsidiary Margem contracted an external loan of EUR 9,256,687 maturing in October 2024, with a single repayment on maturity. On the same date, a cross currency interest rate swap contract was signed to hedge exchange rate exposure. This derivative allowed Margem to fix the nominal value of the financing in BRL and pay interest at the CDI rate plus a spread, fully replicating the amortisation plan of the financing in EUR.

#### Cash flow hedging

In 2020 Secil contracted a EUR 50,000,000 bond loan, repayable in full at par in April 2027, with interest paid half-yearly and in arrears. On 26 October 2020, an interest rate hedging derivative was contracted, through an interest rate swap (IRS) with a nominal value of EUR 50,000,000, starting on 29 October 2020 and maturing on 29 April 2027.

#### 5.8.3 Other financial investments

#### **Accounting policies**

These financial investments are recognised as:

Measurement

- a) At fair value through profit or loss, when the Group holds them for trading purposes;
- b) At fair value through other comprehensive income, the remaining financial investments.

As at 31 December 2023 and 2022, other financial investments are detailed as follows:

Amounts in Euro	31/12/2023	31/12/20202
Financial assets at fair value through profit or loss		
C5LAB - Sustainable Construction Materials Association	35,000	35,000
Built Colab Colaborative Laboratory	12,500	12,500
Foire Internationale de Gabés	7,375	7,498
TCG - Terminale Cimentier de Gabés	182,530	182,653
Sté Zone Franche de Zarzis	106,883	108,662
Other	61,919	82,878
	406,207	429,190





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# 5.8.4 \_\_\_ Financial assets and liabilities

# **Categories of the Group's financial instruments**

The financial instruments included in each heading of the consolidated statement of financial position are classified as follows:

	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss (excluding derivatives)	Hedging derivative financial instruments	Trading derivative financial instruments	Non-financial assets	Total
31 December 2023							
Other financial investments	8.3		406,207				406,207
Receivables and other current assets	4.2	116,166,446		3,856,901	-	9,150,314	129,173,662
Cash and cash equivalents	5.8	60,614,596	-	-	-	-	60,614,596
Non-current assets held for sale	3.6	-	-	-	-	1,008,000	1,008,000
Total assets		176,781,043	406,207	3,856,901	-	10,158,314	191,202,465
31 December 2022							
Other financial investments	8.3	-	429,190	-	-	-	429,190
Receivables and other current assets	4.2	110,370,089	-	6,258,968	-	6,216,429	122,845,485
Cash and cash equivalents	5.8	61,586,700	-	-	-	-	61,586,700
Non-current assets held for sale	3.6	-	-	-	-	1,008,000	1,008,000
Total assets		171,956,789	429,190	6,258,968	-	7,224,429	185,869,375
	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss (excluding derivatives)	Hedging derivative financial instruments	Trading derivative financial instruments	Non-financial assets	Total
31 December 2023							
Interest-bearing liabilities	5.6	348,697,372	-	-	-	-	348,697,372
Lease liabilities	5.7	_	_	-	32,385,479	-	32,385,479
Payables and other current liabilities	4.3	203,443,816	-	7,232,663	-	81,522,950	292,199,428
Non-current liabilities held for sale	3.7	-	-	-	-	-	_
Total liabilities		552,141,187	-	7,232,663	32,385,479	81,522,950	673,282,279
31 December 2022							
Interest-bearing liabilities	5.6	375,227,211	-	-	-	-	375,227,211
Lease liabilities	5.7	_	-	-	37,997,062	-	37,997,062
Payables and other current liabilities	4.3	178,157,694	-	7,076,688	-	85,086,892	270,321,274
Payables and other current liabilities  Non-current liabilities held for sale		178,157,694		7,076,688	-	85,086,892	270,321,274





















5.9 Provisions, commitments and contingencies

5.9.1 \_\_\_ Provisions

# Accounting policies

Initial	
recognition and	
measurement	

Provisions are recognised whenever:

- the Group has a legal or constructive obligation as a result of past events;
- it is probable that an outflow of cash and/or resources will be required to settle the obligation; and
- a reliable estimate of the amount of the obligation can be made.

Provisions for landscape restoration are recognised against the item tangible fixed assets (**Note 3.3**).

# Capitalisation of expenditure

Under applicable legislation, some Group companies are responsible for the environmental and landscape recovery of the quarries that they operate. Rehabilitation works mainly include cleaning and tidying of areas intended for recovery, modelling and preparation of the land, transportation and spreading of rejected materials for landfill, fertilization, implementation of the general plan for covering with hydroseeding and vegetation and maintenance and conservation of the areas recovered after planting.

Provisions are reviewed on the Consolidated Balance Sheet date and adjusted to reflect the best estimate at that date.

#### Subsequent Measurement

Landscape restoration provisions are remeasured according to the time effect of the money, against the item "Financial discount of provisions" in **Note 5.10** - **Financial income** and expenses and consumed by the expenses incurred by the Group with the restoration, on the date they occur.

Amounts in Euro	Note	31/12/2023	31/12/2022
Provisions	9.1	145,726,059	98,916,495
Commitments	9.2	40,013,259	36,324,649
Contigent assets and liabilities	9.3	24,086,193	23,002,888

#### Y Estimates and judgements

#### Legal proceedings

These provisions were set up in accordance with risk assessments carried out internally by the Group with the support of its legal advisors, based on the likelihood of the decision being favourable or unfavourable to the Group.

## **Environmental recovery**

The extent of the work required and the respective costs to be incurred were determined on the basis of the quarries' mining plans and studies prepared by independent organisations, and the total liability was measured by the expected value of future cash flows, discounted to present value.

Value judgements and estimates are involved in forming expectations about future activities and the amount and time period of the associated cash flows. These outlooks are based on the existing environment and the regulations in force.

In the case of quarries whose reconstitution is only possible at the end of operation, the Group has asked independent and specialised entities to assess these liabilities and the estimated period of operation, recognising provisions for this purpose.

# **Movements in provisions**

During the periods ended 31 December 2023 and 2022, the movements in Provisions were as follows:

	Environmental	CO <sub>2</sub> emission	Provision for financial		
	recovery	allowances	investments	Other	Total
Balance as at 1 January 2022	13,154,120	37,468,362	347,755	17,283,632	68,253,869
Increases	386,489	73,617,432		7,247,768	81,251,689
Reversals	(2,775,622)			(2,546,220)	(5,321,842)
Impact on profit for the period	(2,389,133)	73,617,432	-	4,701,548	75,929,847
Changes in the perimeter		-	_	2,544	2,544
Charge-off	(806,874)	(37,582,832)	(1,725,715)	(7,719,805)	(47,835,226)
Exchange rate adjustment	(145,508)	-	-	(497,452)	(642,960)
Financial discounts (Note 5.10)	117,714				117,714
Transfers and adjustments	450,633				450,633
Appropriated net profit/(loss)	_	-	1,377,960	-	1,377,960
Hyperinflationary economies	-	-	-	1,262,114	1,262,114
Balance as at 31 December 2022	10,380,952	73,502,962	-	15,032,581	98,916,495
Increases	430,795	112,696,594	-	12,382,150	125,509,539
Reversals	(1,304,215)	-	-	(2,556,063)	(3,860,278)
Impact on profit for the period	(873,420)	112,696,594	-	9,826,087	121,649,261
Charge-off	(341,908)	(73,631,870)	-	855,949	(73,117,830)
Exchange rate adjustment	(292,589)	-	-	(1,992,871)	(2,285,460)
Financial discounts (Note 5.10)	288,498	-	-	-	288,498
Transfers and adjustments	249,218	-	-	(322,937)	(73,719)
Hyperinflationary economies		-	-	348,813	348,813
Balance as at 31 December 2023	9,410,752	112,567,685		23,747,622	145,726,059

#### **Environmental recovery**

The amount shown under transfers and regularisations of Euros 249,218 corresponds to the revision of the quarry and landscape recovery plans carried out in the period 2023 (2022: Euros 450,633), namely the revision of expenses and interest rates. This review also resulted in the recognition of an increase in landscape restoration assets of the same amount (Note 3.3).

#### CO<sub>2</sub> emission allowances

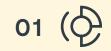
Provisions include liabilities associated with the obligation to return CO<sub>2</sub> emission licences, arising from CO<sub>2</sub> emissions recorded under 2023. Thus, on the date of settlement of the issues made, with the delivery of these licences, the provision is derecognised.

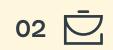
In 2023 and 2022 in utilisation, CO<sub>2</sub> emission licences were derecognised for consumption in 2022 and 2021, respectively. This movement is reflected in the movement in Intangible Assets (**Note 3.2**).

#### Other provisions

This refers to provisions to cover risks related to events of a different nature, the resolution of which may result in cash outflows, namely organisational restructuring processes, supplements to the Lebanese national social security fund, risks of contractual positions taken on in investments, among others.







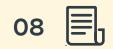
















# 5.9.2 \_\_\_ Commitments

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# **Purchase commitments**

On 31 December 2023 and 2022, the Group's commitments relate to acquisitions of tangible fixed assets and goods and services, detailed as follows:

Amounts in Euro	31/12/2023	31/12/2022
Purchase commitments		
Property, plant and equipment	20,174,383	13,045,822
Electric power	1,682	6,825
Raw materials - Petroleum coke and Coal	4,618,100	19,037,381
Services	10,004,958	2,858,268
Other	4,359,974	1,376,353
	39,159,098	36,324,649

# Guarantees provided to third parties

As at 31 December 2023 and 2022, the Group has guarantees given to third parties as follows:

Amounts in Euro	31/12/2023	31/12/2022
Guarantees provided		
IAPMEI (within the scope of QREN)	102,590	277,541
IAPMEI (within the scope of PEDIP)	209,305	209,305
APSS - Admi. dos Portos de Setúbal e Sesimbra	2,942,288	2,624,820
Comissão de Coordenação e Desenv. Regional LVT	1,247,478	948,840
Conselho de Emprego, Indústria e Turismo (Spain)	279,648	279,648
APDL - Administração do Porto de Leixões	349,840	349,840
ICNF-Inst.da Conserv.Natur. e das Florestas, I.P.	668,688	668,688
Comissão de Coordenação e Desenv. Regional Norte	236,403	236,403
Comissão de Coordenação e Desenv. Regional Centro	751,042	789,647
Comissão de Coordenação e Desenv. Regional Algarve	678,620	678,620
Labour Court	217,324	217,324
Promissory notes, endorsements and guarantees	8,909,377	6,703,032
Secretaria Regional do Ambiente e Recursos Naturais	199,055	199,055
Agência de Desenvolvimento e Coesão	4,896,587	4,919,200
Other	1,336,811	1,558,628
	23,025,056	20,660,591
Mortgages on Land, Property and Equipment	1,061,137	2,342,297
	24,086,193	23,002,888

# 5.10 \_\_\_\_\_ Group structure

Amounts in Euro	Note
Companies included in the consolidation	10.1
Non-controlling interest	10.1
Changes in the consolidation perimeter	10.2
Investments in associates and joint-ventures	10.3
Transactions with related parties	10.4

## 5.10.1 \_\_\_ Companies included in the consolidation

#### Accounting policies

Entities controlled by the Group

Secil controls an entity (subsidiary) when it is exposed to, or has rights over, the variable returns generated as a result of its involvement with the entity, and has the ability to affect those variable returns through the power it exercises over its relevant activities.

The equity and net profit of these companies corresponding to third-party holdings are shown under non-controlling interests.

The purchase method is used to account for the acquisition of activities that constitute a business. The cost of an acquisition is measured at the fair value of the assets delivered, the equity instruments issued and the liabilities incurred or assumed on the acquisition date.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at fair value on the acquisition date, regardless of the existence of non-controlling interests. The excess of the acquisition cost over the fair value of the Group's share of the identifiable assets and liabilities acquired is recognised as goodwill (Note 3.1).

The acquisition cost is subsequently adjusted when the acquisition/assignment price is contingent on the occurrence of specific events agreed with the seller/shareholder (e.g. realisation of the fair value of acquired assets).

## Business combinations

Any contingent payments to be made by the Group are recognised at fair value on the acquisition date. If the obligation assumed constitutes a financial liability, subsequent changes in fair value are recognised in the income statement. If the obligation assumed is a capital instrument, there is no need to change the initial estimate.

If the acquisition cost is lower than the fair value of the net assets of the subsidiary acquired (negative goodwill or badwill), the difference is recognised directly in the income statement under Other operating income (**Note 2.2**). Directly attributable transaction costs are immediately recognised in the income statement.

When at the date of acquisition of control the Group already holds a previously acquired stake, the fair value of that stake contributes to the determination of goodwill or badwill.

When control is acquired in a percentage of less than 100%, when applying the purchase method, non-controlling interests may be measured at fair value, or in proportion to the fair value of the assets and liabilities acquired, this option being defined in each transaction.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. When additional shares are acquired in companies already controlled by the Group, the difference between the percentage of capital acquired and the respective acquisition value is recognised directly in equity.

#### Consolidation

The accounting policies of the subsidiaries are changed, when necessary, to ensure consistency with the policies adopted by the Group.

Internal transactions, balances, unrealised gains from transactions and dividends distributed between Group companies have been removed. Unrealised losses are also removed, unless the transaction shows evidence of impairment of a transferred asset.

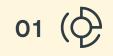
#### Disposals with loss of control

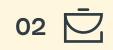
In the case of disposals of holdings which result in the loss of control over a subsidiary, any remaining holding is revalued at market value on the date of sale and the gain or loss resulting from this revaluation is recognised against profit or loss, as is the gain or loss resulting from the disposal.

#### Subsequent transactions of subsidiaries

#### Transactions without loss of control

Subsequent transactions involving the sale or acquisition of holdings to non-controlling interests, which do not imply a change in control, do not result in the recognition of gains, losses or goodwill, and any difference between the value of the transaction and the book value of the holding transacted is recognised in equity under Retained earnings. The negative results generated in each period by subsidiaries with non-controlling interests are allocated in the percentage held by them, regardless of whether they have a negative balance.



















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### Companies included in the consolidation

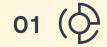
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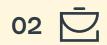
At 31 December 2023 and 2022, the Group has the following subsidiaries:

		31/12/2023			31/12/2022	
			% of capi			
Corporate Name	Head Office	Direct	Indirect	Total	Total	
Parent company:						
SECIL - Companhia Geral de Cal e Cimento, S.A.	Portugal					
Subsidiaries:						
BETOTRANS II - Unipessoal, Lda.	Portugal	100.00	-	100.00	100.00	
Secil Cabo Verde Comércio e Serviços, Lda.	Cape Verde	99.80	0.20	100.00	100.00	
ICV - Inertes de Cabo Verde, Lda.	Cape Verde	75.00	25.00	100.00	100.00	
Florimar- Transporte Marítimo, Navios e Participações, Lda.	Portugal	100.00	-	100.00	100.00	
Secil Cement, B.V.	The Netherlands	100.00	-	100.00	100.00	
Société des Ciments de Gabés	Tunisia	98.77	-	98.77	98.72	
Sud- Béton- Société de Fabrication de Béton du Sud	Tunisia	_	98.77	98.77	98.72	
Zarzis Béton	Tunisia	-	98.58	98.58	98.52	
Secil Angola, SARL	Angola	100.00	_	100.00	100.00	
Secil - Companhia de Cimento do Lobito, S.A.	Angola	_	100.00	100.00	51.00	
Secil Betão, S.A.	Portugal	100.00	-	100.00	100.00	
SECIL - Agregados, S.A.	Portugal	100.00	_	100.00	100.00	
Secil Martingança - Aglomerantes e Novos Materiais para a Construção, S.A.	Portugal	100.00	-	100.00	100.00	
IRP - Industria de Rebocos de Portugal, S.A.	Portugal	_	75.00	75.00	75.00	

		31/1	12/2023		31/12/2022
				% of capit	tal held by Secil
Corporate Name	Head Office	Direct	Indirect	Total	Total
SEBETAR - Sociedade de Novos Produtos de Argila e Betão, S.A.	Portugal	99.53	-	99.53	99.53
Ciminpart - Investimentos e Participações, S.G.P.S., S.A.	Portugal	100.00	-	100.00	100.00
ALLMA - Microalgas, Lda.	Portugal	-	70.00	70.00	70.00
Secil Brasil Participações, S.A.	Brazil	-	100.00	100.00	100.00
Supremo Cimentos, SA	Brazil	-	100.00	100.00	100.00
Margem - Companhia de Mineração, SA	Brazil	-	100.00	100.00	100.00
Secil Brands - Marketing, Publicidade, Gestão e Desenvolvimento de Marcas, Lda.	Portugal	100.00	-	100.00	100.00
Ciments de Sibline, S.A.L.	Lebanon	28.64	22.41	51.05	51.05
Soime, S.A.L.	Lebanon	-	51.05	51.05	51.05
Trancim, S.A.L. (a)	Lebanon	-	51.05	51.05	51.05
Cimentos Madeira, Lda.	Portugal	100.00	_	100.00	100.00
Beto Madeira - Betões e Britas da Madeira, S.A.	Portugal	-	100.00	100.00	100.00
Brimade - Sociedade de Britas da Madeira, S.A.	Portugal	-	100.00	100.00	100.00
Madebritas - Sociedade de Britas da Madeira, Lda.	Portugal	-	51.00	51.00	51.00
Cementos Secil, SLU	Spain	100.00	-	100.00	100.00







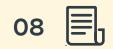
















### Non-controlling interests - detail by subsidiary

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As at 31 December 2023 and 2022, non-controlling interests in the income statement and equity are detailed as follows:

		Profit/ (loss)			Equity
Amounts in Euro	% held	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Société des Ciments de Gabés e subsidiárias	1.28	(1,232)	28,269	421,719	477,451
IRP - Industria de Rebocos de Portugal, S.A.	25.00	293,301	279,548	467,086	453,285
Secil - Companhia de Cimento do Lobito, S.A.	100.00	-	386,984	-	(4,291,198)
Ciments de Sibline, S.A.L e subsidiárias	48.95	12,007,868	(273,900)	13,875,978	6,669,018
Other		(456)	(1,713)	11,317	11,773
		12,299,481	419,188	14,776,101	3,320,329

## Non-controlling interests - movements

In the periods ended 31 December 2023 and 2022, the movement in Non-controlling interests is as follows:

Amounts in Euro	31/12/2023	31/12/2022
Opening balance	3,320,329	7,214,604
Dividends	(306,023)	(341,416)
Transposition of the financial statements of foreign subsidiaries	(3,589,070)	(3,741,744)
Changes in actuarial assumptions	61	2,967
Hyperinflationary economies	(1,098,626)	(198,218)
Other changes in equity	4,149,949	(35,052)
Net profit for the period	12,299,481	419,188
Closing balance	14,776,101	3,320,329

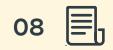
#### 5.10.2 Changes in the consolidation perimeter

During the period ended 31 December 2023 and 2022, the perimeter was altered compared to the previous period due to the following corporate reorganisation operations:

	'23
	Date
Acquisition of non-controlling interests	
Secil - Companhia de Cimento do Lobito, S.A. (49%)	jan/23
	'22
	Date
Shareholding acquisition	
Trancim, S.A.L.	jan/22
Disposals	
Silonor, S.A.	jun/22











# Investments in associates and joint ventures Accounting policies

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Associates	All entities over which the Group has a significant but non-controlling influence, generally with 20 to 50% of the voting rights.
Joint ventures	These are agreements that give the Group joint control (contractually established) and for which the Group has an interest in the net assets.
Equity method	Investments in associates and joint ventures are accounted for using the equity method. Investments are recognised at acquisition cost, adjusted by the amount corresponding to the Group's share of changes in equity (including net profit) of associates and joint ventures, against results of associates and joint ventures, and dividends.
	When the Group's share of losses in associates or joint ventures equals or exceeds its investment in these companies, the Group no longer recognises additional losses, unless it has incurred liabilities or made payments on their behalf.
Unrealised gains and losses on transactions with the Group	Unrealised gains on transactions with associates and joint ventures are removed in proportion to the Group's holding in the associates.  Unrealised losses are also removed, except if the transaction reveals evidence of impairment of a transferred asset.

#### Investments in associates and joint ventures

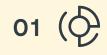
On 31 December 2023 and 2022, investments in associates and joint ventures were as follows:

		31/12/2023		31/12/2022	
Amounts in Euro	% held	Book value	% held	Book value	
Associates					
MC - Materiaux de Construction	49.36%	1,474	49.36%	1,500	
J.M.J Henriques, Lda.	50.00%	363,498	50.00%	369,912	
Ave, S.A.	35.00%	167,008	35.00%	178,585	
Joint ventures					
Ultimatemod - Construção Modular, S.A.	50.00%	1,167,557	0.00%	-	
		1,699,538		549,997	

#### **Investments in Associates and Joint Ventures**

In the periods ended 31 December 2023 and 2022, the movement in investments in associates and ventures is as follows:

Amounts in Euro	'23	'22
Opening balance	549,997	629,077
Acquisitions	1,250,000	-
Net profit - associates	65,713	150,311
Dividends distributed	(166,146)	(229,360)
Exchange rate adjustment	(26)	(31)
Closing balance	1,699,538	549,997





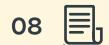
















Information from associates and joint ventures

In the periods ending on 31 December 2023 and 2022, associates and joint ventures presented the following figures in their accounts:

						'23
		Total assets	Total liabilities	Equity	Profit for the period	Net profit
Associates						
MC- Materiaux de Construction	a)	910,457	1,071,020	(160,563)	2,193,655	(32,928)
J.M.J Henriques, Lda.	a)	1,046,676	310,485	736,191	-	(10,606)
Ave-Gestão Ambiental e Valorização Energética, S.A.	a)	6,023,067	5,545,900	477,168	19,015,606	416,197
Joint ventures						
Ultimatemod - Construção Modular, S.A.	a) b)	1,736,604	401,490	1,335,114	-	(164,886)

a) The financial information presented is in accordance with the financial statements of the associate for the period ended 30 November 2023.

						'22
		Total assets	Total liabilities	Equity	Profit for the period	Net profit
Associates						
MC- Materiaux de Construction	a)	1,224,263	1,334,730	(110,467)	9,092,920	30,272
J.M.J Henriques, Lda.	a)	1,045,742	305,916	739,826	-	(15,218)
Ave-Gestão Ambiental e Valorização Energética, S.A.	a)	5,358,168	4,847,925	510,243	14,527,005	449,273
Joint ventures						
Allmicroealgae	a) b)	3,288,316	6,739,745	(3,451,429)	979,577	(2,628,480)

a) The financial information presented is in accordance with the financial statements of the associate for the period ended 30 November 2022.

b) In 2023, Secil paid Euro 1,000,000 in additional capital contributions to Ultimatemod, under the shareholder agreement, according to which the Company may be required to pay an additional Euro 2,000,000.

b) Disposal of the shareholding of Secil on Allmicroalgae on December 2022.











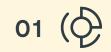
# 5.10.4 \_\_\_ Transactions with related parties

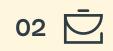
## Balances with related parties

At 31 December 2023 and 2022, the Group has the following balances with related parties:

				31/12/2023				31/12/2022
	Receivables	Payables	Deferred tax assets	Income tax (Note 6.1)	Receivables	Payables	Deferred tax assets	Income tax (Note 6.1)
Shareholders								
Semapa, SGPS, S.A.	12,174	2,075,342	-	-	7,080	5,300,502	-	-
Semapa, SGPS, S.A RETGS	_	-	853,313	161,974	_	-	1,578,958	10,255,284
CIMO - Gestão de participações, SGPS, S.A.	-	1,160	-	-	-	1,160	-	-
	12,174	2,076,502	853,313	161,974	7,080	5,301,662	1,578,958	10,255,284
Associates and Joint Ventures								
J.M.J. Henriques, Lda.	105,116	-	-	-	131,280	-	-	-
Inertogrande - Central de Betão, Lda.	188,382	8,169	-	-	216,224	-	-	-
Ave-Gestão Ambiental e Valorização Energética, S.A.	507,369	588,710	-	-	337,288	1,424,778	-	-
Allmicroalgae - Natural products, S.A. a)	-	-	-	_	70	-	-	-
	800,867	596,879	-	-	684,862	1,424,778	-	-
Other related parties								
Cotif Sicar	-	67,294	-	-	-	41,750	-	-
Grupo Navigator	958,854	-	-	_	152,950	-	-	-
Utis - Ultimate Technology To Industrial Savings, Lda.	(85)	796,988	-	-	(38,037)	900,229	-	-
Other subsidiary shareholders and other related parties	5,905	6,225	-	-	3	20,473	-	-
	964,674	870,507	-	-	114,916	962,452	-	-
	1,777,714	3,543,888	853,313	161,974	806,858	7,688,892	1,578,958	10,255,284























### Transactions in the period with related parties

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During the periods ended 31 December 2023 and 2022, the Group carried out the following transactions with related parties:

		'23			'22		
	Acquisition of services	Sales and services rendered	Other operating income	Acquisition of services	Sales and services rendered	Other operating income	
Shareholders							
Semapa, S.G.P.S., S.A.	(4,245,266)	-	15,570	(3,235,361)	-	7,992	
	(4,245,266)	-	15,570	(3,235,361)	-	7,992	
Associates and Joint Ventures							
Allmicroalgae - Natural products, S.A. a)	-	-	-	-	-	399,829	
Ave-Gestão Ambiental e Valorização Energética, S.A.	(3,024,080)	40	129,907	(2,905,742)	1,265	231,383	
	(3,024,080)	40	129,907	(2,905,742)	1,265	631,212	
Other related parties							
Grupo Navigator	(625)	1,009,214	-	-	208,759	-	
UTIS, Lda.	(1,041,751)	-	-	751	-	114,710	
	(1,042,376)	1,009,214	-	751	208,759	114,710	
	(8,311,722)	1,009,254	145,478	(6,140,352)	210,024	753,914	

a) Transactions made until the disposal of the shareholding in 2022























The Group is present in the construction sector, which is subject to various risks that can have a significant effect on the activity it carries out, its operating results, the cash flows it generates and its financial position.

The operational risk factors analysed in this chapter can be structured as follows:

- Supply of raw materials;
- Sale price;
- Demand for the Group's products;
- Competition;
- Energy costs;
- Risks associated with climate change;
- Country risk Brazil, Tunisia, Lebanon and Angola;
- Environmental Legislation.

#### **Supply of raw materials**

As far as cement and other materials are concerned, the main raw materials in the cement manufacturing process are limestone and marl or clay, which are extracted from its own quarries, located within the plant perimeter, and the Group has reserves that ensure sustained exploitation in the coming years in a significant part of the geographical locations in which it operates.

#### Sale price

As the Group operates in geographically diverse markets, the prices it charges depend essentially on the economic climate and competition in each country.

#### **Demand for the Group's products**

The Group's turnover depends on the level of activity in the construction sector in each of the geographical markets in which it operates. The construction sector tends to be cyclical, especially in mature economies, and depends on the level of residential and commercial construction, and on the level of investment in infrastructure.

The construction sector is sensitive to factors such as interest rates and a decline in economic activity in a given economy can lead to a recession in this sector.

Although the Group considers geographical diversification to be the best way to stabilise income, its activity, financial situation and income from operations may be negatively affected by a breakdown in the construction sector in any significant market in which it operates.

#### Competition

The Group's companies operate in a competitive environment. In the case of the Portuguese market, overcapacity on the part of national operators, combined with imports, could affect performance in this segment.

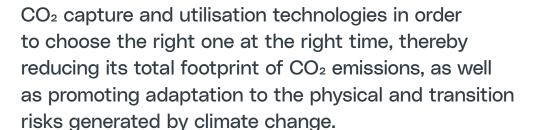
The same is true of Tunisia and Lebanon, countries currently in recession with excess installed capacity, which has had a negative impact on prices in these countries.

#### **Energy costs**

A significant share of the Group's costs depends on energy costs. Energy is a cost factor that makes a significant contribution to the activities of Secil and its subsidiaries. The Group protects itself to some extent against the risk of rising energy prices by allowing some of its plants to use alternative fuels and long-term power supply contracts for some energy needs. Despite these measures, significant fluctuations in electricity and fuel costs may adversely affect the Group's activity, financial situation and income from operations.

#### Risks associated with climate change

The Secil Group operates in a sector with high emissions of CO<sub>2</sub> emissions in its production process, namely in the calcination of the carbonates present in the main raw materials and the burning of fuels in the kilns. To this end, it has developed a series of strategies and investments to reduce its emissions of CO<sub>2</sub> emissions through thermal and electrical efficiency gains and the use of alternative fuels. In addition, the group is closely following the development of new technologies for capturing and utilising



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Changes in the regulatory environment such as the increase in the price of CO<sub>2</sub> emission licences and more frequent extreme weather events increase the risk of interruptions in production, logistics and the supply of raw materials and energy. Uncertainties in relation to climate change may also result in changes to the group's cash flow projections or the revision of the useful lives of assets.

In this challenging context of the transition to a decarbonised economy, the Group monitors the potential impacts on its financial position, performance and cash flows arising from climate change, namely the impacts on relevant accounting estimates and judgements.

As announced, aware of the new framework and associated risks, Secil is developing a set of strategies and investments to reduce its CO<sub>2</sub> emissions that will enable the Group to meet its targets and respond adequately to the sector's climate challenges. Of the investments being made, it is worth highlighting the technological upgrade of its production unit in Outão, the CCL - Clean Cement Line Project, an investment totalling around Euro 86 million, scheduled for completion in the first half of 2024, which will place this unit as a European benchmark in energy and environmental efficiency.

The Secil Group has a good capacity to generate free cash flow and a comfortable financial position, and the Board of Directors is convinced that, in view of its financial and liquidity situation, there are no significant negative impacts arising from climate

change that justify the recognition of additional impairments or that jeopardise the principle of continuity applied in the preparation of these financial statements.

#### **Country risk - Brazil, Tunisia and Angola**

The Group is exposed to country risk in Brazil, Tunisia and Angola, where it has investments in production units.

#### Country risk - Lebanon

Lebanon is suffering from a serious economic, financial and social crisis. Despite the efforts made by political forces to stabilise the situation, the emergence of the covid-19 pandemic, the continuing conflict in Ukraine, and the most recent conflict in the Gaza Strip region have further contributed to its deterioration.

In addition, the ongoing power cuts from the last quarter of 2021 have had a negative impact on Secil's operations in that country.

The year 2023 continues to be marked by the devaluation of the local currency, the shortage of foreign currency reserves and the deterioration of the economic context. The shortage of foreign currency to cover the import of essential goods (e.g. medicines and foodstuffs) led to capital control measures by banking and supervisory bodies, which promoted the growth of the unregulated market for buying and selling currency. These transactions of exchanging Lebanese pounds for other currencies at a different exchange rate from the official one, which allowed local operators to guarantee the maintenance of their operations, constituting a "force majeure" prerogative, were exceptionally recognised by the Lebanese Ministry of Finance through a circular (Guideline) published at the end of the 2020 financial year.

As far as inflation is concerned, it has been on the rise since the beginning of 2020, with cumulative inflation in July of that year exceeding 100% over a three-year period, and the country was declared a hyperinflationary economy. To this end, the companies were obliged to apply IAS29 "Financial Reporting in Hyperinflationary Economies" (Note 5.11).

In addition to generalised inflation and a shortage of foreign currency, most industries in Lebanon have faced energy supply restrictions from the state-owned electricity production and distribution company.

In 2020, it is also worth highlighting the explosion in Beirut harbour which, in addition to all the human damage, caused a trail of destruction and widespread protests against the corruption in the country and, consequently, in the government. In October 2022, the term of office of the President of the Lebanese Republic came to an end, and the election of a successor is pending. In addition, a caretaker government is provisionally in place.

#### **Environmental Legislation**

The fourth period of the EU ETS (European Emissions Trading Scheme) began in 2021 and legislative acts are currently underway for the new sub-period from 2026 to 2030.

The European Commission has adopted a package of legislative proposals, "Fit 55", to revise the EU's climate, energy, land use, transport and taxation policies in order to materialise the reduction of net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels.

With these proposals, the Commission has presented the legislative instruments to achieve the objectives agreed in the European Climate Law and

fundamentally transform our economy and society for a fair, green and prosperous future.

For its impact on the company, in 2023 we highlight the creation of the Border Adjustment Mechanism with the aim of equalising the costs of CO<sub>2</sub> costs borne by both European and non-European producers, creating fair conditions of competition between the two that do not lead to the cement industry relocating outside the EU to areas with fewer environmental and climate requirements. The transition period began in October 2023 and will run until the end of 2025. It will definitely come into full effect at the beginning of 2026 with the payment of the cost of the CO<sub>2</sub> emissions by importers. At the same time, the phase-out of the free licences will begin, which will run until 2033.

Aware of this new framework and the impact on the reduction of free licences to be received, Secil carried out the bulk of the physical upgrade of the facilities at the Outão production unit in 2023 and is currently completing the installation of complementary equipment. When completed, it will lead to a 20% reduction in carbon emissions, green production of 30% of the unit's electricity consumption, minimisation of the use of fossil fuels and a 20% reduction in thermal consumption. An investment totalling around Euro 86 million, scheduled for completion in the first half of 2024, which will make this unit a European benchmark in energy and environmental efficiency.

In the same vein, Secil subscribed to the Roadmap for Carbon Neutrality for the national cement sector published by ATIC and developed its own Roadmap.

Helena Paula Ornelas França

**Members** 





Ricardo Miguel dos Santos Pacheco Pires Chairman

Otmar Hübscher Vice-Chairman

Cars alks ledi a

Carlos Alberto Medeiros Abreu Members

Carlos Eduardo Coelho Alves Members

Carlos Manuel Guimarães Correia de Barros Members

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Gian Lorenz Raffainer Members

Hugo Mexande 6 Justin L

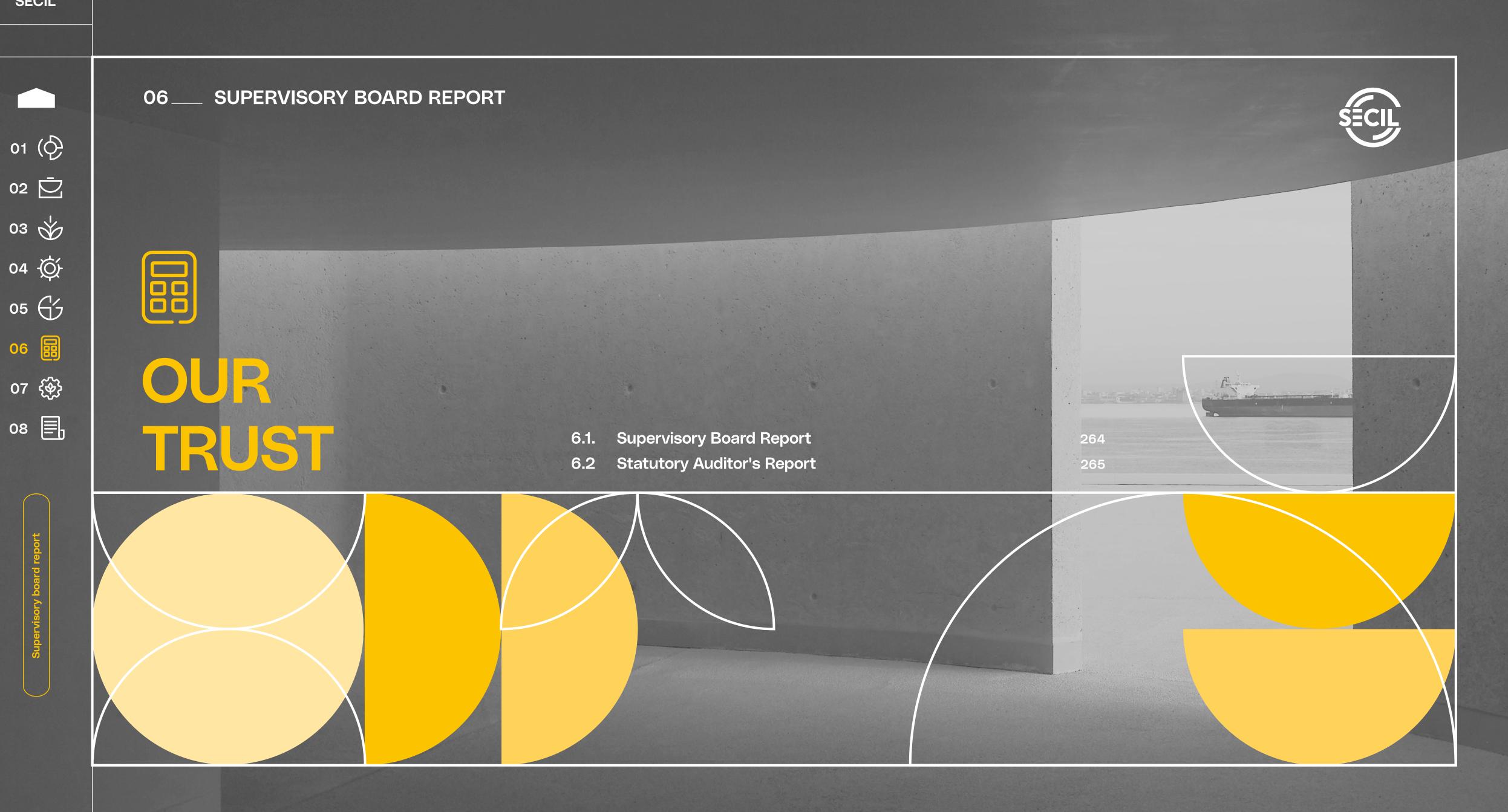
Hugo Alexandre Lopes Pinto **Members** 

Wieg

Maria Isabel da Silva Marques Abranches Viegas Members

Sérgio António Alves Martins Members

Vítor Paulo Paranhos Pereira Members





















# **Supervisory Board Report**

SECIL - Companhia Geral de Cal e Cimento, S.A.

Report and Opinion of the Supervisory Board on the Consolidated Financial Statements

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

#### 2023 Period

#### Dear Shareholders,

- 1. In accordance with the law, the Company's bylaws and within the execution of the mandate assigned to us, we hereby present our report on the supervisory activity carried out in 2023 and give our opinion on the Management Report and Consolidated Financial Statements presented by the Board of Directors of SECIL - Companhia Geral de Cal e Cimento, S.A., regarding the period ended 31 December 2023.
- 2 During the year, we regularly monitored the activity of the company and its most significant subsidiaries and associates, with the frequency and extent that we considered appropriate, namely through periodic meetings with the Company's Board of Directors and Directors. We have monitored the review of the accounting records and supporting documentation, as well as the effectiveness of risk management, internal control and internal audit systems. We ensured compliance with the law and bylaws. In the performance of our activity, we have not encountered any constraints.
- 3. We met several times with the statutory auditor and external auditor, KPMG & Associados, SROC, Lda, accompanying the audit procedures performed and monitoring its independence. We read the Statutory Audit Report and state our agreement.
- 4. The Supervisory Board analyzed the proposals presented for the provision of other audit services by the Statutory Auditors, having approved those that related to permitted services, did not affect the independence of the Statutory Auditors and were in compliance with other legal requirements.
- 5. Within the scope of our functions, we verified that:
  - a) The Consolidated Income Statement, the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash flows and the corresponding Notes attached to the consolidated financial statements, allow an adequate understanding of the company's financial situation and its results, comprehensive income, changes in equity and cash flows.
- b) The accounting policies and valuation criteria adopted are in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union and are adequate to ensure that they lead to a correct assessment of assets and results and follow up was made to the conclusions and recommendations issued by the external auditor.
- c) the Management Report is sufficiently clear regarding the evolution of the business and the situation of the company and all the subsidiaries included in the consolidation, clearly highlighting the most significant aspects of the activity.

- 6. In these terms, considering the information received from the Company's Board of Directors and other company's services, as well as the conclusions included in the Statutory Auditors Report, we are of the opinion that:
  - a) the Management Report should be approved.
  - b) the Consolidated Financial Statements should be approved.
- 7. Finally, the members of the Supervisory Board express their recognition and gratitude for the collaboration provided, to the Board of Directors, the main managers, and other employees of the company, as well as the Statutory Auditors, KPMG & Associados,
- 8. We inform you that this Report and Opinion is not signed by the Member of the Supervisory Board, Mrs. Maria da Graça da Cunha Gonçalves, due to her passing on April 12th. The Supervisory Board regrets with great grief the passing of Mrs. Maria da Graça da Cunha Gonçalves and praises her personal qualities and the enormous dedication and professionalism with which she performed her duties as Member of the Company's Supervisory Board since her appointment, on May 24th, 2018.
- 9. The Supervisory Board confirms that Mrs. Maria da Graça da Cunha Gonçalves had a relevant role regarding the preparation and content of this Report and Opinion and monitored, during the financial year just ended and in the current year, the activities of the Company and of the Supervisory Board, contributing significantly to the fulfillment of the duties and competences of this body.

Lisbon, 24 April, 2024

The President of the Supervisory Board,

(Signed by José Manuel de Oliveira Vitorino on Original)

The Member,

(Signed by Gonçalo Nuno Palha Gaio Picão Caldeira on Original)





















**Statutory Auditor's Report** 



KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A. Edifício FPM41 - Avenida Fontes Pereira de Melo, 41 - 15.º 1069-006 Lisboa - Portugal +351 210 110 000 | www.kpmg.pt

#### STATUTORY AUDITORS' REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

#### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL **STATEMENTS**

#### Opinion

We have audited the accompanying consolidated financial statements of Secil - Companhia Geral de Cal e Cimento, S,A, (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2023 (showing a total of 1,201,280,246 euros and total equity of 290,834,432 euros, including a profit for the year of 53,373,941 euros), and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and the accompanying notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Secil -Companhia Geral de Cal e Cimento, S,A, as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the consolidated Financial Statements" section below We are independent of the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



#### Responsibilities of management and the supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's consolidated financial position, financial performance and the consolidated cash flows, in accordance with the International Financial Reporting Standards as adopted by the European Union.;
- the preparation of the consolidated management report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and,
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process

#### Auditors' responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and the events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion; and,
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

Our responsibility also includes the verification that the information contained in the consolidated management report is consistent with the consolidated financial statements

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### On the consolidated management report

Pursuant to article 451, nr. 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the consolidated management report was prepared in accordance with the applicable legal and regulatory requirements, the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment of the Group, we have not identified any material misstatements.

23 April 2024

#### SIGNED ON THE ORIGINAL

**KPMG & Associados** Sociedade de Revisores Oficiais de Contas, S.A (no. 189 and registered at CMVM with the no. 20161489) represented by Carlos Miguel Lopes Pereira da Costa (ROC no. 1377 and registered at CMVM with the no. 20160987)

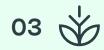
KPMG & Associados –Sociedade de Revisores Oficiais de Contas, S.A., sociedade anónima portuguesa e membro da rede global KPMG, composta por firmas membro independentes associadas com a KPMG International Limited, uma sociedade inglesa de responsabilidade limitada por garantia.

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. Capital Social: 3.916.000 Euros - Pessoa Coletiva N.º PT 502 161 078 - Inscrito na O.R.O.C. N.º 189 - Inscrito na C.M.V.M. N.º 20161489 Matriculada na Conservatória do registo Comercial de Lisboa sob o N.























The sustainability information in this report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards version 2021. The sustainability information aims to highlight the commitments undertaken and projects associated with the material topics identified by Secil, demonstrating the work done by the Group, through initiatives, projects and case studies. Whenever possible, appropriate and relevant, information from previous years is included for the main GRI indicators, so as to provide an outlook of their evolution.

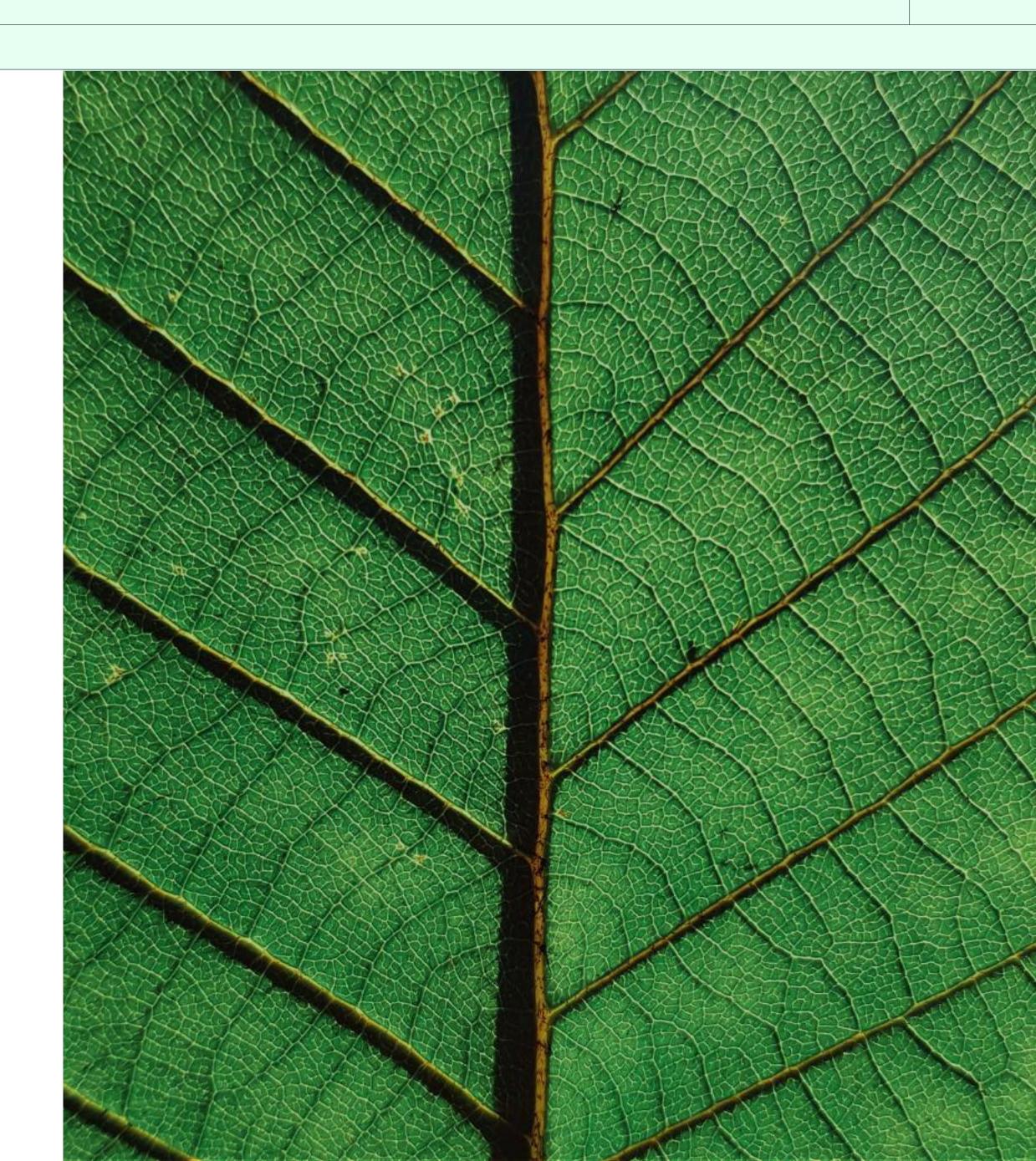
The sustainability information also responds to the requirements of Decree Law No. 89/2017 - disclosure by large companies and groups of non-financial information and diversity information.

For reasons of language simplification, we have not distinguished between the terms "impact", and have opted to adopt exclusively the time "impact".

### **Methodological Notes**

When writing this document, particularly when reporting on the GRI indicators, and given the size of the Group, it was not always possible to present data for all geographies, however, in the interests of transparency, such occurrences have been noted and correctly described. As we are committed to the continuous improvement of the data collection process, we intend, in future reports, to focus on a greater breakdown of data collection from the Secil Group's operating units.

All changes and adjustments are shown in the GRI index, in each of the indicators, whenever justifiable. Annexes were also included to complement the Report, with a view to increasing the company's transparency in relation to different benchmarks, namely the World Economic Forum's (WEF) framework Measuring Stakeholder Capitalism **Towards Com-mon Metrics and** Consistent Reporting of Sustainable Value Creation, published in 2020, in its core option, to which we voluntarily adhered last year, and the GCCA Response Table.











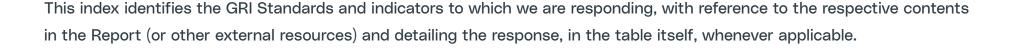












Declaration of use	The Secil Group reported in accordance with the GRI standards for the period from 1 January 2023 to 31 December 2023			
Reporting according to:	GRI 1: Fundamentals 2021			
Applicable GRI Sector Standard(s):	Not applicable.			

#### **Universal content**

#### **GRI 2: GENERAL CONTENT**

Location

Regarding the standard published in 2021

#### THE ORGANISATION AND ITS REPORTING PRACTICES

#### 2-1 Organisational profile

Legal name of the organisation: Secil - Companhia Geral de Cal e Cimento, S.A.

Headquarters location: Fábrica Secil Outão - Apartado 71.2901-864 Setúbal

Location of head offices: Av. Eng.º Duarte Pacheco, 19.7º 1070-100 Lisboa

Countries where it operates: Chap. 2.3 Where we are

#### 2-2 Entities included in the organisation's sustainability report

This Report includes the activities of Secil - Companhia Geral de Cal e Cimento, S.A.

As far as the Secil Group is concerned, the exercise was carried out to summarise the GRI indicators that are only reported in some geographies, excluding the others that were reported in all units.

Perimeter	<b>GRI Indicators</b>
Operations in Angola, Brazil, Cape Verde, Lebanon, Por-tugal, Spain, Tunisia	2-21, 301-1, 301-2
Operations in Angola, Brazil, Lebanon, Portugal, Spain, Tunisia	401-3
Operations in Angola, Brazil, Lebanon, Portugal and Tu-nisia	305-1, 305-2, 305-4
Operations in Brazil, Lebanon, Portugal, Tunisia	202-1
Operations in Brazil, Lebanon, Portugal and Tunisia	305-7
Operations in Brazil, Portugal, Tunisia	201-4
Operations in Brazil, Cape Verde, Portugal	405-2
Operations in Brazil and Portugal	308-1, 414-1
Operations in Portugal	304-1, 304-3, 308-2, 401-2, 414-2
Operations in Brazil	406-1

#### 2-3 Reporting period, frequency and contacts

This report concerns the results for the period from 1 January 2023 to 31 December 2023. Any questions about the report should be directed to: comunicacao@secil.pt

#### 2-4 Variation of information

This report updates the data contained in the 2022 Sustainability Report for environmental indicators 303-3, 303-4, 303-5, 305-1, 305-2 and 305-4. In the social sphere, the indicators 2-7, 2-8, 2-30, 202-1, 403-8, 405-1 and 405-2 were updated. Reference is made to the respective indicators for the identification of updated information.

#### 2-5 External verification

Chap. 7.2. Independent Limited Assurance Report on Sustainability Information

Pag. 287























#### **ACTIVITIES AND EMPLOYEES**

ANNUAL REPORT

#### 2-6 Activities, value chains and other business relationships

Women

Subtotal

2023

### Chap. 3.4.1 Economic performance

Pag. 113

Secil is focused on the creation of value through positive economic performance, taking into consideration its direct and indirect impacts on society. In line with the other subsidiaries of the Semapa Group, Secil follows the principle of generating shared value with the various stakeholders. This issue is material to Secil, as it is a topic considered material to its stakeholders. Secil aligned itself to the sector and started an internal process in order to establish specific objectives with associated targets in order to reduce or offset the impact of its operations.

#### 2-7 Employees

**Total** 

Chap. 3.2.3.1 Diversity, equity and inclusion

Chap. 3.2.3.2 Attracting, Managing and Retaining Talent

Pag. 71

336

2,453

301

2,367

Pag. 77

Total no. of Employees by durat	tion of contract and gender	'21	'22	<b>'23</b>
NI f	Men	1,873	1,864	1,913
No. of permanent employees (permanent	Women	275	288	306
contracts)	Subtotal	2,148	2,152	2,219
No. of Tomporory	Men	200	202	204
No. of Temporary employees (for a fixed or	Women	7	13	30
uncertain term)	Subtotal	207	215	234
	Men	2,073	2,066	2,117

282

2,355

#### 2-7 Employees

Total No. of Employees by	type of contract and gender	<b>'21</b>	<b>'22</b>	<b>'23</b>
No. of full-time employees	Men	-	2,061	2,114
	Women	-	298	333
cinployees	Subtotal	2,342	2,359	2,447
No. of part-time employees	Men	-	5	3
	Women	-	3	3
employees	Subtotal	20	8	6
	Men	-	2,066	2,117
Total	Women	-	301	336
	Subtotal	2,355	2,367	2,453

Note 1: Given the Semapa Group's new alignment of criteria, which provides for the exclusion of trainees from GRI 2-7 and inclusion in GRI 2-8, there has been an adjustment to the figures reported for 2021, the only period to record trainees, namely seven. This adjustment justifies updating the total number of employees from a total of 2362 to 2355 in 2021. Note 2: In 2023, the reporting of this indicator took into account all the employees of the various facilities belonging to the Group, except the Governing Bodies.

#### 2-8 Workers who are not employees

	'21	'22	<b>'23</b>
Workers who are not employees	1,845	1,861	1,764

Note 1: Given the Semapa Group's new alignment of criteria, which provides for the exclusion of trainees from GRI 2-7 and inclusion in GRI 2-8, there has been an adjustment to the figures reported for 2021, the only period to record trainees, namely seven. This adjustment justifies updating the total number of employees from a total of 2362 to 2355 in 2021.

#### GOVERNANCE

#### 2-9 Governance and management structure

#### Chap. 3.3.1 1 Corporate governance

Pag. 101

The governance structure of the Secil Group comprises the Board of Directors, which has delegated the day-to-day management of the Company to an Executive Committee. However there are no other committees or commissions within the governance bodies. It is also determined that the CEO is responsible for making decisions and overseeing the management of the organisation's impacts on the economy, the environment and people.

As of 31 December 2023, the Board of Directors was composed of 10 members, 4 of which form the Executive Committee and 6 have non-executive functions.

The detailed governance structure can be found at

1 https://www.secil-group.com/pt/a-secil/quem-somos/orgaos-sociais.

Pag. 05











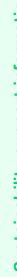












#### 2-10 Appointment and selection of the highest governance body

2023

The highest governance body is appointed for four-year terms and is designated by the Secil Group's sole shareholder, the Semapa Group.

With regard to the appointments, Semapa does not have defined qualification criteria, but rather a definition of the profile and core competencies of the members selected. When necessary, Semapa's Talent Committee intervenes in the process, defining profiles or assessing candidates.

#### 2-11 Chair of the highest governance body

The chair of the highest governance body is not a member of the organisation.

#### 2-12 Role of the highest governance body in overseeing impact management

With regard to the development, approval and updating of the Secil Group's purpose, values or mission statement, strategies, policies and targets regarding sustainable development, the highest governance body participates in all their conceptual definition and final approval..

#### 2-13 Attribution of responsibility for impact management

The highest, most senior hierarchical governance body, the Board of Directors, delegated responsibility for managing the organisation's impacts on the economy, environment and people to Secil Group's Executive Committee.

#### 2-14 Role of the highest governance body in sustainability reporting

It is the responsibility of Secil Group's CEO to review and approve the sustainability report, as well as to approve the delineation of its material topics. After defining the materiality for the reporting period, the sustainability information is developed by the various departments responsible for it, which finally submit the document for approval by the CEO, who analyses, comments on and approves it before its publication.

#### 2-15 Conflicts of interest

Chap. 3.3 Governance

ANNUAL REPORT

The Secil Group has two mechanisms that seek to ensure that conflicts of interest are prevented and mitigated, such as: Code of conduct and routine internal audit exercises.

Secil Group's code of conduct is available at: 7 https://www.secil-group.com/pt/ pesquisa?searchTerm=c%C3%B3digo%20de%20conduta&pageNumber=1, and reference to conflicts of interest can be found on page 3.

#### 2-16 Communication of critical concerns

All critical concerns should be communicated to the Executive Committee by direct report, by the department responsible for the occurrence.

#### 2-17 Expertise of the highest governance body

The promotion of the highest governance body's knowledge on issues related to sustainable development is leveraged by the participation of this body in institutional events with various Group Stakeholders such as the Technical Association of the Cement Industry, the Business Council for

Sustainable Development, Global Cement and Concrete Association and Cembureau.

#### 2-18 Performance evaluation of the highest governance body

The performance evaluation process for the highest governance body is defined by the shareholder, the Semapa Group, with the intervention of the Remuneration Committee.

#### 2-19 Remuneration policies

The remuneration policies for senior executives and members of the highest governance bodies is defined by the remuneration committee.

#### 2-20 Processes that determine remuneration

The Secil Group does not publicly disclose its remuneration determination process.

#### 2-21 Annual compensation ratio

Pag. 100

Annual compensation ratio	'22	<b>'23</b>
Angola	-	5.00
Brazil	15.5	24.00
Cape Verde	5.85	5.00
Lebanon	25.33	18.00
Netherlands	-	-
Portugal	26.79	27.00
Spain	1.88	2.00
Tunisia	11.86	16.00

Note 1: The annual compensation ratio indicator does not include figures for the Netherlands. Note 2: the annual compensation ratio was calculated differently in 2023.

#### STRATEGIES, POLICIES AND PRACTICES

#### 2-22 Declaration on sustainable development strategy

Chap. 1 Overview | Chap. 1.1 Open Letter to the Stakeholders

2-23 Policy-related commitments	
Chap. 2.7 Sustainability Governance	Pag. 27
Chap. 3.3.2 Ethics, Integrity and Compliance	Pag. 104

#### 2-24 Commitments

Chap. 3.2.1 Stakeholder Engagement	Pag. 61
Chap. 2.7 Sustainability Governance	Pag. 27

Pag. 61

Pag. 58























#### 2-25 Processes to remedy negative impacts

2023

A large part of the work carried out by the Secil Group within the scope of the remediation of negative impacts resulting from our activity is centred on plans for quarries. These Plans detail the methodology to be adopted for mining and the respective environmental and landscape recovery strategy, so that the mineral mass can be used in a sustainable way, always taking into account its economic viability, the principle of the best available techniques, and the minimisation of environmental impact on the surroundings.

In Portugal, the Plans for Quarries consist of a Mining Plan, approved by the Directorate-General for Energy and Geology, and an Environmental and Landscape Recovery Plan, approved by the Coordination and Regional Development Commission or by the Institute for Nature Conservation and Forests.

So that all types of potential negative impact can be communicated to the Secil Group, the company provides specific e-mail addresses for this purpose in all regions, as well as telephone lines and other communication channels, depending on the region in question, to record information from the company's various stakeholder groups.

We have also established Environmental Monitoring Committees (CAA), which are an important cooperation mechanism for identifying, preventing or remedying negative impacts arising from our operations. The purpose of these committees is to make society aware, through its representatives, of what we do, how we do it and the care we take in carrying out our activity, allowing suggestions to be received on the environmental functioning of our operations, in a climate of total transparency. Each EMC is made up of representatives from various stakeholder groups, who, through the meetings of this committee, handle a large part of the environmental complaints received by the company.

We have not yet evaluated the effectiveness of its complaint mechanisms and the feedback/evaluation received from its stakeholders, but is researching the best way to carry out this evaluation in the near future.

#### 2-26 Mechanisms for seeking advice and raising issues

Chap. 3.3.2 Ethics, Integrity and Compliance

#### 2-27 Compliance with laws and regulations

There were no significant occurrences nor fines paid resulting from non-compliance with laws and/ or regulations.

#### 2-28 Participation in associations

The Secil Group has a stake in the various associations mentioned below:

- Technical Cement Industry Association (ATIC)
- Brazilian Portland Cement Association (ABCP)
- Global Cement and Concrete Association (GCCA)
- CEMBUREAU The European Cement Association
- C5LAB Sustainable Construction Materials Association
- European Cement Research Academy (ECRA)
- National Cement Industry Union (SNIC)
- COLAB Built Association
- Portuguese Association of Industrialists and Large Electricity Consumers (APIGCEE)
- COTEC Portugal
- BE-CERT
- BCSD Portugal
- GRACE Responsible Companies

#### STAKEHOLDER INVOLVEMENT

#### 2-29 Approach to stakeholder engagement

Chap. 3.2.1 Stakeholders engagement

2-30 Collective bargaining agreements

	<b>'21</b>	<b>'22</b>	<b>'23</b>
Number of employees	2,355	2,367	2,453
Number of employees with collective bargaining agreements	2,231	2,266	2,375
Percentage of employees with a collective bargaining agreement (%)	94.7	95.7	96.8

Note 1: Given the Semapa Group's new alignment of criteria, which provides for the exclusion of trainees from GRI 2-7 and inclusion in GRI 2-8, there has been an adjustment to the figures reported for 2021, the only period to record trainees, namely seven. This adjustment justifies updating the total number of employees from a total of 2362 to 2355 in 2021.

Note 2: In 2023, the reporting of this indicator took into account all the employees of the various facilities belonging to the Group, except the Governing Bodies.







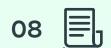














### **Material Topics**

**ANNUAL REPORT**.

2023

GRI 3: MATERIAL TOPICS	Location
Referring to the standard published in 2021	
3-1 Materiality definition process	
Chap. 2.6 Materiality	Pag. 23
3-2 List of material items	
Chap. 2.6 Materiality	Pag. 23
3-3 3 Managing material topics	
Chap. 2.6 Materiality	Pag. 23
Each material topic presents, in its respective sub-chapters, information on its relevance to the Secil Group and our stakeholders, as well as the approach followed - including defined policies and commitments - reflecting	

our management approach. In addition, a selection of specific actions is presented, such as projects, programmes and initiatives that we have developed, as a way of illustrating the implementation of management in this area, enhancing positive impacts and minimising negative impacts, whenever applicable.

In the Secil Group we have defined corporate objectives which are materialised in our Ambition 2025 strategy. We regularly monitor and evaluate the performance of each of the objectives, targets and indicators associated with the material topics defined in our strategy and roadmaps. To assess the effectiveness of the management approach and associated impacts, we also rely on the results of audits (internal and external), as well as on the evaluation of actions taken to address risks and opportunities, feedback from stakeholders and external performance ratings.

#### Specific Content

GRI 201: ECONOMIC PERFORMANCE				Location
Referring to the standard published in 2016				
201.1 Direct economic value generated and distri	ibuted			
Chap. 3.4.1 Economic performance				Pag. 113
Thousands of euros	<b>'21</b>	<b>'22</b>	<b>'23</b>	
I) Direct Economic Value Generated	562,221.0	697,186.1	821,096.3	
II) Direct Economic Value Distributed	441,810.7	543,086.6	609,288.4	
Operating costs	304,366.0	399,582.1	456,845.7	
Employee salaries and benefits	76,976.4	78,357.3	87,638.6	
Payments to capital providers	58,309.2	58,655.4	60,705.2	
Taxes	1,619.6	5,926.7	3,460.7	
Investments in the community	539,500	565,200	638,200	
III) Accumulated Economic Value (I.II)	120,410.1	154,099.4	211,807.9	
201.2 Financial implications, risks and opportuni	ties due to clim	ate change		
Implicações financeiras decorrentes de mudanças climáticas	<b>'21</b>	'22	<b>'23</b>	
Number of CO2 emission allowances (unit)	2,349,520	2,326,945	2,370,341	
Market value (thousands of euros)	189,489	189,623	185,029	

201.3 Obligations regarding defined benefit plans and other retirement plans

Chap. 4 Report of the board of directors 2023

#### 201.4 Financial support received from the government

Financial support received by the government (thousand euros)	<b>'21</b>	<b>'22</b>	<b>'23</b>
Tax Incentives / Credits			
Grants	401,464	950,092	548,044
Support for research and R&D			
Total	401,464	950,092	548,044

Note: RS22 only reported information for Portugal, broken down by: Tax Incentives/Credits; Subsidies; and Research and R&D Support&D. The year 2023 has been updated in line with previous years: Community funds and other operating subsidies from the state and other public bodies.





















GRI 202: MARKET PRESENCE	Location
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Referring to the standard published in 2016

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#### 202-1 Ratio comparing the lowest wage by gender with local minimum wage

2023

Ratio of entry level wage	e to local minimum wage	<b>'21</b>	<b>'22</b>	<b>'23</b>
Dro-il	Men	-	_	1.3
Brazil	Women	-	_	1.3
Lebanon	Men		_	4.5
Lebanon	Women	-	-	-
Dortugal	Men	1.0	1.0	1.0
Portugal	Women	1.0	1.0	1.0
Tunisia	Men	-	_	3.9
Turiisia	Women			3.9

Note1: In 2023, the reporting of indicator 202-1, unlike in previous years, will include other Secil Group countries that have reported it,

Note2: The missing values in the table are due to the lack of data for men or women, which makes it impossible to calculate the ratio for certain geographies.

#### **GRI 203: INDIRECT ECONOMIC IMPACTS**

Location

Referring to the standard published in 2016

#### 203-1 Infrastructure investments and services provided

Indirect economic impacts resulting from investments in infrastructure and services have not been systematically assessed. The corresponding figures for investment in the community are presented in indicator 201-1.

#### **GRI 204: PURCHASING/SUPPLY PRACTICES**

Location

Referring to the standard published in 2016

#### 204-1 Proportion of expenses with local suppliers

Chap. 3.4.3.3 Our Suppliers

Pag. 114

Expenditure with local suppliers	<b>'21</b>	<b>'22</b>	<b>'23</b>
Total number of suppliers	7,759	5,771	5,984
Local suppliers (%)	92.2	89.4	88.7
Foreign suppliers (%)	7.8	10.6	11.3
Total costs with suppliers (thousand euros)	553,397	501,304	591,047
Purchases made from local suppliers (%)	78.4	72.0	65.4
Purchases made from foreign suppliers (%)	21.6	28.0	34.6

#### **GRI 205: ANTI-CORRUPTION**

Location

273

Referring to the standard published in 2016

#### 205-1 Operations subject to corruption risk assessment

Chap. 3.3.2 Ethics, Integrity and Compliance

Corruption risks are assessed when there are reports of corruption in the integrity channel. In 2023 there were no allegations of corruption.

#### 205-2 Communication and training in anti-corruption policies and procedures

Chap. 3.3.2 Ethics, Integrity and Compliance

The policy was developed and approved in 2023, and will be communicated in 2024.

#### 205-3 Confirmed cases of corruption and measures taken

Chap. 3.3.2 Ethics, Integrity and Compliance

There were no cases of corruption reported in 2023.

The policy was developed and approved in 2023, and will be communicated in 2024.

#### **GRI 206: UNFAIR COMPETITION**

Location

#### 206-1 Legal actions for unfair competition, antitrust and monopoly practices

Secil has not been subject to legal action for this type of anti-competitive behaviour, unfair competition or monopoly practice.

**GRI 207: TAXATION** Location

Referring to the standard published in 2019

#### 207-1 Fiscal Approach

Secil follows the tax policy first approved in 2023, which is available at

1. https://www.secil-group.com/pt/pesquisa?searchTerm=pol%C3%ADtica%20fiscal&pageNumber=1.

This policy is reviewed on an annual basis by the Executive Committee and the Board of Directors and compliance is ensured and monitored through regular meetings with the CFO (Chief Financial Officer) to review the implementation of the tax policy.

The Group's fiscal policy is aligned with its corporate development strategy so that this policy is defined according to the economic substance of its activity. This is why tax processing of the Group's transactions is carried out in response to its economic activity, and the tax implications of these transactions are only one of the multiple economic reasons to be considered in the Secil Group's management decisions.





#### 207-2 Governance, control and risk management

2023

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In the Secil Group, the CFO is the executive level position responsible for compliance with the tax strategy. The Group's fiscal policy is aligned with its corporate development strategy so that this policy is defined according to the economic substance of its activity.

The Secil Group has developed an approach to tax risks based on Interconnection with the department responsible for identifying the company's general risks and monitoring them regularly in conjunction with the Accounting and Tax department.

The Group also assesses tax compliance with the governance structure and tax control on a regular basis with the CFO, and on an annual basis at Board level.

With regard to the mechanisms for reporting concerns about unethical or illegal behaviour and the integrity of the organisation with regard to taxes, the Group has the practice of reporting directly to the CFO and the person responsible for the internal auditing of the company.

Finally, the Group also carries out the preparation of memoranda to analyse transactions with materiality, as well as the internal review of regular declarations of income to verify compliance with the company's tax policy.

#### 207-3 Stakeholder engagement and management of tax related issues

With regard to taxation issues, more specifically in the approach followed by Secil in the dialogue with the tax authorities for the management of issues of this type, Secil maintains a proactive approach of dialogue with the Tax Authorities, in particular with teams from the Large Contributors Unit (both at the inspection and tax justice level) and through the submission of Binding Information Requests on matters where there are doubts about the application of tax legislation.

With regard to the approach followed by Secil in advocacy actions concerning public taxation policies, Secil is actively involved, through its employees, in organisations such as the Forum of Large Taxpayers under the aegis of the Tax Authorities and participation in various associations and the respective tax sections (such as the Business Roundtable Portugal, the Issuers Association (AEM) or the Portuguese Tax Association), as well as active participation in academic initiatives by employees either as speakers or participants (such as IDEFF of the Lisbon Law School, Catolica Tax of the Portuguese Catholic University at a national level and WU Wien at an international level).

Secil also has the active participation of associations and academic institutions which allows close contact with internal and external stakeholders, in which the company's opinion and tax strategy is confronted, discussed and developed in discussion with these stakeholders.

#### 207-4 Reports by Region

Secil has operations in Portugal, Spain, the Netherlands, Cape Verde, Tunisia, Angola, Brazil and Lebanon, and its primary activities are the production and sale of cement, ready-mixed concrete, aggregates, mortar, concrete prefabricates and hydraulic lime. The names of the entities residing in the locations described here are:

- Portugal: Secil Companhia Geral de Cal e Cimento, S.A., Betotrans II Unipessoal, Lda., Florimar- Gestão e Participações, S.G.P.S., Lda., Serife - Sociedade de Estudos e Realizações Industriais e de Fornecimento de Equipamento, Lda., Unibetão - Indústrias de Betão Preparado, S.A., Secil Britas, S.A., Secil Martingança -Aglomerantes e Novos Materiais para a Construção, S.A., IRP - Industria de Rebocos de Portugal, S.A., Ciminpart - Investimentos e Participações, S.G.P.S., S.A., Secil Brands, Lda., Cimentos Madeira, Lda., Beto Madeira - Betões e Britas da Madeira, S.A., Brimade - Sociedade de Britas da Madeira, S.A., Madebritas - Sociedade de Britas da Madeira, Lda., SPB, SGPS, Lda.;
- Spain: Cementos Secil, SL;
- Netherlands Secil Cement, B.V. (ex Seciment Investments, BV);
- Cape Verde: Secil Cabo Verde Comércio e Serviços, Lda., ICV Inertes de Cabo Verde, Lda.;
- Tunisia Société des Ciments de Gabés, Sud- Béton- Société de Fabrication de Béton du Sud, Zarzis Béton;
- Angola: Secil Angola, SARL, Secil Companhia de Cimento do Lobito, S.A.;
- Brazil: Secil Brasil Participações S/A, Supremo Cimentos, S.A., Margem Companhia de Mineração;
- Lebanon: Ciments de Sibline, S.A.L., Soime

	Inc	ome					
Tax jurisdiction	From operations with third entities	From operations with intra-group entities	Profit / Loss Before Tax	Income tax paid (on a cash basis)	Estimated tax for the period	Number of employees	Tangible assets other than cash or cash equivalents
	11,212,388	2,137,259	1,929,123	143,258	797	97	4,709,922
Brazil	118,960,418	9,028,474	-151,585	11,975,032	998,208	556	180,579,123
Cape Verde	7,788,455	63,021	1,080,343	365,620	235,923	36	2,089,457
Spain	13,050,976	0	78,827	0	9,308	391	4,715,905
Lebanon	22,025,917	3,723,472	-2,012,752	22,089	102,125	3	5,127,298
Netherlands	22,264,813	0	742,000	89,866	670,776	1,091	2,363,104
Portugal	421,910,491	140,990,162	27,566,029	953,086	4,211,303	28	317,063,863
Tunisia	66,783,867	9,682,646	2,812,075	1,427,688	694,792	251	53,383,627
Total	683,997,325	165,625,034	32,044,060	14,976,639	6,923,232	2,453	570,032,299

Note: The data reported in GRI 207-4 always refers to the previous reporting year, namely 2023 where the data refers to 2022.









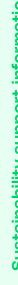












#### ENVIRONMENTAL PERFORMANCE

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**GRI 301: MATERIALS** Location

Referring to the standard published in 2016

#### 301-1 Total consumption of materials used by weight or volume

2023

Chap. 3.1.3.1 Circular Economy and Waste Management

			<b>'21</b>			<b>'22</b>			<b>'23</b>
Raw materials (t)	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Non renewable	0	18,241	18,241	0	61,442	61,442	335	46,487	46,822
Não renováveis	9,862,237	8,907,664	18,769,901	9,121,864	8,221,340	17,343,204	9,462,967	8,031,831	17,494,798
Total	9,862,237	8,925,905	18,788,142	9,121,864	8,282,782	17,404,646	9,463,302	8,078,319	17,541,620

Note 1: The materials reported in this indicator refer to the raw materials consumed in production processes. In the case of the cement terminal in Madeira (Portugal), packaging materials were also reported for the years 2021, 2022 and 2023.

Note 2: For the year 2023, the Construction Materials Business Area considered the raw materials for concrete production, both purchased externally and produced internally by the Cement Business Area. For the years 2021 and 2022, only cement purchased externally was considered.

#### 301-2 Use of recycled materials

Chap. 3.1.3.1 Circular Economy and Waste Management

			'21			'22			<b>'23</b>
Recycled materials used (t)	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Consumption of recycled raw materials	6,024	991,499	997,523	3,396	691,288	694,684	4,138	874,259	878,397
			<b>'21</b>			<b>'22</b>			<b>'23</b>
Recycled materials used (%)	Materials	Cement	ement Total Materials Cement Total Materials Cement	Total					
	0.06	11.11	5.31	0.04	8.35	3.99	0.04	10.82	5.01

Note: The recycled materials considered include, for example, ash, tyres, slag, filter dust and fuels derived from waste.

**GRI 302: ENERGY** Location

Referring to the standard published in 2016

Pag. 48

Pag. 48

#### 302-1 Energy consumption within the organisation

chap. 3.1.2 Energy										
Energy consumption			'21	'22			<b>'23</b>			
within the Organisation (GJ)	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total	
Consumption of fuels from non-renewable sources	358,878	16,160,379	16,519,257	357,956	13,065,255	13,423,212	311,730	12,562,601	12,874,331	
Consumption of fuels from renewable sources	0	305,704	305,704	0	1,242,167	1,242,167	25,230	654,204	679,434	
Subtotal	358,878	16,466,083	16,824,961	357,956	14,307,422	14,665,379	336,960	13,216,805	13,553,765	
Electricity purchased from non-renewable sources	-	-	-	-	-	-	61,102	2,248,698	2,309,800	
Electricity purchased from renewable sources	-	-	-	-	-	-	20,767	701,423	722,191	
Subtotal	71,468	2,048,520	2,119,988	63,809	1,854,185	1,917,994	81,869	2,950,121	3,031,990	
Energy sold	0	0	0	0	0	0	0	0	0	
Total	430,346	18,514,604	18,944,949	421,765	16,161,607	16,583,373	418,830	16,166,926	16,585,756	

Note 1: For the year 2023 disaggregated data has been reported in relation to the type of electricity source, however this disaggregation is not available for the years 2021 and 2022.

Note 2: For the years 2022 and 2023, the consumption of fuels from renewable sources refers only to Portugal, as this is the only geography where it was possible to separate the fossil and biogenic fractions, thus obtaining the renewable and non-renewable energy fraction

#### 302-3 Energy intensity

Energy intensity (GJ/t cementitious product)

Chap. 3.1.2 Energy				Pag. 44
	<b>'21</b>	<b>'22</b>	<b>'23</b>	

3.44

3.23

Note: The calculation of energy intensity took into account total energy consumption in the Cement Business Area and the production of cement products.

#### **GRI 303: WATER AND EFFLUENTS**

Location

3.35

Referring to the standard published in 2018

#### 303-1 Interactions with water as a shared resource

Chap. 3.1.3.2 Water Use and Management

#### 303-2 Managing impacts related to water discharge

Chap. 3.1.3.2 Water Use and Management





















#### **303-3 Water Collection**

Chap. 3.1.3.2 Water Use and Management

Pag. 53

			<b>'21</b>			'22			<b>'23</b>
Volume of water collected (m³)	Materials	Cement	Total	Materials	Cement	Total		Cement	Total
Surface	26,732	174,200	200,932	82,150	168,358	250,507	26,829	195,483	222,312
Underground	250,247	1,077,228	1,327,475	110,750	1,082,188	1,192,938	287,280	1,172,421	1,459,701
Production	0	0	0	0	0	0	0	0	0
Acquired from third parties	108,237	63,960	172,197	101,898	88,247	190,145	117,343	180,440	297,782
Total	385,216	1,315,389	1,700,604	294,797	1,338,793	1,633,590	431,452	1,548,344	1,979,796

Note 1: The figures for the year 2022 have been updated according to an external audit carried out after the publication of RS 2022. In addition, the water collected in the quarries is now considered surface water, rather than production water, since it accumulates naturally in the quarries and is not the result of a production process. The data for 2021 and 2022 has been adjusted to reflect this reclassification. Note 2: The total volume of water abstracted belongs to the "fresh water" category.

With regard to areas of water stress, abstractions in Lebanon and Tunisia are identified, so the data corresponding to the sum of these two geographies is presented (data also accounted for in the figures reported in the previous table).

Volume of water abstracted (m3) -	'21			'22			'23		
areas of water stress	Superficial	Cement	Total	Materials	Cement	Total		Cement	Total
Surface	-	-	-	0	0	0	0	0	0
Underground	-	-	_	0	241.800	241.800	0	316.109	316.109
Production	-	-	-	0	0	0	0	0	0
Acquired from third parties	-	-	-	25.120	0	25.120	28.836	0	28.836
Total	-	-	-	25.120	241.800	266.920	28.836	316.109	344.945

Note: It was not possible to ascertain data on water abstraction in water-stressed areas for 2021.

#### 303-4 Effluents

Chap. 3.1.3.2 Water Use and Management

Pag. 53

				'21			'22			<b>'23</b>
Volume of water discharged (m³)	Category	Materials	Cement	Total	Materials	Cement	Total		Cement	Total
	Fresh water	-	-	-	-	-	-	3,740	42,668	46,408
Surface	Other types of water	-	-	-	_	-	-	0	98,335	98,335
	Subtotal	4,640	337,395	342,035	6,320	115,224	121,544	3,740	141,003	144,743
	Fresh water	-	-	-	-	-	-	11,534	0	11534
Underground	Other types of water	-	-	-	-	-	-	0	1,652	1,652
	Subtotal	0	12,490	12,490	0	14,226	14,226	11,534	1,652	13,186
	Fresh water	-	-	-	-	-	-	0	0	0
Sent to third parties	Other types of water	-	-	_	-	-	-	0	9,609	9,609
	Subtotal	0	21,188	21,188	0	24,851	24,851	0	9,609	9,609
Total	-	4,640	371,074	375,713	6,320	154,300	160,620	15,274	152,263	167,538

Note 1: The figures for the year 2022 have been updated according to an external audit carried out after the publication of RS 2022. In addition, in RS22 the category labelled "Production" included effluents treated off-site, and was renamed "Sent to third parties" in RS 2023. The "Acquired from third parties" category included effluents infiltrated into the ground, so the 2022 data was adjusted and these effluents were now included in the "Underground" category in SR 2023.

Note 2: For the years 2021 and 2022 there is no disaggregated data by water category (freshwater or other types of water).

With regard to areas of water stress, the abstractions made in Lebanon and Tunisia are identified, so the data corresponding to the sum of water discharged from these two geographies is presented (data also accounted for in the figures reported in the previous table).

				'21			'22			<b>'23</b>
Volume of water discharged (m³) - areas of water stress	Category	Materials	Cement	Total	Materials	Cement	Total		Cement	Total
	Fresh water	-	-	-	-	-	-	0	8,536	8,536
Surface	Other types of water	-	-	-	-	-	-	0	72,036	72,036
	Subtotal	-	-	-	0	47,536	47,536	0	80,572	80,572
	Fresh water	-	-	-	-	-	-	11,534	0	11534
Underground	Other types of water	-	-	_	-	-	-	0	0	0
	Subtotal	-	-	-	0	37,762	37,762	11,534	0	11,534
	Fresh water	-	-	-	-	-	-	0	0	0
Sent to third parties	Other types of water	-	-	_	-	-	-	0	6,521	6,521
	Subtotal	-	-	-	0	4,769	4,769	0	6,521	6,521
Total	-	_	-	-	0	90,067	90,067	11,534	87,093	98,628

Note: It was not possible to ascertain data on water discharge in water-stressed areas for 2021.





















#### **303-5 Water Consumption**

Consumption of water (m<sup>3</sup>)

Chap. 3.1.3.2 Water Use and Management

		<b>'21</b>			'22			<b>'23</b>
Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
283.115	1.041.775	1.324.891	288.477	1.184.492	1.472.970	416.177	1.396.081	1.812.258

Note: The figures for the year 2022 have been updated according to an external audit carried out after the publication of RS 2022.

With regard to areas of water stress, water abstractions in Lebanon and Tunisia are identified, so the data corresponding to the sum of water consumption in these two regions is presented (data also accounted for in the figures reported in the previous table).

			<b>'21</b>			'22			<b>'23</b>
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Water consumption (m³) - water-stressed areas	-	-	-	25,120	151,733	176,853	17,302	229,016	246,317

Note: It was not possible to ascertain data on water consumption in water-stressed areas for 2021.

#### **GRI 304: BIODIVERSITY**

Chap. 3.1.3.3 Biodiversity

Location

Pag. 55

Pag. 53

Referring to the standard published in 2016

#### 304-1 Operational facilities owned, leased, managed, or in close proximity to protected areas, or in areas with considerable biodiversity value outside protected areas

Facilities in or near protected areas or areas of high biodiversity value (ha)	'21	'22	'23
Outão Property - Arrábida Natural Park	425	425	425
Sesimbra (Vale do covão) - Arrábida Natural Park	17	17	17
Mata da Redonda - Arrábida Natural Park	24	24	24
Brimade - Madeira Natural Park (partial)	24	24	24
Total	491	491	491

Note: The assessment of protected areas was based on Portugal's national network of protected areas and the IBAT (Integrated Biodiversity Assessment Tool).

#### 304-2 Significant impacts of activities, products and services on biodiversity

Chap. 3.1.3.3 Biodiversity	J. 5!	5
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#### 304-3 Habitats protected or recovered

Chap. 3.1.3.3 Biodiversity				Pag. 55
Protected or restored habitats (ha)	'21	<b>'22</b>	<b>'23</b>	
Protected or restored habitats (cumulative area in ha)	55	56	56	

Note: The cumulative area since the beginning of operations refers to the cement quarries for cement production in Portugal.

**GRI 305: EMISSIONS** Location

Referring to the standard published in 2016

#### 305-1 Direct emissions of GHGs (Scope 1)

Chap. 3.1.1. Climate Change

Pag. 35

			'21			'22			'23
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Direct GHG emissions (t CO <sub>2</sub> )	-	3,593,774	3,593,774	-	3,269,719	3,269,719	-	3,223,163	3,223,163

Note 1: The data reported in this indicator relates to CO<sub>2</sub> emissions and only considers the Cement Business Area in Portugal

(Maceira, Outão and Pataias Branco), Angola (Lobito), Brazil (Adrianópolis and Pomerode), Lebanon (Sibline) and Tunisia (Gabés).

Note 2: CO<sub>2</sub> emissions were calculated according to the GCCA protocol methodology.

Note 3: The emission factors used to calculate Portugal's Scope 1 emissions are the most recent. The emission factors used to calculate Scope

1 emissions for the other geographies are from the IPCC report dated 2006.

Note 4: The figures for the year 2022 have been updated in accordance with the external audit carried out after the publication of RS 2022.

#### 305-2 Indirect emissions of GHGs (Scope 2)

Chap. 3.1.1. Climate Change

Pag. 35

			<b>'21</b>			<b>'22</b>			<b>'23</b>
Indirect GHG emissions (t CO <sub>2</sub> )	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Market based	-	168,809	168,809	-	135,044	135,044	-	142,525	142,525
Location based	-	156,954	156,954	-	119,304	119,304	-	129,552	129,552

Note 1: The data reported in this indicator relates to CO2 emissions and only considers the Cement Business Area in Portugal (Maceira, Outão and Pataias Branco), Angola (Lobito), Brazil (Adrianópolis and Pomerode), Lebanon (Sibline) and Tunisia (Gabés). In 2021 and 2022, CO₂ emissions from the Pataias Grey plant in Portugal were also taken into account.

Note 2: The data for the year 2022 for market-based emissions has been updated in accordance with the external audit carried out after the publication of RS 2022.

Note 3: Location-based emissions were calculated using International Energy Agency (IEA) emission factors. The 2021 and 2022 data were recalculated to take into account the IEA emission factors for the respective years and the 2023 data were calculated taking into account the 2022 (provisional) emission factor.

#### 305-4 Intensity of GHG emissions

Chap. 3.1.1.2 Scope 1, 2 and 3 GHG emissions

Pag. 40

Emissions intensity (kg CO <sub>2</sub> /t clinker)	<b>'21</b>	'22	<b>'23</b>
GHG emissions	839.95	851.97	857.58

Note 1: The methodology for calculating the intensity indicator considers scope 1 CO2 emissions for the Cement Business Area (geographies: Portugal, Angola, Brazil, Lebanon and Tunisia) and clinker production.

Note 2: The data for the year 2022 has been updated in line with the direct CO2 emissions reviewed following the external audits carried out after the publication of SR 2022.



#### 305-7 Emissions of nitrogen oxides (NOx), sulphur oxides (SOx) and other significant atmospheric emissions

2023

Chap. 3.1.1.3 Other atmospheric emissions

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				<b>'21</b>			'22			<b>'23</b>
Atmospheric emissions	Units	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
NO <sub>x</sub>		-	6,919	6,919	-	6,207	6,207	-	4,768	4,768
SO <sub>x</sub>	(+010 / 1001)	-	1,197	1,197	-	1,143	1,143	-	1,145	1,145
VOC/THC	(ton/year)	-	-	_	-	93	93	-	114	114
Particles	-	-	101	101	-	157	157	-	125	125
Hg	(kg/year)	-	-	35	-	39	39	-	84	84

Note 1: Compared to what was reported in RS 2022, the "other" category has been removed. Other pollutants, such as volatile organic compounds, heavy metals and dioxins, are measured within the scope of the GCCA and can be consulted in the table with GCCA indicators in Chap. 6 Annexes. Note 2: The emissions reported in this indicator relate to the Cement Business Area (geographies: Portugal, Angola, Brazil, Lebanon and Tunisia). For Portugal (Outão, Maceira and Pataias Branco) all emission sources are taken into account, while in Lebanon (Sibline), Brazil (Adrianópolis) and Tunisia (Gabés) only emissions from furnaces are considered. Note 3: All emissions are in tonnes, except for Mercury (Hg) which is in Kg.

GRI 306: WASTE Location

Referring to the standard published in 2020

#### 306-1 Waste generation and related impacts

Chap. 3.1.3.1 Circular Economy and Waste Management

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#### 306-2 Impact management

Chap. 3.1.3.1 Circular Economy and Waste Management

Pag. 48

#### 306-3 Waste Generate

Chap. 3.1.3.1 Circular Economy and Waste Management

Pag. 48

				<b>'21</b>			'22			<b>'23</b>
Waste generated	(t)	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
	Generated	123	623	746	73	348	421	86	747	834
Hazardous waste	Intended for recovery operations	117	479	596	42	324	366	64	222	286
		6	144	150	31	24	55	22	525	548
	Generated	20,536	5,590	26,126	24,189	4,048	28,237	42,565	4,458	47,024
Non-hazardous waste	Intended for recovery operations	19,356	5204	24,560	14,519	3,813	18,332	35,038	3,624	38,662
***************************************	Intended for disposal operations	1,180	386	1,566	9,671	234	9,905	7,527	834	8,362
	Generated	20,659	6,213	26,872	24,263	4,396	28,658	42,652	5,205	47,857
Total	Intended for recovery operations	19,473	5,683	25,156	14,561	4,138	18,699	35,102	3,845	38,948
	Intended for disposal operations	1,186	530	1,716	9,702	258	9,960	7,550	1,360	8,909

Note: The waste reported at Secil Betão (Portugal) in 2023 includes waste that had been accumulated for 10 years in the different warehouses and which was sent for disposal this year. In addition, in Concreto (Brazil) several cleaning operations were carried out at the concrete plants, which resulted in the production of waste that was then sent for disposal. These two operations resulted in higher waste production compared

#### 306-4 Waste not destined for final disposal

Chap. 3.1.3.1 Circular Economy and Waste Management

Pag. 48

									<b>'23</b>		
					Materials		Cement				
Resíduos gerado	os (t)	Destination	Within the organisation	Outside the organisation	Subtotal	Within the organisation	Outside the organisation	Subtotal	Total		
		Preparation for reuse	0	0	0	26	20	47	47		
		Recycling	0	2	2	0	1	1	3		
	Hazardous waste	Other valorisation operations	0	62	62	0	174	174	236		
Waste for		Subtotal	0	64	64	26	195	222	286		
pperations		Preparation for reuse	0	0	0	70	27	97	97		
alorisation		Recycling	0	25,712	25,712	546	757	1,303	27,015		
	Non-hazardous waste	Other valorisation operations	0	9,326	9,326	0	2,224	2,224	11,550		
		Subtotal	0	35,038	35,038	616	3,008	3,624	38,662		
	Total		0	35,102	35,102	642	3,203	3,845	38,948		

Note: For this indicator, it was decided to report only the data for 2023, as there isn't the same level of detail for data from previous years regarding the type of recovery operations and where they are managed (inside or outside the organisation).











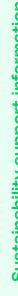












#### 306-5 Waste destined for final disposal

2023

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Chap. 3.1.3. Circular Economy and Waste Management

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									<b>'23</b>
					Materials		Cement		
Waste generated (t)		Destination	Within the organisation	Outside the organisation	Subtotal	Within the organisation	Outside the organisation	Subtotal	Total
		Incineration with energy recovery	0	0	0	0	0	0	
	Hazardous	Incineration without energy recovery	0	0	0	2	2	4	4
	waste	Confinement in landfill	0	0	0	234	7	241	241
		Other disposal operations	0	22	22	0	281	281	303
Waste for		Subtotal	0	22	22	236	290	525	548
disposal operations		Incineration with energy recovery	0	0	0	0	0	0	0
	Non- hazardous	Incineration without energy recovery	0	0	0	0	0	0	0
	waste	Confinement in landfill	0	7,517	7517	5	772	778	8,294
		Other disposal operations	0	10	10	0	57	57	67
		Subtotal	0	7,527	7,527	5	829	834	8,362
	Total		0	7,550	7,550	241	1,119	1,360	8,909

Note: For this indicator, it was decided to report only the data for 2023, as there isn't the same level of detail for the data from previous years regarding the type of disposal operations and where they are managed (inside or outside the organisation).

#### **GRI 308: SOCIAL EVALUATION OF SUPPLIERS**

Location

Pag. 147

Referring to the standard published in 2016

#### 308-1 New suppliers selected based on environmental criteria

Chap. 3.4.3.3 Our suppliers

Secil's objectives in Ambition 2025 are: the assessment of 100% of ESG critical suppliers; the application of the Code of Conduct for Suppliers, guaranteeing compliance with international human rights principles; the proper assessment of Secil's supplier base, enabling the implementation of effective measures within the scope of sustainable supply chain management. In 2023, Secil applied the Supplier Code of Conduct and 25% of its ESG critical suppliers were identified.

Secil has been developing efforts towards an increasingly sustainable supply chain, and through this, more environmentally responsible. It should be noted that in 2023 the entire supplier base in Portugal was segmented according to the GCCA guidelines, including calculations specific to environmental and social issues. Our Code of Conduct, in addition to Portugal, is also sent with every purchase order issued by the Group, guaranteeing minimum requirements across all the countries in which we operate. By 2024, Secil already plans to map ESG scores for more than 50% of its (global) supply base, initiating targeted actions in cases identified as critical in any of the sustainable criteria used - environment, social, safety and corruption.

#### 308-1 New suppliers selected based on environmental criteria

New suppliers selected based on environmental criteria	<b>'21</b>	'22	<b>'23</b>
Number of new suppliers	_	1411	4112
Number of new suppliers that have undergone due diligence processes for environmental impacts	_	_	0
Percentage of new suppliers that have undergone due diligence processes for environmental impacts	_	_	_

<sup>&</sup>lt;sup>1</sup> Data for Portugal only.

Chap. 3.4.3.3 Our suppliers

#### 308-2 Negative environmental impacts in the supply chain and actions taken

Ninety-six suppliers with significant negative environmental impacts, whether real or potential, were identified.

Negative environmental impacts in the supply chain and actions taken	'21	'22	<b>'23</b>
No. of suppliers with significant actual or potential negative environmental impacts identified	_	_	96

Note: The segmentation of suppliers with high critical potential in the environmental field was based on the GCCA guidelines and the total expenditure of each supplier in the various purchasing categories (also in line with the groups established by the GCCA). In addition to those with high potential, suppliers with medium and low criticality potential were also identified. This segmentation was made only for Secil Portugal's suppliers.

Percentage of suppliers identified as having significant negative environmental impacts, actual or potential, with whom the organisation no longer works	<b>'21</b>	'22	<b>'23</b>
Percentage of suppliers identified as having significant negative environmental impacts,			09/
actual or potential, with whom the organisation no longer works	-	-	0%

Reason why the decision was made to stop working with these suppliers

NA. In future, significant negative social impacts will be taken into account when evaluating and qualifying suppliers.

#### SOCIAL PERFORMANCE

**GRI 401: EMPLOYMENT** 

Location

Pag. 147

Referring to the standard published in 2016

<sup>&</sup>lt;sup>2</sup> Data from Portugal and Brazil only.





















#### 401-1 Hiring new Employees and Employee turnover

Chap. 3.2.3 Employees Pag. 71

						<b>'21</b>	'22							<b>'23</b>								
		Inc	oming		Ou	ıtgoing		Incoming		Outgoing			Inc	coming	Outgoing							
Gender	<30	30 a 50	>50	<30	30 a 50	>50	<30	30 a 50	>50	<30	30 a 50	>50	<30	30 a 50	>50	<30	30 a 50	>50				
Men	58	151	16	21	90	74	65	122	29	34	107	86	84	131	31	21	101	74				
Women	14	28	0	9	21	1	25	28	1	10	28	4	41	38	1	18	24	3				
Subtotal	72	179	16	30	111	75	90	150	30	44	135	90	125	169	32	39	125	77				
Men	36%	13%	2%	13%	8%	10%	41%	11%	4%	22%	9%	11%	34%	53%	13%	11%	52%	38%				
Women	27%	14%	0%	18%	11%	2%	47%	16%	1%	19%	16%	6%	51%	48%	1%	40%	53%	7%				
Subtotal	34%	13%	2%	14%	8%	9%	43%	11%	4%	21%	10%	11%	38%	52%	10%	16%	52%	32%				

Note: The 2023 figures include the governing bodies (members of the board of directors assigned to Secil and the supervisory board).

#### 401-2 Benefits for full-time employees that are not provided to temporary or part-time employees

Sub. Chap. 3.2.3.2 Attracting, Managing and Retaining Talent

Pag. 77

In Portugal, most benefits are offered to all employees, regardless of the type of contract or working hours. The only exceptions are the benefits that permanent employees have by default that are not offered to temporary employees, namely the Pension Fund, School Allowance and Parental Allowance.

#### 401-3 Family leave

Return to work and retention rates after parental leave (%)		<b>'21</b>	'22	<b>'23</b>
	Men	747	666	1,569
No. of employees entitled to parental leave	Women	137	126	294
	Total	884	792	1,863
	Men	32	46	33
o. of employees who started family leave In the reporting period	Women	12	10	15
in the repetung period	Total	44	56	48
	Men	32	46	33
No. of employees who returned to work after family leave	Women	12	6	12
	Total	44	52	45
	Men	29	42	41
No. of employees who returned to work and remain with the company after 12 months	Women	10	8	5
	Total	39	50	46

#### 401-3 Family leave

Return to work and retention rates after parental leave (%)		<b>'21</b>	'22	<b>'23</b>
	Men	100	100	100,0
Rate of return to work (after leave)	Women	100	60,0	80,0
	Total	100	92,9	93,8
	Men	90,6	91,3	89,1
Retention rate (12 months after returning to work from leave)	Women	83,3	80,0	83,3
		88,6	89,3	88,5

#### **GRI 403: HEALTH AND SAFETY AT WORK**

Location

Referring to the standard published in 2018

#### 403-1 Occupational Health and Safety Management System

Chap. 3.2.3.3 Health, Safety and Welfare

Pag. 86

Secil has a certified Occupational Health and Safety Management System (OHSMS) in accordance with the ISO 45001 standard in all countries, with the exception of Brazil, where an OHSMS system has been implemented but not certified

#### 403-2 Hazard identification, risk assessment and incident investigation

Chap. 3.2.3.3 Health, Safety and Welfare

Pag. 86

Identification of risk	Through the hazard and risk assessment implemented at each site.						
Process Quality	Qualified training for OHS technicians and OHS training for workers						
Integrating the results of processes into the improvement of the	Internal and external audits are carried out as part of the Management Systems. If work accidents occur, or new equipment/ projects or improvements are implemented, the hazard and risk assessment is reviewed. Additionally, there is a periodic review of this evaluation in order to continuously improve it.						
Hazard reporting processes available to employees	Through the safety procedures, namely the reporting of incidents or near misses, there is, in the various countries, a restricted Committee with a defined composition, which assesses work accident situations, ensuring decision-making in the management of consequences and in the implementation of measures, should it be necessary.						





















Hazard identification, risk assessr	ment and incident investigation
Processes to enable employees to protect themselves from situations that they believe may cause injury or	There is a STOP and GO card policy that aims to give authority to all employees to identify what should not be done and may have consequences for their health and safety. The right of refusal is integrated in the concept this policy.
How are employees protected against possible reprisals for reporting the two previous points	Through safety procedures, particularly the reporting of incidents or near misses, there is a restricted committee with a defined composition in the various geographies, which assesses situations of accidents at work, guaranteeing decision-making in the management of consequences and the implementation of measures, if necessary.
Incident investigation procedure	For each accident, there is an accident investigation report, which establishes the mandatory requirements and rules to be followed for the reporting, classification and investigation of safety events. Recommendations and lessons learned are drawn up and disseminated through alerts to the entire Group. Additionally, there are periodic OHS meetings at various levels of the company where this information is presented and discussed,

#### 403-3 3 Occupational Health Services

Chap. 3.2.3.3 Health, Safety and Welfare

**Health services** 

Health services are largely provided by occupational medicine. The safety services ensure the monitoring of health-related risks, such as: (a) total dust, breathable and silica; (b) noise, (c) vibrations, and the maintenance of an action plan in order to eliminate or reduce the risks.

Quality assurance

The quality of this service is ensured through: internal and external audits; communication to workers about the dangers, risks and professional illnesses to which they are subjected; regular meetings with workers; and the monitoring of defined action plans.

#### 403-4 Participation, Consultation and Communication with Employees on Health and Safety at Work

#### Chap. 3.2.3.3 Health, Safety and Welfare

Pag. 86

At Secil, there are various ways implemented to ensure communication with Employees, in particular: regular surveys of the workers; meetings of the workers' committee or with workers' representatives on OHS issues; and also the existence of safety boards posted in the units with the relevant information.

There are joint management-worker committees in the various countries, according to locally-defined timings. In general, they have the responsibility to assess all OHS issues. Some examples: to recommend penalty/recognition actions arising from work accidents or other situations observed; to suggest corrective and preventive actions with a view to reducing risks, work accidents and improving the health of Employees; to suggest or give advice regarding prevention programmes and OHS monitoring; to promote and suggest training actions in the area of health and safety; and to discuss the quality and comfort of Personal Protective Equipment (PPE).

#### 403-5 Training of Employees in occupational health and safety

#### Chap. 3.2.3.3 Health, Safety and Welfare

Pag. 86

In OHS matters, compulsory training is carried out, arising from legal requirements, and voluntary training, namely in the area of behavioural and safety leadership training. There is induction training in OHS for new internal and external staff. The results of the risk assessment are also communicated.

#### **403-6 Promotion of Employee Health**

#### Chap. 3.2.3.3 Health, Safety and Welfare

Pag. 86

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At Secil, there are occupational medicine services for all workers, and in the plants there is a medical post and, in some cases, in addition to occupational medicine, there is curative medicine. To complement the action in the area of health promotion, the company provides health insurance in general.

There is also a plan for regular consultations and examinations, which is monitored, and measures are taken regarding any deviations identified in order to ensure full compliance.

#### 403-7 Prevention and mitigation of occupational health and safety impacts directly related to commercial relations

#### Chap. 3.2.3.3 Health, Safety and Welfare

Pag. 86

Secil has a zero harm policy for its Employees, contractors and the community in which it operates. The identification of dangers and evaluation of risks arising from its activities is the cornerstone for the prevention and mitigation of negative impacts on all employees. Its review and updating is relevant and it is through the implementation of the measures deemed necessary in the action plan that the reduction of negative impacts is ensured.

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Chap. 3.3.3.1 Health, Safety and Welfare	

403-8 Workers covered by an occupational health and safety management system

2023

Chap. 3.3.3.1 Health, Saf	ety and	Welf	fare														Pag. 88	8	
						<b>'21</b>					6	22					6,	23	
No. and percentage of Employees and other workers covered by a	Employees		Other employees			Total		Employees		Other employees		Total		Employees		Other employees		Total	
management system	N.°	%	N.°	%	N.º	%	N.°	%	N.°	%	N.°	%	N.°	%	N.°	%	N.°	%	
Total number of people	2,355	-	1,838	-	4,200	-	2,362	-	1,861	-	4,228	-	2,453	-	1,764	-	4,217	_	
Coverage by an Occupational Health and Safety Management System (OHSMS)	2,355	100	1,838	100	4,200	100	2,362	100	1,861	100	4,228	100	2,453	100	1,764	100	4,217	100	
Coverage by a certified Occupational Health and Safety Management System	1,809	77	1,614	88	3,423	82	1,819	77	1,642	88	3,461	82	1,897	77	1,592	90	3,489	83	

Note: Given the Semapa Group's new alignment of criteria, which provides for the exclusion of trainees from GRI 2-7 and inclusion in GRI 2-8, there has been an adjustment to the figures reported for 2021, the only period to record trainees, namely seven. This adjustment justifies updating the total number of employees from a total of 2362 to 2355 in 2021.

#### 403-9 Accidents at work

(OHSMS)

**ANNUAL REPORT**.

Chap. 3.2.3.3 Hea	lth, Safety and Welfare				Pag. 8
Accidents at Work (Dire	ect Employees)	'21	<b>'22</b>	<b>'23</b>	
Total number of	Deaths resulting from accidents at work	1	0	1	
	Serious accidents at work (1) (excluding fatalities)	4	1	2	
	Mandatory reporting accidents (2)	55	49	58	
	Accidents at work with sick leave	33	24	32	
	Lost working days	1,028	824	975	
	Hours worked	4,737,660	4,716,395	4,854,654	
	Deaths resulting from accidents at work	0.2	0	0.2	
Index of	Serious occupational accidents (excluding fatalities)	0.8	0.2	0.41	
	Mandatory reporting of accidents at work	11.6	10.4	11.9	
Data of	Frequency	7	5.1	6.6	
Rate of	Severity	217	174.7	200.8	

#### 403-9 Accidents at work

Accidents at Work (Indi	rectly Employed)	'21	'22	<b>'23</b>
	Deaths resulting from accidents at work	1	0	1
Total number of	Serious accidents at work (1) (excluding fatalities)	0	1	0
	Mandatory reporting accidents (2)	33	36	61
	Accidents at work with sick leave	20	18	19
	Lost working days	366	524	289
	Hours worked	3,174,083	3,269,051	3,705,019
	Deaths resulting from accidents at work	0.3	0	0.27
Index of	Serious occupational accidents (excluding fatalities)	0	0.3	0
	Mandatory reporting of accidents at work	10.4	11	16.46
Rate of	Frequency	6.3	5.5	5.1
Rate of	Severity	115.3	160.3	78

- (1) According to GRI criteria, serious occupational accidents are injuries from which the worker will not recover, i.e. is not expected to fully recover within 6 months to their health condition prior to the accident.
- (2) According to GRI criteria, includes all accidents resulting in one of the following possibilities: deaths, accidents with and without sick leave, accidents resulting in loss or reduction of capacity for work or transfer to another function, accidents leading to medical treatment other than first aid, loss of consciousness, serious injury diagnosed by a doctor or other qualified health professional. It can also be called TRI (Total Recordable Incidents). It coincides with the total reported in the Single Report.























#### 403-9 Accidents at work

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Accidents at Work (Dire	ect Employees)	'21	'22	'23
	Deaths resulting from accidents at work	2	0	2
	Serious accidents at work (1) (excluding fatalities)	4	2	2
Total number of	Mandatory reporting accidents (2)	88	85	119
	Accidents at work with sick leave	53	42	51
	Lost working days	1,394	1,348	1,264
	Hours worked	7,911,743	7,985,446	8,559,673
	Deaths resulting from accidents at work	0.3	0	0.2
Index of	Serious occupational accidents (excluding fatalities)	0.5	0.3	0.2
	Mandatory reporting of accidents at work	11.1	10.6	13.9
Data of	Frequency	6.7	5.3	6.0
Rate of	Severity	176.2	168.8	147.7

(1) According to GRI criteria, serious occupational accidents are injuries from which the worker will not recover, i.e. is not expected to fully recover within 6 months to their health condition prior to the accident.

(2) According to GRI criteria, includes all accidents resulting in one of the following possibilities: deaths, accidents with and without sick leave, accidents resulting in loss or reduction of capacity for work or transfer to another function, accidents leading to medical treatment other than first aid, loss of consciousness, serious injury diagnosed by a doctor or other qualified health professional. It can also be called TRI (Total Recordable Incidents). It coincides with the total reported in the Single Report.

Note 1: In 2021, Secil made a change in methodology, aligning its safety reporting to the guidelines of the GCCA (Association of the sector), no longer recording off-site accidents.

Note 2: The normalisation factor of 1,000,000 hours worked was used to calculate the indices.

2023

#### Methodological notes on the calculations:

- Fatality rate resulting from work-related accidents = (No. of fatalities resulting from work-related accidents / No. of hours worked) x 1,000,000
- Major Accidents at Work Index = (No. of serious accidents at work (excluding fatalities) / No. of hours worked) x 1,000,000
- Index of compulsorily reportable accidents at work = (No. of accidents at work/No. of hours worked) x 1,000,000 x 1.000.000

#### Single Report Formulas:

- Frequency Rate = (No. of accidents with sick leave / No. of hours worked) x 1,000,000
- Severity Rate = (No. of days lost / No. of hours worked) x 1,000,000

#### 403-10 10 Occupational diseases

#### Chap. 3.2.3.3 Health, Safety and Welfare

Occupational diseases		<b>'21</b>	'22	<b>'23</b>
	Deaths resulting from occupational diseases	0	0	0
Total number of	Cases of occupational diseases reported	8	3	3
	Cases of occupational diseases confirmed	1	0	1

Note: The figures presented relate only to direct employees of the companies and not to indirect employees.

#### **GRI 404: EDUCATION AND TRAINING**

Location

Referring to the standard published in 2016

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#### 404-1 Average annual training hours per employee

#### Chap. 3.2.3.2 Attracting, managing and retaining talent

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			'21		'22		<b>'23</b>
Training by functional c and gender	ategory	No. of hours of training of h	Average No.	No. of hours of training of	Average No. hours training	No. of hours of training of	Average No. f hours training
	Men	616	15	503	12	1,549	42
Managers	Women	194	24	98	12	265	33
	Subtotal	810	17	601	12	1,814	40
	Men	3,378	42	1,087	14	2,523	33
Senior Management	Women	1,192	66	764	40	892	47
	Subtotal	4,570	46	1,851	19	3,415	36
	Men	5,404	24	3,866	16	9,070	37
Middle Management	Women	1,748	20	869	10	3,094	32
	Subtotal	7,152	23	4,735	15	12,164	35
	Men	4,908	19	3,064	11	7,036	20
Administrative	Women	1,582	10	1,095	8	3,618	22
	Subtotal	6,490	16	4,160	10	10,654	21
	Men	24,716	17	18,904	13	48,381	34
Executives	Women	419	10	331	7	479	10
	Subtotal	25,135	17	19,235	13	48,860	33
	Men	39,022	19	27,424	13	68,559	32
Total	Women	5,135	17	3,157	10	8,348	25
	Subtotal	44,157	19	30,580	13	76,907	31

Note 1: It should be noted that the calculation of this indicator does not include members of the Governing Bodies.

Note 2: The significant increase in the annual average number of training hours is due to the Group's efforts to increase training hours, especially in safety processes that recurred in 2023.

#### 404-2 Programmes for skills development and end-of-career management

#### Chap. 3.2.3.2 Attracting, managing and retaining talent

Pag. 77

Secil promotes various training programmes to develop the skills of its employees, through the Secil Academy and the Individual Development Plan for each employee and two specific instruments such as the Talent Management Exercise and Feedback 360, with a strong focus on the six key behavioural skills that are part of Ambition 2025.

As far as end-of-career management is concerned, Secil does not yet have a defined plan.

33

Pag. 71

## 404-3 Percentage of employees who regularly receive performance and career development reviews

Chap. 3.2.3.2 Attracting, managing and retaining talent

P	a	g	7

Performance evaluation by	functional category and gender (%)	<b>'21</b>	<b>'22</b>	<b>'23</b>
	Men	85	69	100
Managers	Women	88	88	88
	Subtotal	85	72	98
	Men	79	64	94
Senior Management	Women	94	74	94
	Subtotal	82	66	94
	Men	80	69	97
Middle Management	Women	98	90	100
	Subtotal	85	75	98
	Men	98	81	100
Administrative	Women	67	69	99
	Subtotal	86	77	99
	Men	61	64	96
Executives	Women	79	80	100
	Subtotal	61	65	96
	Men	69	67	97
Total	Women	79	77	99
	Subtotal	70	69	97

**Note:** In 2021 and 2022, employees with contracts were considered eligible. In 2023, employees who had undergone an appraisal were included in the calculation of this indicator, excluding those who were eligible to undergo an appraisal and the Governing Bodies.

#### **GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES**

Location

Referring to the standard published in 2016

#### 405-1 Diversity in governance bodies and Employees

Employees by professional	category and gender (%)	<b>'21</b>	<b>'22</b>	<b>'23</b>
	Men	100	87	80
Governing Bodies	Women	0	13	20
B. 4	Men	83	84	82
Managers	Women	17	16	18
Senior Management	Men	82	80	80
Senior ivianagement	Women	18	20	20
Middle Management	Men	72	73	72
wilddie Wariagement	Women	28	27	28
Administrative	Men	63	66	68
Administrative	Women	37	34	38
Executives	Men	97	97	96
LACCULIVES	Women	3	3	4
Total	Men	87	87	86
Total	Women	13	13	14
	<30 years	0	0	(
Governing Bodies	30-50 years	33	13	30
	> 50 years	67		
			87	70
Managers	<30 years	0	0	
Managers	<30 years 30-50 years	27		Ę
Managers			0	2
Managers	30-50 years	27	26	{ 2 7{
	30-50 years > 50 years	73	0 26 74	2 79
	30-50 years > 50 years <30 years	27 73 2	0 26 74 0	; 2 7; ; 50
	30-50 years > 50 years <30 years 30-50 years	27 73 2 56	0 26 74 0 53	2 7! ; 50 4
Senior Management	30-50 years > 50 years <30 years 30-50 years > 50 years	27 73 2 56 42	0 26 74 0 53 47	2 7! ; 50 4
Senior Management	30-50 years > 50 years <30 years 30-50 years > 50 years < 30 years	27 73 2 56 42	0 26 74 0 53 47	10 74 10 74
Senior Management	30-50 years > 50 years <30 years 30-50 years > 50 years > 50 years <30 years 30-50 years	27 73 2 56 42 12 70	0 26 74 0 53 47 10	2 7; 5 4; 10 74
Senior Management Middle Management	30-50 years > 50 years <30 years 30-50 years > 50 years <30 years <50 years >50 years > 50 years	27 73 2 56 42 12 70	0 26 74 0 53 47 10 70	2 7! 50 4: 10 74
Senior Management Middle Management	30-50 years > 50 years <30 years 30-50 years > 50 years > 50 years <30 years  > 50 years  <30 years  > 30-50 years  > 50 years	27 73 2 56 42 12 70 19	0 26 74 0 53 47 10 70 20	10 74 10 19 54
Senior Management Middle Management	30-50 years > 50 years <30 years 30-50 years > 50 years > 50 years <30 years  30-50 years > 50 years  > 30-50 years  > 30 years	27 73 2 56 42 12 70 19 15 50	0 26 74 0 53 47 10 70 20 17	70 8 2 78 3 50 4 10 74 16 19 54 2
Managers  Senior Management  Middle Management  Administrative	30-50 years > 50 years <30 years 30-50 years > 50 years > 50 years <30 years 30-50 years > 50 years > 50 years > 50 years > 50 years <30 years > 50 years	27 73 2 56 42 12 70 19 15 50 35	0 26 74 0 53 47 10 70 20 17 49	10 74 10 11 54 22

Note 1: For reporting purposes, the members of the Governance Bodies were considered to be the Executive Committee, the two non-executive directors assigned to Secil and the Supervisory Board.

Note 2: The figures for 2022 have been amended to correct existing discrepancies.

<30 years

30-50 years

> 50 years

Total

**Note 3:** By mistake, in RS 2022 the age groups are swapped in the total percentages, so the figures presented are incorrect. In 2023, the figures were duly rectified.

**57** 

35

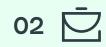
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Referring to the standard published in 2016





















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chap. 3.2.3.1 Diversity,	equity and inclusion		Pag. 71
Rácio salarial entre mulheres e	e homens	<b>'23</b>	
	Managers	-	
	Senior Management	1.06	
Brazil	Middle Management	1.00	
	Administrative	0.76	
	Executives	0.58	
	Managers	-	
	Senior Management	-	
ape verde	Middle Management	-	
	Administrative	0.72	
	Executives	-	
	Managers	1.05	
	Senior Management	0.84	
ortugal	Middle Management	1.00	
	Administrative	0.98	
	Executives	1.01	

Chap. 3.2.3.1 Diversity, equity and inclusion				Pag. 71
Incidents of discrimination that occurred in the reporting period	'21	'22	<b>'23</b>	
No. of incidents analysed by the organisation	0	1	0	
No. of remediation plans implemented	0	0	0	
No. of remediation plans implemented, with results analysed through the normal review and management processes	0	0	0	
No. of incidents resolved (incidents for which no further action is required or where the circumstances underlying their origin no longer exist)	0	1	0	
Referring to the standard published in 2016			e bargaining	
Referring to the standard published in 2016 407-1 Operations and suppliers where freedom of a			e bargaining	
Referring to the standard published in 2016 407-1 Operations and suppliers where freedom of a may be at risk	essociation and	d collective		
Referring to the standard published in 2016  407-1 Operations and suppliers where freedom of a may be at risk  Based on the existing irregularities channels, no complaints about in	essociation and	d collective		)
Referring to the standard published in 2016 407-1 Operations and suppliers where freedom of a may be at risk Based on the existing irregularities channels, no complaints about in GRI 408: CHILD LABOUR	essociation and	d collective		)
Referring to the standard published in 2016  407-1 Operations and suppliers where freedom of a may be at risk  Based on the existing irregularities channels, no complaints about in GRI 408: CHILD LABOUR  Referring to the standard published in 2016	association and	d collective	l.	)
GRI 407: FREEDOM OF ASSOCIATION AND COLLECT Referring to the standard published in 2016  407-1 Operations and suppliers where freedom of a may be at risk  Based on the existing irregularities channels, no complaints about in  GRI 408: CHILD LABOUR  Referring to the standard published in 2016  408-1 Operations and suppliers with significant ris  Based on the existing irregularities channels, no complaints about in	nssociation and inpacts at this level	d collective were received	oour	Location

409-1 Operations and suppliers with significant risk of incidents of forced or compulsory labour

Location

**GRI 406: DISCRIMINATION** 

**GRI 410: SECURITY PRACTICES** 

Referring to the standard published in 2016

Location

Referring to the standard published in 2016

410-1 Safety personnel with training in human rights policies and procedures

Based on the existing irregularities channels, no complaints about impacts at this level were received.

Chap. 3.2.3.1 Diversity, equity and inclusion

Respect for human rights is intrinsic to the Secil Group's activities, being extended to service providers and suppliers, mirrored in guiding documents such as the codes of conduct. The training is scheduled to take place in 2024.































Referring to the standard published in 2016

GRI 414: SOCIAL EVALUATION OF SUPPLIERS

**GRI 413: LOCAL COMMUNITIES** 

Referring to the standard published in 2016

#### 414-1 New suppliers selected based on social criteria

Chap. 3.4.3.3 Our suppliers

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Secil has been developing efforts towards an increasingly sustainable supply chain, and through this, more environmentally responsible. It should be noted that in 2023 the entire supplier base in Portugal was segmented according to the GCCA guidelines, including calculations specific to environmental and social issues. In addition to Portugal, our Code of Conduct is also sent with all purchase orders issued by the Group, guaranteeing minimum requirements across all the countries where we operate. By 2024, Secil already plans to map ESG scores for more than 50% of its (global) supply base, initiating targeted actions in cases identified as critical in any of the sustainable criteria used - environment, social, safety and corruption.

#### 414-2 Negative social impacts in the supply chain and actions taken

Chap. 3.4.3.3 Our suppliers

The segmentation of suppliers with high critical potential in the social sphere was based on the GCCA guidelines and the total expenditure of each supplier in the various purchasing categories (also in line with the groups established by the GCCA). In addition to those with high potential, suppliers with medium and low criticality potential were also identified. In 2023, 270 suppliers were identified as having significant negative social impacts, whether real or potential. This segmentation was made only for Secil Portugal's suppliers. In 2024, during the course of the year, it will also be rolled out to other countries.

Location

Pag. 67

413-1 Operations engaging the local community, impact assessments, and development programmes

Chap. 3.2.2 Social responsibility

Of the eight operations existing in 2023, four have community involvement, impact assessment and/or local development programmes, a total of 50%.

The following programmes were considered: Environmental impact assessments and ongoing monitoring; Local community development programmes based on the needs of the respective communities; Stakeholder involvement plans based on stakeholder mapping; Labour councils, occupational health and safety committees and other worker representative bodies to deal with impacts; and Formal grievance processes available to the local community.

There are Environmental Monitoring Commissions in Portugal and Brazil, in Tunisia the Commission has been suspended by decision of the authorities. There are community involvement and social responsibility programmes in the communities surrounding the plants in Portugal, Tunisia, Lebanon and Brazil. In Angola there are only occasional initiatives.

Location

Pag. 147

Pag. 147

417-3 Incidents of non-compliance related to marketing communications

No cases of non-compliance relating to marketing communications were recorded during the reporting period.

**GRI 415: PUBLIC POLICIES** 

Referring to the standard published in 2016

415-1 Political contributions

Secil does not make contributions to political parties.

**GRI 417: MARKETING AND LABELLING** 

Location

Location

Referring to the standard published in 2016

417-1 Requirements on product and service information and labelling

Secil responds to Regulation (EU) No. 453/2010 of 20 May by publishing, for all products, a technical safety data sheet containing a description of the main characteristics, applications and advice on use and recycling.

417-2 Incidents of non-compliance relating to the labelling of products and services

No cases of non-conformities concerning labelling and information were recorded during the reporting period.





















# **Independent Limited Assurance** Report on Sustainability Information

2023



ANNUAL REPORT

KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A. Edificio FPM41 – Avenida Fontes Pereira de Melo, 41 – 15° 1069-006 Lisboa - Portugal +351 210 110 000 - www.kpmg.pt

#### INDEPENDENT LIMITED ASSURANCE REPORT FOR SECIL - COMPANHIA GERAL DE CAL E CIMENTO, S.A.

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

We have been engaged by the Board of Directors of SECIL - Companhia Geral de Cal e Cimento S.A. ("Entity" or "Secil") to perform a limited assurance engagement on the sustainability information included in the Annual Report's chapter 7.1 Tabela GRI for the period ended 31 December 2023 prepared in accordance with the requirements of the "Global Reporting Initiative" ("GRI Standards").

#### Responsibilities of Management

Management is responsible for:

- For the preparation of sustainability information included in the Annual Report's chapter 7.1 Tabela GRI for the period ended 31 December 2023, in accordance with the GRI Standards ("Information");
- For the design, implementation and maintenance of an appropriate information and internal control system to enable the preparation of information that is free from material misstatement, whether due to errors or fraud;
- For the prevention and detection of fraud and errors and for the identification and ensuring that SECIL complies with laws and regulations applicable to its activities;
- Ensuring that Management and staff involved with the preparation of the Information are properly trained

#### Auditor responsibility

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements other than Audits or Reviews of Historical Financial Information - ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the other standards and technical guidance issued by the Portuguese Institute of Statutory Auditors (Ordem dos Revisores Oficiais de Contas). These Standards require that we plan and perform the engagement to obtain limited assurance about whether nothing has come to our attention that causes us to believe that the sustainability information included in the Annual Report's chapter 7.1 Tabela GRI for the period ended 31 December 2023 has not been prepared, in all material respects, in accordance with GRI Standards and that the Entity has not applied in the sustainability information included in the Annual Report's chapter 7.1 Tabela GRI for the period



ended 31 December 2023, the GRI Standards. This work includes, among others, the

- Interviews with senior management and relevant staff at corporate and operational level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- Interviews with relevant staff responsible for preparing the sustainability information included in the Annual Report's chapter 7.1 Tabela GRI for the period ended
- Comparing the sustainability information included in the Annual Report's chapter 7.1 Tabela GRI for the period ended 31 December 2023 to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Report;
- Reading the sustainability information included in the Annual Report's chapter 7.1 Tabela GRI for the period ended 31 December 2023 to determine whether it is in line with our overall knowledge of the Entity.

The procedures selected depend on our knowledge of compliance with GRI requirements and other circumstances related to the work, and considerations about areas where material misstatements are likely to arise.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions

#### Quality and Independence

We applied the International Standard on Quality Control ISQM 1 and accordingly we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Portuguese Institute of Statutory Auditors (including international independence standards), (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information included in the Annual Report's chapter 7.1 Tabela GRI for the period ended 31 December 2023 has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards and that the Entity has not applied, in the sustainability information included in the Annual Report's chapter 7.1 Tabela GRI for the period ended 31 December 2023, the GRI Standards.



#### Use and disclosure of the information provided

Our Limited Assurance Report is issued solely for the information and use of the Board of Directors of Secil - Companhia Geral de Cal e Cimento, S.A. in connection with the release of the 2023 Annual Report and should not be used for any other purpose. We accept or assume no responsibility and deny any liability to any party other than the Entity for our work, for this independent limited assurance report, or for the conclusions we have reached.

Lisbon, 18 September 2024

#### SIGNED ON THE ORIGINAL

KPMG & Associados -Sociedade de Revisores Oficiais de Contas, S.A. (no. 189 and registered at CMVM with no. 20161489) Carlos Miguel Lopes Pereira da Costa (ROC no. 1377 and registered at CMVM with no. 20160987)



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About this report



This report is interactive.
In order to improve the consultation and reading experience, you can use the navigation bar at the bottom of the pages, as well as the internal links. For additional information, please consult the links available for external sites.

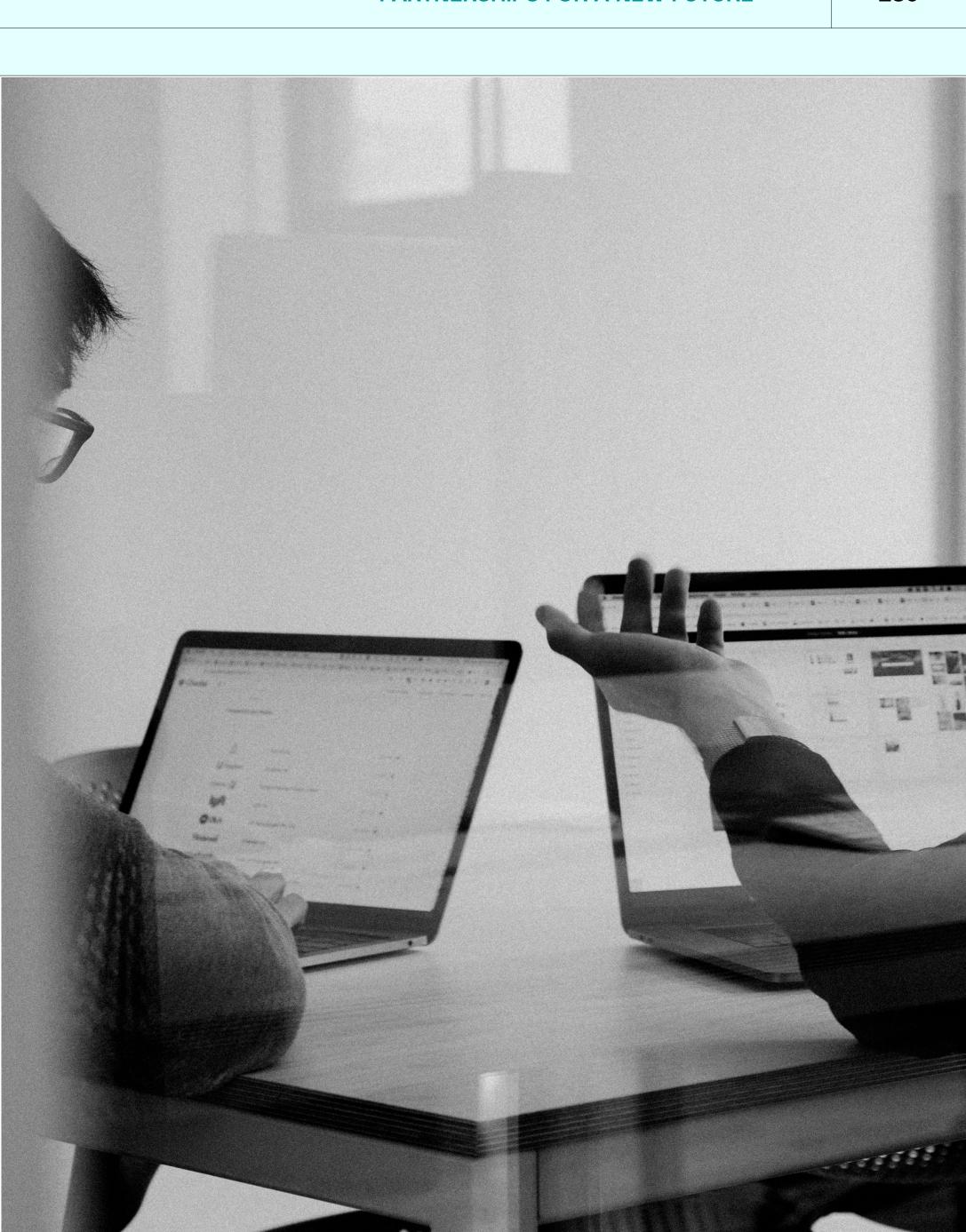
The Sustainability Report
2023 is available in digital
format and can be consulted
on Secil's website, in
Portuguese and English.



The information reported in this report relates to the period from 1 January 2023 to 31 December 2023.

























# Correspondence table

Pillars of the sustainability strategy	Secil Group material topics <sup>1</sup> (and other reported topics)	GRI Standards	GRI Indicators	Report chapter
		GRI 301: Materials 2016	301-1/2	
	Natural Resources & Circular Economy	GRI 303: Water and Effluents 2018	303-1/2/3/4/5	Chap. 3.1.3 GRI Table
		GRI 306: Waste 2020	306-1/2/3/4/5	
Environmental	Energy Efficiency	GRI 302: Energy 2016	302-1/3	Chap. 3.1.2 GRI Table
	Climate change and greenhouse gas (GHG) emissions	GRI 304: Biodiversity 2016	304-1/2/3	Chap. 3.1.3.3 GRI Table
	Climate change and greenhouse gas emissions	GRI 305: Emissions 2016	305-1/2/4	Chap. 3.1.1 GRI Table
		GRI 2: General Contents 2021	2-7/30	
	Attracting Managing and Dataining Talent	GRI 202: Market presence 2016	202-1	Chap. 3.2.3.2
	Attracting, Managing and Retaining Talent	GRI 401: Employment 2016	401-1/2/3	GRI Table
		GRI 404: Training and Education 2016	404-1/2/3	
	Well-being, health and safety	GRI 403: Occupational Health and Safety 2018	403-1/2/3/4/5/6/7/8/9/10	Chap. 3.2.3.3 GRI Table
Social	B: ': E :: II I :	GRI 405: Diversity and Equal Opportunities 2016	405-1/2	
	Diversity, Equity and Inclusion	GRI 406: Non-Discrimination 2016	406-1	— Chap. 3.2.3.1
		GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	
	Human Dighta	GRI 408: Child Labour 2016	408-1	Chap. 3.2.4
	Human Rights	GRI 409: Forced or Slave Labour 2016	409-1	GRI Table
		GRI 410: Safety Practices 2016	410-1	
	Social Responsibility	GRI 413: Local Communities 2016	413-1	Chap. 3.2.2





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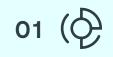
Pillars of the sustainability strategy	Secil Group material topics <sup>1</sup> (and other reported topics)	GRI Standards	GRI Indicators	Report chapter
		GRI 2: General Contents 2021	2-27	GRI Table
overnance	Ethics and Compliance	GRI 205: Anti-Corruption 2016	205-3	Chap. 3.3.2
		GRI 415: Public Policies 2016	415-1	GRI Table
		GRI 201: Economic Performance 2016	201-1/2/3/4	Chap. 3.4.1 GRI Table
	Sustainable Economic Performance	GRI 203: Indirect Economic Impacts 2016	203-1	Chap. 3.4 Chap. 3.4.1 GRI Table
		GRI 207: Taxation Environmental Assessment 2019	207-1/2/3/4	GRI Table
		GRI 308: Suppliers 2016	308-1/2	Chap. 3.4.3.3 GRI Table
conomic		GRI 414: Social assessment of suppliers 2016	414-1/2	Chap. 3.4.3.3 GRI Table
	Relations with suppliers	GRI 204: Purchasing/Supply Practices 2016	204-1	Chap. 3.4.3.3 GRI Table
	Product quality and safety	GRI 417: Product and Service Labelling 2016	417-1/2/3	Chap. 3.4.3.1 GRI Table
	Innovation	N.A.		Chap. 3.4.2
	Customer Experience and Satisfaction	N.A.		Chap. 3.4.3.2

Note: To the indicated standards and indicators should be added: GRI Standard 3: Material topics, transversely applicable; GRI 2 Standard indicators relating to material topics, there are other topics reported that arise from GCCA

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# GCCA indicator table

Pillar	KPI CONTRACTOR OF THE CONTRACT	Unit	<b>2021</b> <sup>1</sup>	20221	2023
	No. of fatal employee accidents	No	1	0	1
	No. of fatal accidents for third party employees (contractors and subcontractors)	No	1	0	1
	No. of fatal off-site accidents	No	1	0	0
	No. of accidents with lost working days	No	33	24	32
	Lost-time accident frequency rate, per 1,000,000 hours worked, for employees	-	7.0	5.1	6.6
ПФЭ	No. of accidents with lost working days for third party employees (contractors and subcontractors)	No	20	18	19
	Lost-time accident frequency rate, per 1,000,000 hours worked, for third party employees (contracts and sub-contracts)	-	6.3	5.5	5.1
	Total number of accidents (employees, contractors and subcontractors)	No	53	42	51
H&S  CO <sub>2</sub>	Number of lost working days for employees	No	1,028	824	975
	Severity rate for employees, per 1,000,000 hours worked - per days worked	-	217.0	174.7	200.8
	Global absolute (gross) emissions of CO <sub>2</sub> (million tonnes of CO <sub>2</sub> )	Mt CO <sub>2</sub>	3.59	3.27	3.22
00	Global absolute (net) emissions of CO <sup>2</sup> (million tonnes of CO <sub>2</sub> )	Mt CO <sub>2</sub>	3.34	3.06	3.04
CO <sub>2</sub>	Global (gross) specific emissions of CO2 (kg CO2 / tonne of cement product)	kg CO <sub>2</sub> / t	668	662	669
	Global specific (net) emissions of CO2 (kg CO2 / tonne of cement product)	kg CO <sub>2</sub> / t	621	619	630
	Alternative fuels use rate (%) - alternative fossil fuels and biomass	%	28.3	26.2	19.1
	Rate of biomass use (%)	%	9.7	17.3	5
Co-processing	Kiln energy efficiency (MJ / ton of clinker)	MJ/t Clk	3,727	3,699	3,836
	Alternative raw materials (clinker and cement) (%)	%	9.5	8.1	11.21
	Clinker amount in cement (%)	MJ/t Clk	78.7	77.9	79
	Coverage rate - general (%)	%	67	71	76
	Coverage rate - continuous measurement (%)	%	100	71	92
Other emissions <sup>2</sup>	PM - Total emissions (t/year)	t/year	83	123	114
	PM - Specific emissions (g/t clinker)	g/t clinker	19	32	32
	PM - Coverage rate (%)	%	100	71	100
	NOx - Total emissions (t/year)	t/year	7,027	6,207	4,770

SECIL ANNUAL REPORT \_ 2023





















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Pillar	KPI	Unit	20211	20221	2023
	NOx - Specific emissions (g/t clinker)	g/t clinker	1,642	1,616	1331
	NOx - Coverage rate (%)	%	100	71	92
	SO2 - Total emissions (t/year)	t/year	1,203	1,143	1141
	SO2 - Specific emissions (g/t clinker)	g/t clinker	281	298	318
	SO2 - Coverage rate (%)	%	100	71	100
	VOC/THC - Total emissions (t/year)	t/year	209	153	182
	VOC/THC -Specific emissions (g/t clinker)	g/t clinker	49	40	51
	VOC/THC - coverage rate (%)	%	81	71	76
	Hg - Total emissions (kg/year)	kg/year	36	32	75
Other emissions <sup>2</sup>	Hg - Specific emissions (mg/t clinker)	mg/t clinker	12	12	28
	Hg - Coverage rate (%)	%	67	71	76
	HM1* - Total emissions (kg/year)	kg/year	44	35	19
	HM1* - Specific emissions (mg/t clinker)	mg/t clinker	10	9	5
	HM1* - Coverage rate (%)	%	67	71	76
	HM2** - Total emissions (kg/year)	kg/year	436.59	727	2417
	HM2** - Specific emissions (mg/t clinker)	mg/t clinker	102	189	674
	HM2** - Coverage rate (%)	%	67	71	76
	PCDD/F - Total emissions (mg/year)	mg/year	38	47	33
	PCDD/F - Specific emissions (mg/t clinker)	mg/t clinker	9	12	9
	PCDD/F - Coverage rate (%)	%	67	71	76
Piodivoroity	% of quarries with high ecological value with biodiversity management plans***	%	40	33	33
Diodiversity	liversity ————————————————————————————————————	83	83		
Maken	Water consumption = Water abstraction - total water launched in the receiving medium (m³/year)	m³/year	1,335,347	1,184,287	1,394,076
Water	Amount of water consumption per product unit (I/ t cement product)	I/t product	248.8	239.8	289.27

<sup>(1)</sup> Audited figures

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<sup>(2)</sup> In January and February 2023 there was a problem with the analysers at the Tunisian facility, which is why these months were not counted.

<sup>\*</sup> HM1 (sum of Cd and Tl)

<sup>\*\*</sup> HM2 (sum of Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V

<sup>\*\*\*</sup> Active quarries

















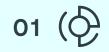


# 8.3 \_\_\_\_ Sustainability-linked financing framework table

2023

Geographical area	KPI	2020	20211	20221	2023
Portugal	Gross CO <sub>2</sub> emissions (scope 1 + 2) per tonne of cement	635	617	640	668
	Frequency index (LTIRF)	7.7	5.5	9.3	6.0
Brazil	Gross CO2 emissions (scope 1 + 2) per tonne of cement	695	657	643	661
	total % of female employees	15.4	19.7	16.8	17.3
Tunisia	Gross CO2 emissions (scope 1 + 2) per tonne of cement	826	797	780	812
	Total % of female employees	8.4	7.9	8.1	8.4





















# 8.4 \_\_\_\_ Summary table of the world economic forum's stakeholder capitalism metrics

The following table presents Secil's response to the WEF framework (core metrics), through the alignment between the metrics established by the WEF and the GRI metrics (which are at the genesis of the new framework).

Some of these metrics do not correspond to the GRI, but Secil responds indirectly through the content related to the issues in question presented in the sustainability information in this report.

Pillar	Theme	<b>Metrics</b>	Alignment with GRI
	Governance purpose	Purpose set	GRI 2-12
	Overlite at Occupance and Dark	Oananasitian af the Cavannana Badu	GRI 2-9
	Quality of Governance Body	Composition of the Governance Body	GRI 405-1
Governance			GRI 2-12
	Stakeholder engagement	Stakeholder engagement	GRI 2-29
			GRI 3-2
	Ethical bahaviavu	Austi a a www.watia.ia	GRI 205-2
	Ethical behaviour	Anti-corruption Contract to the contract of th	GRI 205-3
	Ethical behaviour	Counselling mechanisms	GRI 2-26
	Risks and Opportunities Integration of risks and opportunities		No associated GRI
	Olimanta Olagiasia	Greenhouse Gas (GHG) Emissions	GRI 305-1/2/3/4
Dlanet	Climate Change	Implementation of the recommendations of the TCFD - Task Force on Climate Related Financial Disclosures	No associated GRI
Planet	Loss of biodiversity	Land use and ecological protection focused on protected areas or areas of high biodiversity value	GRI 304-1
	Availability of drinking water	Water abstraction and consumption in water stress areas	GRI 303-3/4

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Pillar	Theme	Metrics	Alignment with GRI	
		Diversity and Inclusion: % of employees by employee category, gender, age group and gender age and other diversity categories	GRI 405-1 and 405-2	
		Salary ratios between men and women, minorities and ethnic majorities, among others		
	Dignity and equity	Wage variation (%) between entry level wage and national minimum wage, by gender	GRI 202-1	
		Salary variation (%) between the CEO's annual total compensation and the median total compensation of employees other than the CEO	GRI 2-21	
		Risk of incidents of child, forced or slave labour	GRI 408-1 and 409-1	
People		Health and safety (%).  Number and ratio of accidents at work, serious accidents and deaths	GRI: 403-9	
	Health and well-being	An explanation of how the organisation facilitates workers' access to non-work-related medical and health services, and the scope of access provided.	GRI 403-6	
	Capacity building for the future	Training (no.) hours of training per employee	GRI 404-1	
		Training (€) investment in training per employee	No associated GRI	
	Employment and wealth creation	Turnover rate (%) between incoming and outgoing employees by age and gender or other diversity indicators	GRI 401-1	
Prosperity		Economic contribution: Direct economic value generated and distributed (EVG&D) by revenues; operating costs, employee salaries and benefits, payments to capital providers, payments to government (by country) and community investments.	GRI 201-1	
		Financial support received from government: benefits and tax credits; subsidies; grants for investment, research and development and other relevant types of concessions among others.	GRI 201-4	
		Financial contribution of investment Total capital expenditure or investment in capital assets (CapEx) without amortisation, supported by the narrative described by the organisation's investment strategy.	No associated GRI	
		Share buybacks and dividend payments, supported by narrative to explain the company's strategy for returning capital to shareholders.	No associated GRI	
	Innovation for better products and services	Expenditure on R&D		
	initionation for petter products and services	Total development costs	<ul> <li>No associated GRI</li> </ul>	
	Community and social vitality	Community and social vitality  Taxes: The total overall global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, payroll taxes paid by the employer and other taxes that constitute costs to the company, by tax category.		

