PATHS OF TRUST

ANNUAL REPORT 2024

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01. OVERVIEW

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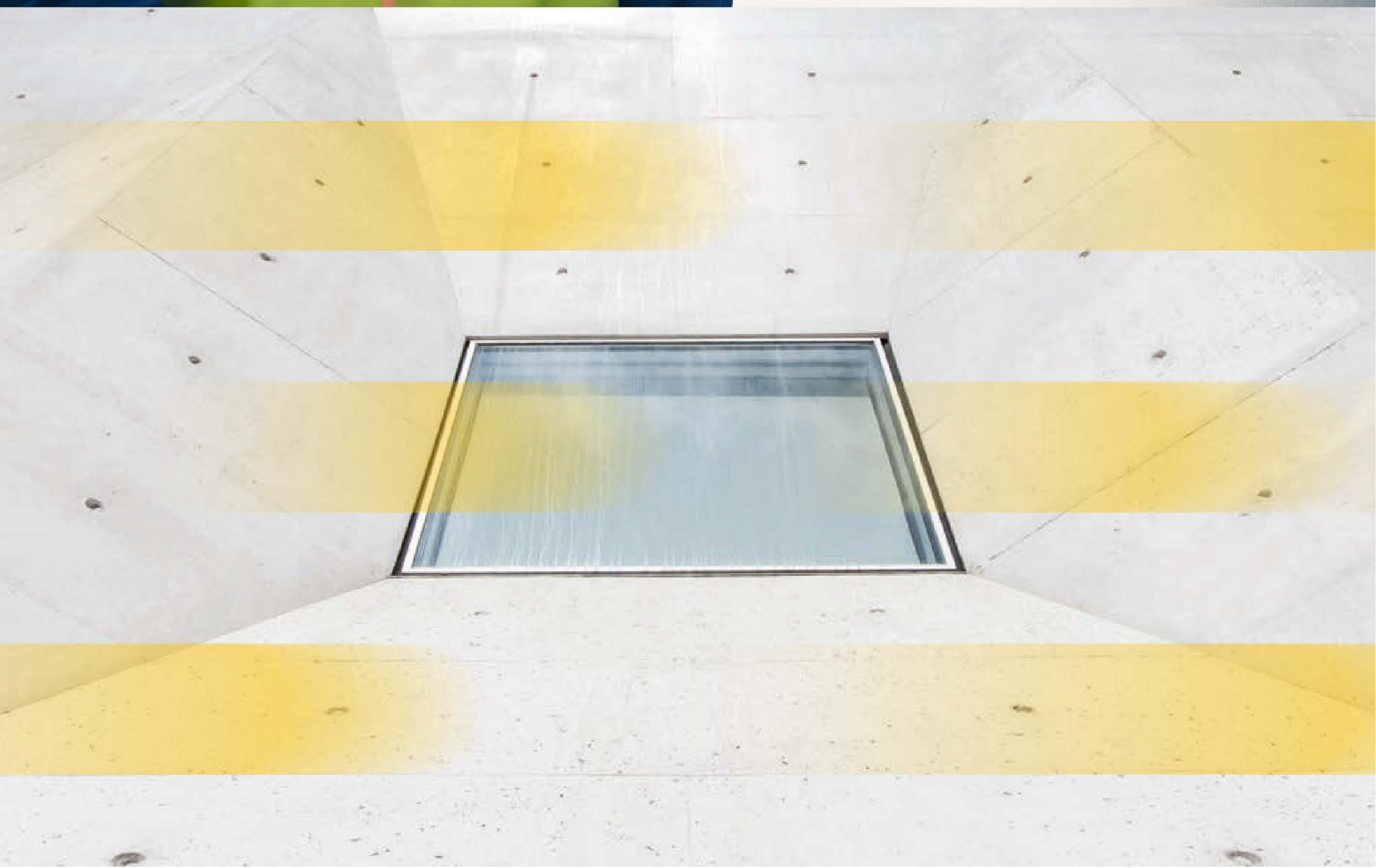


1.1 Open letter to our Stakeholders

Meritorious, demanding and transformative year

The Secil exercise in 2024 was characterized by widespread positive results in a context of clear turbulence and transformation.

A clear sign of this transformation is the voluntary presentation, for the first time, of this report in the format defined by the new European reporting standard CSRD, encompassing in a single document both financial and non-financial management aspects, thereby reinforcing the transparency and accountability of our corporate conduct.

The financial year was marked by an increase in turnover, EBITDA and net profit compared to the previous year, in a year in which we also expanded investment and the number of employees. We are thus equipping ourselves with financial robustness and productive capacity to overcome the constant challenges of an increasingly unpredictable international environment, which can clearly influence the macroeconomic framework that determines our growth.

At the same time, we are taking the necessary steps to comply with our sustainability strategy, namely regarding the Carbon Neutrality Roadmap we have defined within the national, European and global sectoral organisations we have joined, ATIC, CEMBUREAU and GCCA.

In this area, we reduced our CO_2 emissions per tonne of cementitious product, completed our ambitious decarbonisation project CCL - Clean Cement Line at our iconic Secil-Outão Plant in Portugal, invested in a joint venture for prefabricated modular construction, and modernised the kiln at our Supremo Plant in Adrianópolis, Paraná state, Brazil.

This sustainable and digital investment cycle will continue over the coming years with several initiatives and programmes, such as the Profuture project for the decarbonisation of the Maceira-Liz Plant in Portugal, and the broad digital transformation we are undertaking across our Organisation, capitalising on the exponential progress that Artificial Intelligence and the ongoing digital revolution can offer us.

The next financial year will be the conclusion of our strategic cycle Ambition 2025, which has decisive economic and sustainability objectives, which we call on everyone to achieve, across its multiple pillars, while we intend to design a new strategic cycle up to the threshold of the next decade.

All that we have already achieved and intend to achieve in the near future results from a hard but happy combination of efforts and alignment of visions from all our stakeholders, from Shareholders and Employees, to Customers, Suppliers, Authorities and other partners, to whom we simultaneously express our gratitude for their support and our confidence in the path we will forge together in the future.

Thank you very much, best wishes for success.

Ricardo Pires
Chairperson of the
Board of Directors

Otmar Hübscher
Chief Executive Officer

1.2 Key indicators

Turnover

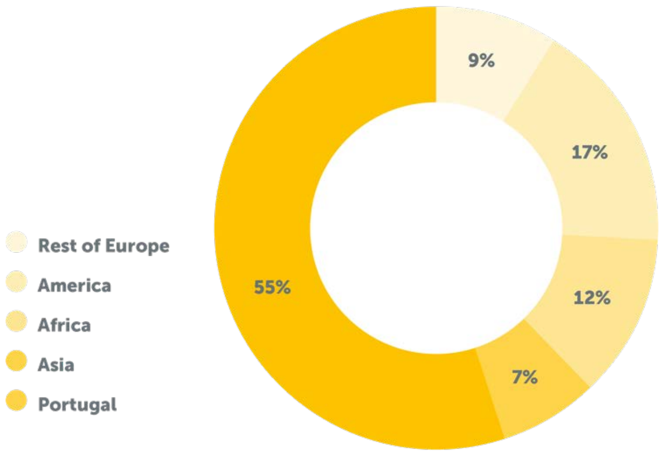
€ 701.8m

2023: € 693.3 m

+1.2%

Sales to
30 countries

TURNOVER



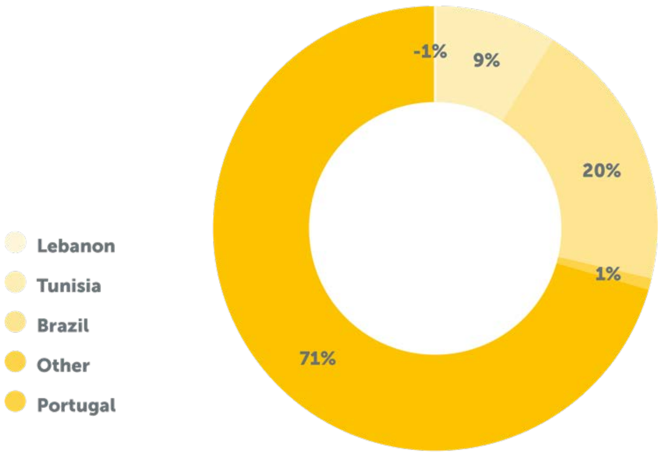
EBITDA

€ 161.6m

2023: € 155.7 m

+3.8%

EBITDA



EBITDA Margin

23.0%

2023: 22.5%

EBIT

€ 97.3m

2023: € 97.2 m

+0.1%

Net Interest-Bearing Debt

€ 305.7m

2023: € 288.1 m

+6.1%

Net Income attributable to shareholders

€ 55.5m

2023: € 53.4 m

+4.0%

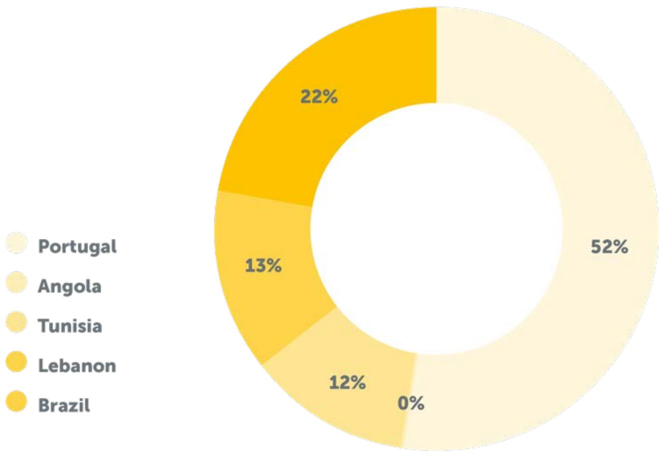
Investment in Property, Plant and Equipment

€ 75.4m

2023: € 53.1 m

+41.9%

INVESTMENTS



CO_2 Emissions (Scope 1)
Kg CO_2 per t/cementitious

-8.5%

vs. emissions of 1990 and -2% vs. emissions of 2023

Cement production capacity	8 plants	10.28Mt

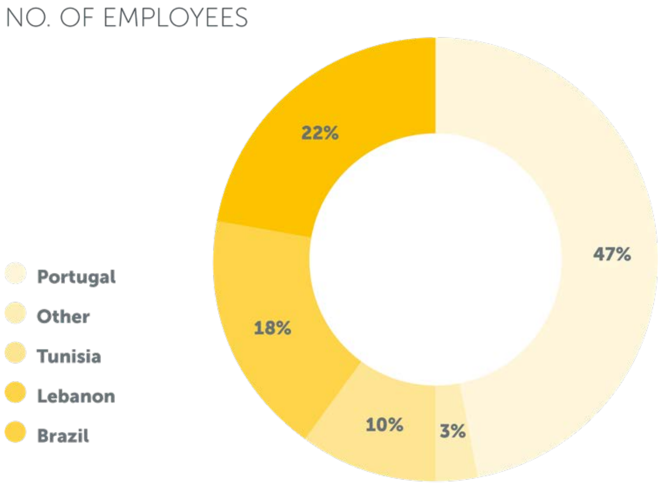
No. of Employees

2,573[1]

2023: 2,453

+120

[1] Includes the governance bodies



Accident Frequency Rate

+14.8%

2023: 5.1%

Fatalities

0

2023: 2

Alternative fuels

25%

2023: 21%

+19%

Women in total workforce

14.5%

Quarries with implemented rehabilitation plans

90%

2023: 83%

+8.4%

Complaints on severe human rights incidents

0

Sustainable financing

57%

2023: 34%

+67.6%

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02. Secil Group profile

2.1 Who we are

Secil is a business group founded in Portugal, dedicated to the production and sale of cement, concrete, aggregates, mortars and hydraulic lime. Featuring a history that dates back almost 100 years, we have always promoted quality construction, based on solidity, safety and comfort.

Secil's identity is based on our Mission, Vision and Values, as well as our Code of Conduct, which guides our actions. These principles not only differentiate the company but are also the foundation of our organisational culture. They are the key pillars that guide the Group as a whole, underlying every action and strategic decision.

For this reason, the process of defining these principles was decisive, resulting from close collaboration and involving all the locations where Secil operates. We created working groups in each country to ensure integration and alignment with local strategic ambitions.1

Secil's story began with the opening of its first plant in Portugal, in Outão (Setúbal), in 1904. Since then, we have taken part in the cement industry's development, and our sustainable expansion over almost a century led to operations on four continents. In 1930, resulting from the merger of two companies, Secil – Companhia Geral de Cal e Cimento was established, driving profound changes and significant technological developments ever since.

Along with the technological transformations, Secil's history also reflects a growing environmental awareness. And among various growth milestones, we note the acquisition in 1994 by Semapa of 51% of Secil and 100% of CMP – Cimentos Maceira e Pataias.

In 2023, the Maceira-Liz plant celebrated its 100th anniversary, an extremely important date given the great meaning this carried for its employees and the close bond with the local community. The commemorations of this event involved a series of festivities that not only reinforced the ties between the plant and the surrounding population, but also the plant's good standing and reputation in the region.

Semapa, which has owned the entire share capital of Secil since 2011, is a holding company listed on Euronext Lisbon (part of the PSI index) and whose majority shareholder is the Queiroz Pereira family. Featuring a solid tradition in Portuguese industry and finance, Semapa is a strategic pillar in Secil's consolidation and sustained growth.

Secil reiterates its commitment to being a responsible and innovative company, focused on creating value and satisfying the needs of our customers and partners. We strive to offer outstanding construction solutions and provide development opportunities for our people, fostering good citizenship in our communities, while generating sustainable value for our shareholders.

2.2 What we do

Boasting almost 100 years of experience, during this time Secil has developed its activities in the production and sale of cement and construction materials, gaining international recognition as a leading operator.

Although cement remains our core business, expansion into complementary sectors and the integration of companies with different expertise has substantially strengthened our market position. In addition to cement, Secil currently also produces and markets concrete, aggregates, mortars and hydraulic lime.

Furthermore, the Secil Group includes a company that operates in the circular economy, reusing waste as an alternative energy source, in line with our sustainability and environmental efficiency principles.

In order to guarantee the high-quality standard of our final products, Secil complements its offer with a range of differentiating services that support the best selection, application and maintenance of our products. This integrated approach enables us to provide an effective response to each customer's specific challenges, ensuring technical solutions that meet their needs.

Cement Applications Development Centre (CDAC)

The Cement Applications Development Centre (CDAC- *Centro de Desenvolvimento de Aplicações de Cimento*) provides specialised quality services to support our customers in the usage and application of Secil Group's products. Focusing on solving technical issues and creating innovative solutions, CDAC helps expand the potential of Secil products in the markets where we operate.

At the same time, CDAC plays a strategic role in developing solutions for the current challenges in construction and decarbonisation. One example of this is the project LowCBionic, whose goal is to obtain structures with organic shapes in low carbon concrete, produced from 3D printing. This challenge involves the development of an advanced cement-based material that can be used in three-dimensional printing equipment.

Technical Support and Laboratory Services

Through our Quality and Environmental Laboratories, Secil diagnoses specific issues, conducts critical analyses and performs the necessary trials to find the right solutions. In addition to certification and technical support, Secil has a prescription team that collaborates with architects and construction owners to suggest the best technical solutions for their projects.

Logistics Service

Secil features a comprehensive logistics network that includes land and maritime transport, ensuring efficient product delivery directly from the production plants or warehouses to our customers or their construction sites.

Customer Support

Secil's Documentation Centre provides a wide range of technical resources — such as data sheets, manuals, application diagrams and other documents — to support our customers in their daily construction challenges. Additionally, we have dedicated helplines to clarify doubts and offer personalised assistance.

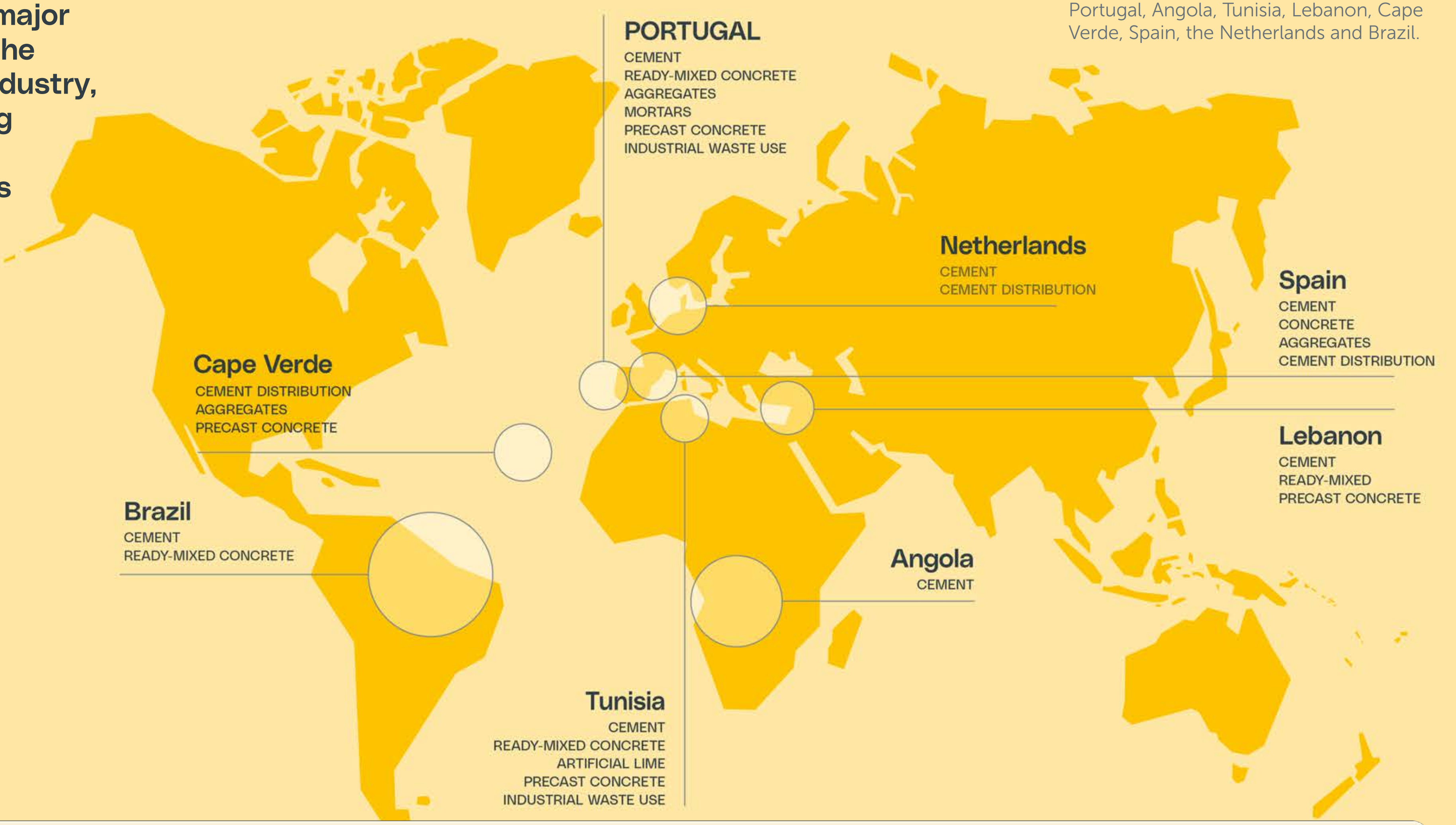
Waste Treatment and Environmental Commitment

Through AVE – a company in the Secil Group that specialises in waste use solutions –, Secil features advanced and environmentally sustainable technologies for waste co-processing. This approach reinforces the Group's commitment to sustainability and increasingly eco-conscious practices.

2.3 Where we operate

The Secil Group operates in eight countries on four continents, with 2,453 employees and an annual cement production capacity of over 5 million tons, across seven plants. The Group currently has operations in Portugal, Angola, Tunisia, Lebanon, Cape Verde, Spain, the Netherlands and Brazil.

Secil is a major player in the cement industry, developing several operations in various countries around the world.



2.4 Mission, vision and values

Mission

Shaping ideas by providing cement solutions to our customers, stimulating careers for our people, upholding civic responsibility in our communities and delivering value to our shareholders.

Vision

In the communities where we serve, we strive to be our customers' preferred cement solutions provider.

Values

People	• We value other people's perspectives. • We help people do their best. • We show empathy and listen before offering guidance. • We work tirelessly to guarantee everyone's safety.
Integrity	• We show respect, valuing all individuals and all ideas. • We are honest and trustworthy in our relationships with other people. • We uphold the highest ethical and safety standards. • We recognise our colleagues' best characteristics, and act accordingly.
Responsibility	• We are accountable for our actions and results. • We focus on finding solutions and achieving results. • We apply sustainable practices in our business. • We are committed to building a healthy and safe work environment.
Performance	• We are results-oriented and deliver on our promises. • Our goal is to continuously improve ourselves and our processes. • We learn from mistakes and successes in equal measure. • We encourage sincerity as a way to improve decision making.
Collaboration	• Together, we are stronger and can deliver more. • We believe that shared goals and mutual support lead to success. • We celebrate our achievements collectively. • We promote trust and thoughtfulness, as these enhance collaboration.

2.5 Secil's strategic cycle "Ambition 2025": Focus on Execution and Impacts in 2025

Em In 2024, the Secil Group consolidated its commitment to implement the strategy 'Ambition 2025'. Following rigorous work carried out the previous year to prioritise and develop the projects, in 2024 the focus was on execution, getting the initiatives off the drawing board and into the implementation stage. The goal was to ensure that the projects reached full maturity, to roll out the necessary investments and guarantee an effective impact by 2025.

Key Breakthroughs in 2024:

Throughout the year, several projects reached important milestones, strengthening Secil Group's position as an innovative organisation committed to operational efficiency and sustainability:

1. **Clean Cement Line at the Outão plant, in Portugal:** All stages of the project were concluded in the first half of 2024, and the operations are currently in the stabilisation phase. This investment represents a crucial step in the modernisation of our operations, combining production efficiency gains with Secil's solid environmental commitment by substantially reducing our energy consumption and CO_2 emissions.

2. **Renovated furnace at the Adrianópolis plant, in Brazil:** Commissioned in July, this project modernised the industrial infrastructure, optimising production and increasing operational safety.

3. **Digital Transformation:** Our digitalisation strategy shifted into full deployment, creating the first tangible impacts in the Procurement department. Access to information has brought greater transparency, efficiency and flexibility to processes, consolidating digitalisation as a fundamental strategic pillar for the company.

4. **Improvements and upgrades at the Sacos (Bags) plant, in Portugal:** Commissioned in December, this project will allow Secil more attractive product branding, giving us a stronger market presence and increasing value creation for our customers.

5. **KREAR (JV between Secil & Casais):** Modular construction of the new plant was concluded, and it will be fully operational in 2025. This investment represents a step forward and a strategic focus on expanding the Secil Group to new adjacent segments.

In 2024, Secil reached a new milestone in our decarbonisation journey with the approval of the ProFuture - CCL Maceira project. Presented within the framework of the PRR (Recovery and Resilience Plan), this project includes key measures to increase energy efficiency and reinforce the use of alternative fuels. Together with initiatives already implemented, these measures will enable a reduction in greenhouse gas emissions. At the end of the project, the emission intensity is expected to be around 20% below the sector's reference value, per tonne of clinker. Furthermore, an overall reduction in energy consumption of about 20% is anticipated. This project strengthens Secil's commitment to industrial sustainability and aligns with national and European objectives for the climate transition.

The advances made in 2024 reflect Secil's ongoing commitment to excellence and innovation, demonstrating the capacity to adapt and effectively execute our strategy. We are confident that, by maintaining this pace and focus, we will be able to achieve our ambitious goals and continue to drive the sustainable growth of the Secil Group.

SECIL

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03 Sustainability information

3.1 Non-financial Information Statement

3.1.1 General information

3.1.1.1 Basis of Preparation of the Statement

Preliminary note

The Corporate Sustainability Reporting Directive[1] (CSRD) requires the disclosure of sustainability information, in accordance with the European Sustainability Reporting Standards (ESRS), with reference to the financial year beginning on 1 January 2024.

The CSRD established that Member States should transpose the directive by 6 July 2024, applicable to entities included in the terms resulting from transposition into their respective national legal systems.

The process of transposing this Directive into our legal system was not completed by the indicated date, nor by the end of 2024, and, to the best of our knowledge, it remains under consideration by the competent authorities; therefore, its effectiveness had not been realised by the date of approval of the financial information.

Secil, although exempt from the obligation to prepare a sustainability report in accordance with the ESRS, voluntarily complied with the regime set out in the CSRD, also considering the aforementioned lack of transposition within the deadlines and period described above.

1 Directive (EU) 2022/2464 of the European Parliament and of the Council, of 14 December 2022, amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards to corporate sustainability reporting.

BP-1 – General basis for preparation of the sustainability statements

Although Secil's Group is not under the legal obligation to publish this individual sustainability document of the Secil Group[2], as the holding company of Secil Group - Semapa Group - already publishes a consolidated sustainability report, Secil Group has chosen [ESRS 2.5b-2] to publish its own document, in line with our commitment to transparency.

Scope of Consolidation

The scope of consolidation of this non-financial information statement was the same as that of its financial statements, considering all companies and geographies of the Secil Group. Whenever this was not possible, a note to that effect is included in context. It covers information and data aligned with the 2024 calendar year, spanning the period from 1 January to 31 December. For disclosures related to Scope 1 and 2 GHG emissions (E1-6), operational control was considered in determining the scope of consolidation. [ESRS 2.5a | ESRS 2.5b1 | ESRS 2.5b2]

The Group did not omit any specific information relating to intellectual property, know-how, innovation results, or imminent facts or ongoing negotiations in its non-financial information statement, nor did it consent to the omission of any other information[3]. [ESRS 2.5d; ESRS 2.5e; ESRS 2.41]

Value Chain

Following the principle of double materiality, relevant information on the upstream and downstream value chain was included, whenever necessary to understand the material impacts, risks and opportunities of Secil Group, and to provide information that complies with the qualitative characteristics defined in the Corporate Sustainability Reporting Directive (CSRD). [ESRS 2.5c]

BP-2 – Disclosures in relation to specific circumstances

Time Horizons

The Secil Group maintained alignment with the time horizons defined in ESRS 1, that is, considering short term as up to one year, medium term as one to five years, and long term as over five years. [ESRS 2.9a]

Value Chain, sources of estimation and outcome uncertainty

This report presents data on scope 3 emissions (E1-6), using specific emission factors (EF), taking into account Secil's activity data. The percentage of scope 3 emissions calculated on the basis of primary data was 65%; the rest was estimated on the basis of the best information available. Although these calculations are based on emission factors from credible databases, they may be subject to uncertainty. [ESRS 2.10b] Although high levels of measurement uncertainty were not identified [ESRS 2.11a; ESRS 2.11b; ESRS 2.11c], Secil believes that the widespread digitalisation project currently under way to automate data collection, will improve the accuracy of collected data. [ESRS 2.10d]

Secil used estimations for disclosures of some facilities in relation to: energy consumption in some facilities for the month of December 2024 (E1-5); air pollutants (E2-4); water withdrawal (E3-4); waste production (E5-5); number of employees for one of the Secil companies (S1-6).

2 Pursuant to Article 19a (9), or Article 29a (8), of Directive 2013/34/EU
3 Exemption from disclosure of the information referred in Article 18, paragraph 1, sub-point (a), of the Directive 2013/34/EU

The values for scope 1 and 2 emissions of the cement plants are confirmed annually through external verification by the GCCA - Global Cement and Concrete Association and the European Union Emissions Trading System (EU ETS). In the remaining cases, unless otherwise indicated, the metrics disclosed in the Non-Financial Information Statement were not subject to validation by an external entity other than the report auditor [ESRS 2.11].

I Information relating to data uncertainty and estimates is presented in context, within the respective sections. [ESRS 2.10 | ESRS 2.11].

Comparative information and changes in the preparation or presentation of sustainability information

This sustainability report presents comparative information, when applicable. Historic data is not presented in cases in which the ESRS introduce differences in the calculation of some metrics compared to Secil's previous reporting practices, which are based on Global Reporting Initiative (GRI) Standards.

In relation to changes in the preparation and presentation of sustainability information compared to the previous reporting period, if applicable, these are identified together with the respective information. It should be noted that in the environmental indicators, as in previous years, the scope 1 emissions were revised, incorporating the changes from verification by the EU ETS and information that was not available at the time of publication of the previous report. [ESRS 2.13a] However, whenever corrections are made in relation to the previous year's report, this note is placed next to the metric. [ESRS 2.13b; ESRS 2.13c]

Reporting errors in prior periods

No material prior period errors were identified. [ESRS 2.14a; ESRS 2.14b; ESRS 2.14c]

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

The non-financial information statement aims to consolidate and reflect our approach and commitment to sustainability topics. It was prepared in accordance with (1) the European Sustainability Reporting Standards (ESRS). [ESRS 2.15]

As prescribed by the ESRS, we also include disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation, of 18 June) – presented in Chap. 3.1.2.1. – and a list of datapoints in cross-cutting and topical standards that derive from other EU legislation, in accordance with Appendix B of ESRS 2.

Secil also reports with reference to the GRI Standards – Global Reporting Initiative (Chap. 3.2.1). Secil also reports the indicators of the GCCA – Global Cement and Concrete Association (Chap. 3.2.2.) and the indicators according to the framework established for sustainable financing (Chap. 3.2.3). [ESRS 2.15]

Incorporation by reference

Secil adopted the “Incorporation by reference” approach to improve the narrative structure of the report and placed certain disclosure requirements throughout the annual report and within the non-financial information statement itself. The disclosure requirements incorporated by reference and their location in this report are listed in Chap. 3.1.5.1.3 [ESRS 2.16]

3.1.1.2 Sustainability governance

GOV-1 – The role of the administrative, management and supervisory bodies

Role and responsibilities of the administrative, management and supervisory bodies

Secil believes that addressing environmental, social and economic risks and opportunities requires a structured governance model.

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.2.5).

In 2021 and 2022, we identified the working teams, priorities and targets for the topics in the framework.
This definition resulted in various specific roadmaps which, together, determine the course of Sustainability at Secil.
Of these, we note:

- Decarbonisation;
- Stakeholder engagement;
- Health and safety;
- Diversity;
- Sustainable financing;
- Human rights.

Thus, Secil's structure is aligned with governance best practices, maintaining a **Board of Directors** (BoD), which delegates day-to-day management to an **Executive Committee** (EC). [G1.GOV-1_01 | G1-5a] The Board of Directors is responsible for managing the Company's activities and making decisions on any matter relating to the management of the Company, or others not included in the exclusive powers of the General Meeting.

Created in 2016, the Sustainability Committee 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 on a quarterly basis, for the main purpose of disclosing the sustainability performance in the defined topics to the entire organisation, as well as monitoring the projects that are part of the Global Sustainability Roadmap.

Sustainability Governance

The company is supervised by a **Supervisory Board** (SB) and statutory auditor or a statutory auditing firm that is not a member of that body. In 2024, the Supervisory Board was comprised of three full members, one alternate member and a statutory auditor. [ESRS 2.22a]

Secil features the following internal structures responsible for impacts, risks and opportunities, which are reflected in different ways in the Group's terms of reference, the mandates of the Board of Directors and other related policies. [ESRS 2.22a; ESRS 2.22b]

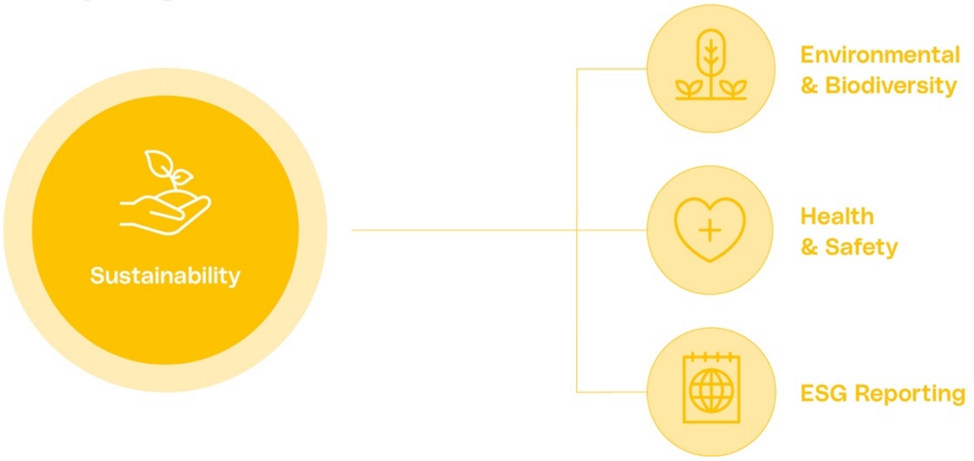
- The **Sustainability Committee** was created in 2016 and expanded in 2023 to include all the corporate departments and all the people involved in the four pillars: Environmental, Social, Governance and Economic. This committee meets on a quarterly basis and aims to inform the entire organisation about the sustainability performance in the defined topics, as well as monitor the projects that are part of the Global Sustainability Roadmap. It includes managers and technical experts in these subjects, and is responsible for monitoring progress, overseeing strategic projects and ensuring that the defined targets are achieved.

- Secil's **Sustainability Department** was created in 2023 (sustainability organisational chart) to coordinate all of our business activities and geographies where we operate, relating to our sustainability framework (Chap. 3.1.1.3). The department follows a decentralised and collaborative model, as the sustainability topics are distributed across different departments and integrated into the respective roles. Coordination of the activities related to ESG+E is handled by the Group's **Sustainability Department**, which coordinates the business activities and geographies where it operates, concerning the topics in the sustainability framework (Chap. 3.1.1.3), which includes, among other things, developing policies, monitoring sustainability performance and identifying risks and opportunities. The sustainability framework describes, by ESG+E pillar (E - environmental, S - social, G - governance, and E - economic), the sustainability topics addressed by Secil Group.

The department's main roles include:

- Developing and implementing the sustainability strategy;
- Monitoring and reporting on sustainability performance;
- Managing sustainability-related risks and opportunities;
- Engaging internal and external stakeholders.

Sustainability organisational chart



At Secil, the responsibility of managing, monitoring and overseeing sustainability matters is shared between the Sustainability Committee, the Sustainability Department and the parties responsible for the ESG+E pillars.
The **global parties responsible for each pillar** define objectives for each topic, and **the local parties responsible for each pillar in each geography where Secil operates** (Portugal, Brazil, Tunisia and Lebanon), are responsible for implementing the global strategies adapted to the local realities. Oversight of the specific actions in the roadmaps for the topics found in the sustainability framework is performed through **meetings to monitor the pillars (ESG+E).** In addition, Secil features **policies** to define the principles for all employees (central), as well as **procedures. Sector-specific roadmaps** are also followed, for subjects such as decarbonisation, health and safety, sustainable financing and human rights. [ESRS 2.22c; ESRS 2.22c-1]

Each management and supervisory body consider the framework topics under their direct responsibility when overseeing Secil's strategy, making decisions and managing the associated risks. This approach ensures that each department in the organisation integrates sustainability topics into its operations efficiently, while the Sustainability Department coordinates all the work to ensure strategic alignment in all geographies where Secil operates. [ESRS 2.22b; ESRS 2.22c-1]

Within the scope of governance practices (Chap. 3.1.4.1), which are shaped by policies such as the Code of Conduct, compliance with ethical and sustainable standards is a fundamental pillar at all levels of the organisation, which is essential to formalise responsibilities for the IROs.

At Secil Group, Management plays a key role in the governance, control and oversight of procedures used to monitor and manage these material IROs, and this work is undertaken in a structured and collaborative manner.

Dedicated controls and procedures are applied in the management of sustainability topics (specific roadmaps), integrated with internal functions, guaranteeing a coordinated and effective approach, where we note: [ESRS 2.22c-3]:

- Environmental topics, monitored and overseen through monthly dashboards;
- Deviations from policies and/or Code of Conduct, via the Integrity Channel, within the company's legal and compliance department;
- Supplier management has dedicated controls and procedures in the procurement department;
- There are various dedicated health and safety procedures to manage impacts and risks.

In addition, the targets and KPIs defined in the sustainability framework are monitored by the Administrative (Executive Committee), Management and Supervisory Bodies, as well as Senior Executives in all Sustainability Committees, in meetings held four times per year. [ESRS 2.22d]

Composition and diversity of the administrative, management and supervisory bodies

At the end of 2024, the Board of Directors was composed of ten members: seven non-executive directors and three executive directors, including one woman. [ESRS 2.22a] The Supervisory Board consisted of three full members, one alternate, and one Statutory Auditor. [ESRS 2.22a]

Representation of employees in the company's governing bodies is ensured through the participation of the Human Resources Manager, Isabel Moisés, who has been part of the Group Management Team (GMT) since 2023; the GMT is a Secil management structure. In 2024, this representation was increased, as Ms. Moisés was appointed to the Executive Committee, thereby ensuring that employee views and interests are taken into account in decision-making processes. [ESRS 2.21b | 21d]

Composition and Diversity | administrative, management and supervisory bodies	No. of members	%
Executive Vs. Non-Executive		
Executive members	3	
Non-Executive members	10	
Independent members	N/A	
Male Vs. Female		
Male	11	90%
Female	2	10%
Other	0	0%
Undisclosed	0	0%
Total	**13**	**100%**
Gender diversity in the Board of Directors (Index)	**0,1**	

Skills and expertise

The skills of the members of our governing bodies derive from their academic education, professional experience and training/participation in internal and external upskilling programs. The table below indicates the main areas of expertise of the members of the BoD. [ESRS 2.21c | ESRS 2.23a]

Skills of the Board of Directors

	Ricardo Pires	Otmar Hübscher	Carlos Medeiros Abreu	Carlos Coelho Alves	Carlos Correia de Barros	Gian Raffainer	Hugo Pinto	Isabel Viegas	Vítor Paranhos Pereira	Sérgio Martins
Position/Key skills	Chairperson	Vice-Chairperson/ CEO	Board Member	Board Member	Executive Board Member /CFO	Executive Board Member /COO	Board Member	Board Member	Board Member	Board Member
Business Leadership	X	X		X		X	X		X	X
Financial and Risk Management	X	X			X	X			X	
Mergers and Acquisitions	X				X		X		X	X
International Expansion	X	X	X		X	X			X	X
Sales Management										X
Strategic Planning	X	X		X	X	X	X		X	
Talent Management	X	X				X		X	X	
Research and Development			X					X		
Information Technology					X				X	X
Industrial Experience			X	X		X	X			X
Environment and Sustainability	X	X	X			X			X	X
Legal	X	X						X		X

Secil Academy

Secil created the Secil Academy to train and develop our people's skills. Through this academy, the company is currently developing several sustainability-related training courses for our Administrative, Management and Supervisory bodies, as well as other employees, to guarantee expertise to oversee sustainability matters. [ESRS 2.23]

Secil Academy

Secil Academy is a training centre and strategic lever for Secil's growth, which prepares employees to face present and future challenges. The academy originated from a strategic need to empower Secil employees with a common set of skills in line with the Group's values. For this purpose, four schools were created within the Secil Academy: the technical school, management school, safety school and leadership school. [ESRS 2.23].

Altogether, in accordance with the internal training initiatives provided over the last three years (2022 to 2024), our governing bodies acquired skills in operational safety (health and safety of our own workforce and value chain workers), sustainability and environmental responsibility, as well as ethics and compliance, which are directly related to several IROs identified (social, environmental and governance, respectively). [ESRS 2.23a/b | G1.5b] We note below training courses in 2024 attended by members of our governing bodies:

- Upskilling;
- Performance system - Secil compensation model project;
- Secil Leader & how to give feedback;
- Physhing;
- ESG awareness.

Participation in these sessions has helped build expertise among members of the administrative, management and supervisory bodies, in regard to business conduct. Their knowledge in sustainability-related matters is also leveraged through participation in institutional events with various Group stakeholders, such as Associação Técnica da Indústria Cimenteira, Conselho Empresarial para o Desenvolvimento Sustentável, Global Cement and Concrete Association, and Cembureau. ESRS 2.23a/b]

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Within the Group, all bodies are duly informed quarterly about the performance of sustainability topics, including the implementation of due diligence, as well as the results and effectiveness of the policies, actions, metrics, and targets adopted to address them. [ESRS 2.26a] As sustainability is one of the key pillars of the **Ambition 2025** strategic cycle (Chap. 2.5), the sustainability framework is the instrument that organises and steers the different sustainability themes and topics. [ESRS 2.26b]

The double materiality assessment, whose findings were approved by the Executive Committee in January 2025, is being progressively incorporated into Secil's sustainability framework (section 3.1.1.3 Strategy), with the necessary depth, as the results of the process did not fully coincide with the topics previously defined in the framework, despite corresponding to them in most cases. These topics are being incorporated by the respective departments, and the administrative, management and supervisory bodies are informed by the Sustainability Department, along with those in the Sustainability Committees responsible for each pillar (ESG+E), where these topics are addressed or in other more specific thematic forums. Details of all the material IROs identified in the double materiality assessment are presented in context in the chapters corresponding to the topics, and those covered by the framework are presented in the respective chapter (Chap. 3.1.1.3). [ESRS 2.26a; ESRS 2.26b;]

Among the sustainability topics/IROs analysed by the administrative, management and supervisory bodies, or by the competent committees, during the reporting period, we identify the following [ESRS 2.26c]:

- The impact of the new directive by the European Sustainability Reporting Standards;
- Development of a new double materiality assessment for all companies in the Group;
- The IROs identified in the double materiality assessment undertaken in 2024 and prepared in accordance with the ESRS were approved by the Secil Executive Committee;
- The impact of scope 3 emissions on Secil's total emissions;
- The most relevant decarbonisation projects;
- ESG scores and principal points for improvement;
- Topics relating to health and safety and internal employees;
- Topics relating to the sustainability framework (ESG+E), monitored quarterly.

GOV-3 – Integration of sustainability-related performance in incentive schemes

The Group features various KPIs related to sustainability topics such as health and safety, CO_2 emissions and ESG rating, among others, which are reflected in the performance assessment of the members of Secil's Executive Committee and Board of Directors[4]. These KPIs present the same characteristics as other matters associated with performance assessment, which is valid for all levels of leadership, in other words, the bonus varies according to the result. These conditions are duly approved and updated annually. At the same time, our emphasis on the safety topic is reflected in an annual target shared by the organisation, based on proactive indicators, which carry a weight of 5% in the final performance assessment and contribute to the annual bonus. [ESRS 2.29 | ESRS 2.29a | ESRS 2.29b | ESRS 2.29c | ESRS 2.29e]

Approximately 5% of the variable remuneration is dependent on sustainability-related targets and/or impacts; this value was estimated. [ESRS 2.29d]

Secil takes climate change-related impacts into account in the remuneration of some members of the administrative, management and supervisory bodies [E1.GOV-3].

GOV-4 – Statement on sustainability due diligence

For information related to the due diligence statement, consult the ESRS correspondence tables (Chap. 3.1.5.1.4).

4 Does not include members of Semapa's Board of Directors.

GOV-5 – Risk management and internal controls over sustainability reporting

The scope and principal characteristics of the risk management and internal control processes and systems in relation to Secil's sustainability reporting include strict measures for data incorporation, validation and revision to guarantee the accuracy and integrity of the information reported throughout the whole Group. Quantitative data is managed via a centralised platform that records who is responsible for each data entry and requires the mandatory upload of supporting documents to ensure traceability and information verification. Furthermore, the platform was configured so that data is validated by people other than those who enter it, ensuring double verification and increasing the reliability of the process. For qualitative data, focal points were identified to take charge of each ESRS topic, responsible for providing the necessary information for the non-financial information statement. In addition, each chapter of the non-financial information statement is revised by different levels of the organisation, ensuring a multidimensional analysis and alignment with the corporate and regulatory commitments. [ESRS 2.36a]

In Secil's risk management process, there is an ESG performance risk that includes, among other topics, the completeness and quality of the sustainability data. This process also includes mitigation measures, and implementation is monitored annually by internal management control. [ESRS 2.36b] This ESG performance risk implies the execution of mitigation strategies, such as improving the reliability and availability of ESG data collection systems, periodic disclosure and external verification of sustainability information, and digital technology to support ESG information management systems. [ESRS 2.36c]

Following the risk management and internal control process in relation to sustainability reporting, the mitigation measures were listed and responsibility for their implementation delegated to the respective departments. Execution of these measures is monitored by internal management control on an annual basis. [ESRS 2.36d]

There is an annual occasion for discussion of risk results at the Secil Board of Directors.

3.1.1.3 Strategy

SBM-1: Strategy, business model and value chain

Information about services and products offered, including any changes in the reporting period, in other words, new/removed products and/or services, is found in chapter 2.2. [ESRS 2.40a-1] Likewise, the markets served by Secil should be consulted in chapter 2.3 [ESRS 2.40a-2]; none of the products or services provided by the company are banned. [ESRS 2.40a-4]

In relation to significant customers, there are four major groups, namely [ESRS 2.40a-1]:

- **Distribution / Retail**, which includes wholesalers, retailers and major distribution chains – resellers of Secil products, on margin;
- **Construction Industry**, which includes construction and civil engineering companies or, under a different name, construction and public works companies;
- **Construction product manufacturing**, namely Precast concrete plants and Ready-Mixed Concrete plants;
- **Other Customers** that are more difficult to typify, such as mining operations.

The following information is incorporated by reference to other sections of this report:

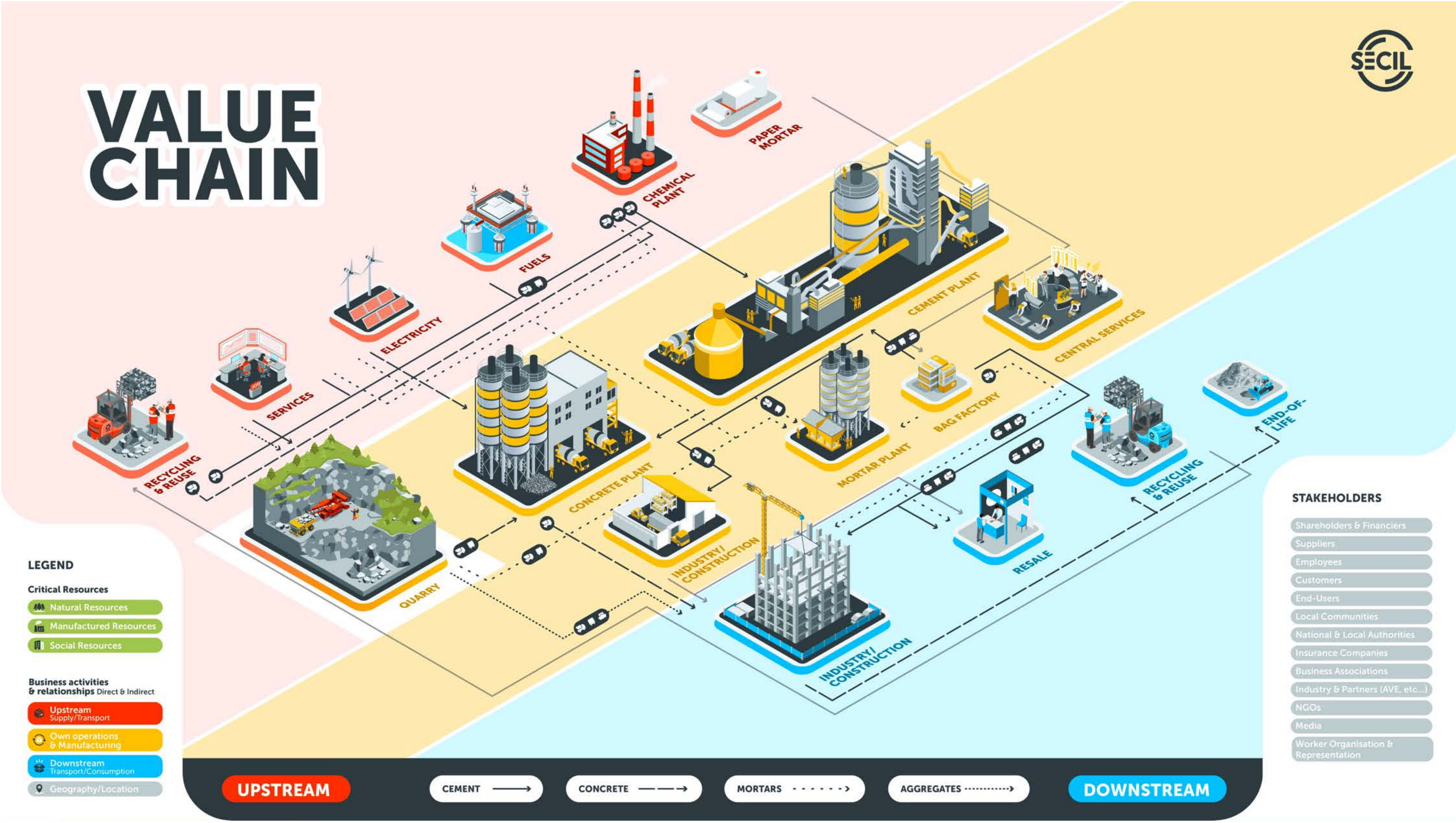
- Number of employees by geographical area/country (ESRS 2.40a-iii): Chap. 3.1.3.1 - Characteristics of the company's employees (S1-6).

Business model and value chain

Secil's **business model** is based on the production and sale of essential construction materials, such as cement, concrete, aggregates, mortars and hydraulic lime, complemented by technical support, logistics and innovation services. This integration allows us to build synergies between our different operations, guaranteeing efficiency and a comprehensive range of innovative and high-quality solutions for our customers. [ESRS 2.42]

In addition, Secil operates in an integrated manner in several geographies, with operations in eight countries on four continents, which reflects our ability to diversify markets and adapt to different contexts and local needs. Our business strategy is based on seven elements: customer, sustainability, innovation, people, operational performance, scale and diversification, and financial, supporting long-term objectives, such as achieving carbon neutrality by 2050. The combination of corporate governance, integrated production and connection between businesses consolidates sustainable value creation for our shareholders, local communities and other stakeholders - see Chap.2.3 ("Where we operate") and Chap. 2.2 ("What we do"). [ESRS 2.42]

The figure below represents Secil's value chain, distributing our activities upstream, in our own operations and downstream, as well as the relationship with key suppliers, distribution channels and customers. [ESRS 2.42c].


VALUE CHAIN
PAPER MORTAR
CHEMICAL PLANT
FUELS
ELECTRICITY
SERVICES
RECYCLING & REUSE
CEMENT PLANT
CENTRAL SERVICES
CONCRETE PLANT
BAG FACTORY
MORTAR PLANT
QUARRY
INDUSTRY/ CONSTRUCTION
RESALE
RECYCLING & REUSE
END-OF-LIFE
INDUSTRY/ CONSTRUCTION
LEGEND
Critical Resources
Natural Resources
Manufactured Resources
Social Resources
Business activities & relationships Direct & Indirect
Upstream Supply/Transport
Own operations & Manufacturing
Downstream Transport/Consumption
Geography/Location
STAKEHOLDERS
Shareholders & Financiers
Suppliers
Employees
Customers
End-Users
Local Communities
National & Local Authorities
Insurance Companies
Business Associations
Industry & Partners (AVE, etc...)
NGOs
Media
Worker Organisation & Representation
UPSTREAM
CEMENT
CONCRETE
MORTARS
AGGREGATES
DOWNSTREAM

Secil's main **inputs** include raw materials such as limestone and clay, energy, skilled labour, advanced technology and financial resources. These factors are essential to sustain the company's integrated production, which ranges from extraction to the sale of products like cement, concrete, aggregates, mortars and hydraulic lime. In addition, Secil is committed to using alternative fuels and secondary raw materials, in line with circular economy practices and reducing the dependence on natural non-renewable resources. [ESRS 2.42a]

Our approach to gathering, developing and securing these inputs, combines technological innovation, digitalisation and operational optimisation. Secil uses a global network of suppliers and partners to guarantee a continuous supply of raw materials and energy, as well as investing in Research, Development and Innovation (RDI) projects. At the same time, the company promotes continuous employee training and engagement, which increases the quality of our work and the ability to adapt to strategic challenges. [ESRS 2.42a]

Secil's **outputs** include a wide range of products such as cement, concrete, aggregates, mortars and hydraulic lime, all produced according to high quality standards and in line with global market requirements. Furthermore, the company provides complementary services, such as technical support, laboratory services and advanced logistical solutions. These outputs guarantee not only the functionality and durability of construction works, but also offer efficiency and innovation. This commitment enables us to deliver more than construction materials: we aim to create spaces where customers can build homes and infrastructures that offer comfort, safety and well-being. [ESRS 2.42b]

The **outcomes** generated benefit various stakeholders: [ESRS 2.42b]

- **For our customers,** Secil offers materials and services that not only meet their expectations, but also provide a reliable and innovative construction experience.
- **For our investors**, the company represents a solid investment, with robust and sustainable financial results.
- **For our employees,** Secil offers an inspiring working environment and good conditions, enabling them to contribute to customer satisfaction and the company's success.
- **For our communities,** Secil adopts a "do no harm" approach, minimising negative impacts and promoting local initiatives.
- **For our regulatory bodies,** the company delivers reliable outcomes that build trust and integrity in compliance with legal requirements.

Sustainability-related information

Sustainability is a key element of our Ambition 2025 strategy, which has a very clear objective: to grow in a sustainable manner until reaching an EBITDA of more than 200 million euros. [ESRS 2.40g]

As a Group with a strong position in the cement industry, our objective is to be our customers' preferred supplier and to offer products with a low carbon footprint. Therefore, we measure this target by increasing customer satisfaction and improving the Net Promoter Score (NPS). In addition, we take action to achieve this objective, which is reflected in our sustainability framework - Ambition 2025 | Sustainable Growth - in the following topics: [ESRS 2.40e]

1. Customer focus, covered by the economic pillar;

2. Products with a low carbon footprint, covered by the environmental pillar, such as carbon neutrality and circular economy.

In addition to our customers, other stakeholders are involved through the stakeholder engagement topic in the social pilar, which aims to manage all the stakeholders involved. [ESRS 2.40e]

The double materiality analysis process, revised in 2024 and finalised in 2025, aimed to identify the material Impacts, Risks, and Opportunities (IROs) for the Secil Group, framed within the Semapa Group, already aligned with the European Sustainability Reporting Standards (ESRS).

The following information is incorporated by reference to other parts of the management report:

- Exemption from disclosure of the information referred to in Article 18(1)(a) of Directive 2013/34/EU (ESRS 2.41): note 2.1 relating to the business segments of the Financial Statements.

Sustainability framework

E Environmental

- Carbon neutrality
- Air emissions
- Circular economy
- Energy
- Natural resources

S Social

- Health and safety
- Stakeholder engagement
- Social responsibility
- Diversity, Equity & Inclusion
- Human and labour rights

G Governance

- Corporate governance
- Organisational strategy
- Ethics, Integrity & Compliance
- Sustainability management
- Reporting

E Economic

- Sustainable economic growth
- Sustainable financing
- Sustainable procurement
- Customer centric

One page Strategy

AMBITION
Sustainable Growth | 2025

Sustainable Growth

We want to be recognised as a sustainable company that is committed to achieving carbon neutrality by 2050.

Protecting the climate and the environment

1 Carbon Neutrality

Achieving carbon neutrality along the cement and concrete value chain by 2025

↓ Cutting CO_2 (1)(2) emissions by 30%

2 Circular Economy

Moving towards a circular economy by co-processing alternative fuels and raw materials

↑ Achieving an alternative fuel (3) use rate of 49%

Valuing people and the community

3 Local Communities

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

↑ Doubling the investment in local communities

4 Health & Safety

Achieving a health and safety culture that allows an accident frequency rate below 1.5 and zero fatalities

↓ 75% reduction in accident frequency rate (1)

5 Diversity, Equity & Inclusion

Supporting equal opportunities and promoting diversity in management decisions

↑ 20% increase in female participation

Governance Principles

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

(1) Targets 2030, baseline 2020; (2) Target approved by SBTi scope 1 & 2 (30.4%); (3) Target 2030

The Group aims to be recognised as a responsible and sustainable company by 2025, and is committed to achieving decarbonisation until 2050. [ESRS 2.40g] Furthermore, Secil intends to reconcile economic performance with sustainable development, namely the environmental, social and governance (ESG) aspects. To this end, our sustainability strategy includes various points that are structural for our business, notably: [ESRS 2.40g]

- Achieve carbon neutrality in the cement and concrete value chain by 2050;
- Contribute to a circular economy, increasing our use of alternative fuels and secondary raw materials;
- Build a health and safety culture that enables the reduction of work-related accidents and eliminates fatalities;
- Support equal opportunities and promote diversity in management decisions;
- Support local communities;
- Be our customers' preferred solution;
- Ensure the respect for human rights and employees through ethics, integrity and corporate responsibility.

We ensure sustainability management, through focus on the customer and a close relationship with our stakeholders, namely the communities, institutions and institutional partners, adopting the best practices in corporate governance and addressing the challenges that Secil's operations generate in the environment and in society. [ESRS 2.40g]

The main challenge identified at Secil for the times ahead is decarbonisation (Chap. 3.1.2.2). [ESRS 2.40g]

As part of the decarbonisation plan (Chap. 3.1.2.2), Secil plans to launch products with a lower carbon footprint. This plan sets the course for decarbonising the company's cement plants in all our geographies. Furthermore, we are planning to invest 150 million euros in decarbonisation projects, with impact on traditional levers, namely: alternative fuels and secondary raw materials, low carbon clinker, reduction in the clinker factor and thermal energy efficiency measures [ESRS 2.40f].

When surveyed about Secil's sustainability strategy, **40%** of our responding customers indicated that they were aware that this strategy existed, while **60%** responded that they were not aware of it. [ESRS 2.40f]

Revenue

In 2024, Secil generated a total revenue of more than 700 million euros. The revenue from the sectors in which the company operates is listed in note 2.1 of the Consolidated Financial Statements.

The Group does not generate revenue associated with fossil fuels (coal, oil and gas) [ESRS 2.40d-1], chemicals production [ESRS 2.40d-2], controversial weapons [ESRS 2.40d-3], or the cultivation and production of tobacco. [ESRS 2.40d-4]

The following information is incorporated by reference to other sections of the management report:

- Describe the Group’s product and/or service markets and the markets served (ESRS 2.40a-i/ii) - See Chap. 2.2.

SBM-2: Interests and views of stakeholders

Secil maintains structured engagement with different stakeholder groups, such as academia, employees, customers, local communities, regulatory authorities and investors. The plan aims to establish strategic relationships to increase our brand awareness, foster innovation and guarantee that the company's objectives are in line with stakeholder expectations. The company uses various channels and methods for interaction, such as regular meetings, events, conferences, technical visits and digital communication media, including the website, LinkedIn and emails, to ensure efficient and continuous communication. [ESRS 2.45a]

Engagement with each stakeholder group is undertaken by internally defining the person or team responsible for managing the relationship, engagement targets, relevant topics, key-messages for each group, regular engagement methods, communication channels used, frequency of interactions with each group, tools for collecting feedback, indicators of the participation or response rate of stakeholders in activities or programs organised by Secil, key performance indicators used to measure the success of engagement, and specific plans regarding initiatives to be developed for each stakeholder group. These recently established performance indicators help measure the impact of implemented actions, and are used to adjust strategies, prioritise initiatives and develop new programs that increase the trust and collaboration of stakeholders. [ESRS 2.45a-3; ESRS 2.45a-5 | ESRS 2.45b | ESRS 2.45d]

The engagement with each group, depending on the category of stakeholders, serves different purposes, namely: [ESRS 2.45a-4]

Secil Group's key stakeholders with whom engagement occurs, are: [ESRS 2.45a-1 | ESRS 2.45a-2]

Stakeholder group [ESRS 2.45a-1]	**Purpose of engagement** [ESRS 2.45a-4]
Academia: Higher education institutions, teaching institutions and Research and Development centres.	Higher education institutions: Establish relationships to increase the company's attractiveness among young talent. Teaching institutions: Promoting and stimulating Secil's activities and products. R&D centres: Mobilise academia to support the development of our Research, Development and Innovation projects.
Shareholders: Semapa	Communicate in a transparent and effective manner to facilitate decision-making.
Sectoral business associations: National and international (example: GCCA)	National: Increase our reputation and awareness as a responsible and sustainable company. International (Ex: GCCA): Recognition as a sustainable and responsible company.
Customers: Distribution, industry, construction, real estate developers and prescribers.	In the communities that we serve, we want to be our customers' preferred supplier of cement solutions.
Employees: Direct and indirect.	To be the preferred company of the people we want to attract, retain and develop.
Employee representation structures	Establish relationships to guarantee labour stability.
Media: Local and national (specialised).	Local: Increase our reputation and awareness as a responsible and sustainable company. National (specialised): Communicate Secil brands and solutions, defend and promote construction with concrete, and increase our reputation and awareness as a responsible and sustainable company.

Stakeholder group [ESRS 2.45a-1]	Purpose of engagement [ESRS 2.45a-4]
Community: Local entities and NGOs| Professional orders.	We want to shape ideas, fostering responsible citizenship in our communities.
Financial entities and insurance companies: Banks and insurance companies.	Recognition as a sustainable and responsible company.
Official entities: Central government, regional and local government, public institutes and regulatory entities.	We act responsibly and pursue compliance with the standards and directives that govern us, with transparency.
Suppliers, partners and providers: Suppliers/service providers and business partners.	Suppliers/service providers: Establish mutually beneficial relationships with our suppliers. Business partners: Align strategies and share best practices, especially relating to environmental sustainability and innovation.

Secil has a **formal stakeholder engagement policy**, approved by the Executive Committee (Chap. 3.1.4.1), which establishes that stakeholders are consulted regularly to understand their concerns and interests. Whenever necessary, the findings of regular consultations are taken to the Executive Committee by the party responsible for each stakeholder. Another period of engagement is planned in future double materiality assessments. This engagement enables Secil Group to understand the interests and views of our stakeholders, producing different impacts on the company's strategy and business model: [ESRS 2.45b | ESRS 2.45d]

1. Stakeholder engagement: Secil interacts regularly with various stakeholders, such as academia, as mentioned at the beginning of this section.

2. Environmental monitoring commission: At our Adrianópolis plants in Brazil, and the Maceira-Liz and Outão plants in Portugal, Secil has a mechanism for regular interaction with stakeholders in the communities surrounding these manufacturing units, named Environmental Monitoring Commissions, which meet three or four times per year to analyse these facilities' environmental and safety performance, as well as share the expectations and needs of these communities. The mechanism has been in place at the Secil Outão plant since 2003 (held its 110th meeting), at Maceira since 2006 (40th meeting) and in Adrianópolis since 2015. [ESRS 2.45b | ESRS 2.45d] These forums include the participation of representatives from the central and local authorities, teaching establishments, health units, environmental and local development associations, firefighting brigades and other relevant entities from each community. The meetings are attended by company officials, from members of the Board to technical staff responsible for the departments involved in each topic analysed. [ESRS 2.45b | ESRS 2.45d]

At the same time, when relevant, specific issues that are the subject of formal complaints or information requests are shared with the Board to define the response given to stakeholders. [ESRS 2.45b | ESRS 2.45d]

3. Meetings with the parties responsible for the respective stakeholders: where more specific subjects are monitored and the views of these stakeholders are heard. [ESRS 2.45b | ESRS 2.45d]

4. Materiality assessment: included the parties responsible for these stakeholders, to represent their views during the materiality assessment. [ESRS 2.45b | ESRS 2.45d]. We plan to increase the engagement of all external stakeholders in future assessments.

It should be noted that in 2024 no changes were made to the company's strategy or business model. However, a new strategic cycle will be defined in 2025, which will last until 2030. [ESRS 2.45c]

The company recognises the interests, views and rights of people in **our own workforce** as key elements to define our strategy and business model. This commitment is anchored in Secil's values and Human Rights Policy. Our "People" value in particular, reflects the respect and recognition of all employees. [S1.12] In addition, Secil's Code of Conduct establishes clear guidelines to ensure ethical and responsible practices, promoting an inclusive, fair and safe working environment. [S1.12]

Including employee rights in strategic decision-making processes is guaranteed through structured mechanisms for dialogue and participation, such as:

- Regular satisfaction surveys and employee engagement. These allow us to gather opinions on working conditions, organisational culture and well-being;
- Formal and informal internal communication channels, which enable a continuous exchange of ideas, concerns and suggestions;
- Specific commissions and working groups, focused on promoting safety, health, equal opportunities and diversity in the workplace.

The collected feedback is analysed and incorporated into management decisions, shaping initiatives such as:

- Continuously improving working conditions, with emphasis on health, safety and well-being;
- Developing training and upskilling programs, creating opportunities for career advancement;
- Strengthening policies to foster a work-life balance;
- Promoting diversity and equal opportunities, eliminating barriers to inclusion and the full development of each employee;

Furthermore, **workers from labour supply companies** are also covered by these principles, namely through Secil's Human Rights Policy and Code of Conduct, which require compliance with labour and ethical standards in line with the company's values. [S1.12]

The interests, views and rights of **value chain workers**, including respect for their human rights, could be materially impacted by the company's operations. In terms of safety, contract workers working in Secil facilities are exposed to workplace risks, such as machinery, dust or hazardous materials, which can jeopardise their health and safety if adequate control measures are not implemented. Insufficient training, lack of access to protective equipment and inadequate communication of safety protocols, increase vulnerability to accidents and injury. To mitigate these risks and preserve worker well-being, it's essential to ensure a safe working environment, access to safety resources and respect for human dignity. [S2.9] In regards to health and safety, the interests, views and rights of value chain workers, including non-employee workers, directly influence Secil's strategy and business models by guaranteeing a proactive approach to occupational safety, compliance and stakeholder engagement. [S2.9 | AR5]

The mandatory and comprehensive safety integration of all contract workers that enter the company's facilities reflects our commitment to raise their awareness about the risks, protocols and emergency procedures in place, thereby generating a safety culture. Furthermore, the registration system for issuing Personal Protective Equipment (PPE), worker certifications and training records, enables continuous oversight and increases accountability, guaranteeing that all workers are duly equipped and qualified. [S2.9 | AR5]

These measures ensure respect for workers' rights to a safe environment and contribute to operational efficiency, risk management and the company's reputation as a responsible and sustainable business. Processes are also undertaken to assess suppliers and manage relationships, with joint collaboration to maximise opportunities and mitigate risks. [S2.9 | AR5]

The interests, views and rights of the **affected communities** can be materially impacted by Secil, particularly in terms of priority impacts. These impacts can be observed in several areas, such as local job creation and the promotion of fair working conditions, integration of local suppliers in the value chain and regional economic development (e.g. through investment in infrastructures, local procurement and social responsibility projects).

By aligning our practices with the material impact "Decent Work and Economic Growth", Secil increases its respect for the rights of the communities, promoting a balanced relationship between corporate interests and social well-being [S3.7]. In addition, we note the environmental impacts associated with our operations and the existence of Environmental Monitoring Commissions, an exceptional structure to build dialogue with representatives of the communities and collect information for managing Secil's operations (Chap. 3.1.2 and Chap. 3.1.3.3).

The growing concern for the communities' well-being (those affected, but also globally) impelled the sector, and consequently Secil, to incorporate more sustainable production solutions in our sustainability management, generating the urgent need to create products with less environmental impact and define a medium- and long-term roadmap that ensures a carbon neutral future [S3.7].

STRATEGY
SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Impacts, risks and opportunities

Secil's material impacts are directly connected to our strategy and business model. For example, the negative impacts, such as greenhouse gas emissions (scopes 1, 2 and 3), are directly connected to the company's business model, whose cement production generates significant emissions, namely CO_2. Secil's strategy addresses these impacts through mitigation initiatives, such as increasing our use of alternative fuels, developing low carbon products and investing in decarbonisation technology. [ESRS 2.48c-2]

Within the social pillar, the positive impact related to upskilling the workforce and continuously assessing skills, contributes to our employees' professional and personal growth. This impact is also related to the company's strategy and business model as Secil implements regular training and development programs, in line with the specific needs of our employees and the requirements of our industrial operations. These initiatives aim not only to improve our operational performance, but also promote individual growth, fostering an inspiring and inclusive working environment. [ESRS 2.48c-2]

Our contribution to the SDGs

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

In 2023, Secil rethought our contribution to the Sustainable Development Goals (SDGs), which resulted from consultations with external and internal stakeholders on the SDGs and their impact on/for Secil.

Based on the outcomes of this exercise, the strategic, relevant and supporting SDGs were defined. The strategic SDGs were maintained, but their importance and impact was increased, as these SDGs relate most directly to Secil's activities and challenges.

The relevant SDGs, namely the secondary SDGs, were adjusted to be better aligned with Secil's strategy.

A supporting SDG was also defined, SDG 17, which is essential to support and guarantee compliance with the other SDGs.

Strategic SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

Targets: 9.1; 9.2; 9.4; 9.5.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.

Targets: 12.2; 12.4; 12.5; 12.8.

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts

Targets: 13.3; 13.2; 13.3.

Relevant SDGs

3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages.

Targets: 3.4; 3.5; 3.6; 3.8; 3.9.

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Targets: 8.1; 8.3; 8.4; 8.5; 8.6; 8.8.

11 SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable

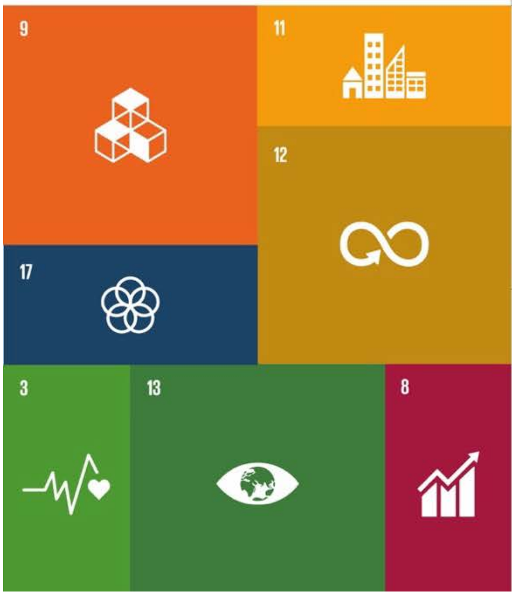
Targets: 11.3; 11.4; 11.6.

Supporting SDGs

17 PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Targets: 17.16; 17.17.



Secil's key contributions to achieve the SDGs

Environment

Helping reduce the impacts of climate change. Helping drive decarbonisation. Optimising energy consumption and using alternative energy sources, including renewables. Promoting a circular economy and efficient use of natural resources. Valuing and protecting biodiversity. Developing RDI projects and establishing partnerships to offer solutions with an impact on the construction value chain.

Social

Building close relationships and stakeholder engagement. Supporting the local community in the countries where we operate. Providing decent work, training and support for the career advancement of our employees, fostering health, safety and well-being. Upholding diversity, equity, inclusion and non-discrimination in human resources management. Promoting human rights internally and externally.

Governance

Clearly defining and monitoring goals for the commitments included in the Strategic Plan - **Ambition 2025** - Sustainable Growth. Governance model supported by rules of ethics and conduct, integrity and transparency, and accountability. Building a risk management model based on risk identification, mitigation measures, oversight and evaluation.

Economic

Driving economic growth and generating employment and wealth in the regions where we operate. Creating decent work by protecting labour rights. Driving innovation and developing new products and projects, with a focus on quality and safety. Building sustainability in our value chain and trusting relationships with customers and suppliers.

The following information is incorporated by reference to other sections of the non-financial information statement, namely for the chapters on thematic standards, for detailed information on the:

- Description of the material impacts resulting from the materiality assessment (ESRS2.48a)
- Description of the material risks and opportunities resulting from the materiality assessment (ESRS2.48a)
- Description of the time horizons (ESRS2.48ciii)
- Specification of the impacts, risks and opportunities covered by ESRS Disclosure Requirements (ESRS2.48h)

The material IROs listed throughout various chapters of this non-financial information statement, also include information related to the value chain. If the impact is located in our own operations, this means that it is generated by Secil's activities. However, if it is located upstream or downstream, it is generated by business relationships. This information is described in greater detail in the chapters addressing sustainability topics (Chap. 3.1.1.4). [ESRS 2.48c-2]

Resilience of the strategy and business model

Sustainability is a central element of the Ambition 2025 strategy, which aims to grow sustainably. It aspires to be recognised as a responsible and sustainable company by 2025, committed not only to decarbonisation by 2050, but also to its environmental, social, and governance (ESG) dimensions. [ESRS 2.48f]

Financial effects

In compliance with Appendix C of ESRS 1, Secil chose not to report information on the anticipated financial effects of the impacts, risks and opportunities. [ESRS 2.48e]

In the next annual reporting periods, Secil will undertake a quantitative analysis of sustainability-related risks and an assessment of the financial position of its assets and liabilities.

Changes to the material IROs compared to the previous reporting period

Non applicable. This is the first year in which Secil implements the Double Materiality Assessment under the CSRD. [ESRS 2.48g]

3.1.1.4 Impact, risk and opportunity management

IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

Secil is part of a group that is covered by the Non-Financial Reporting Directive (NFRD). Accordingly, Secil opted for the voluntary implementation of the new CSRD directive – information referring to the FY24 reporting period, to be published in 2025. The following presents the various implementation stages of the double materiality process carried out, as well as the methodologies applied and the results obtained.

The materiality assessment was undertaken on the basis of a comprehensive process that aims to identify, assess, prioritise and monitor potential and actual, positive and negative **impacts** on people and the environment, in the short, medium- and long-term (impact materiality, **inside-out perspective**), as well as **risks and opportunities** that may have a financial effect on the company (financial materiality, **outside-in perspective**). The assessment in accordance with these two perspectives, henceforth referred to as "**Double Materiality**", was undertaken within the context of each ESRS Standard, covering environmental, social and governance matters. [ESRS2.53a]

The double materiality assessment followed a methodological approach with four stages. This structure of the process will be revised at least once a year (or as necessary), to guarantee alignment with the latest practices. [ESRS2.53a]

1. Understanding	2. Identification	3. Assessment	1. Determination
Understand the business, value chain and related activities	Identify impacts, risks and opportunities (IROs)	Assess the IROs	Determine material topics
• Analyse internal operations, business model and available data. • Map the value chain. • Identify relevant topics. • Stakeholder engagement.	• Perform research and studies to identify relevant IROs, using sector benchmarks, internal documents and consultation with stakeholders. • Validate and prioritise the IROs identified for assessment.	• Define the threshold prescribed to impact and financial materiality. • Assess the impact materiality and financial materiality.	• Identify the IROs that exceed the established threshold. • Validate the final list of IROs and, if necessary, perform calibrations.
Outcome: Mapping of the value chain; list of relevant topics resulting from consultation with stakeholders	Outcome: Preliminary list of IROs	Outcome: Preliminary outcomes of IRO assessment	Outcome: Final list of material topics

Contextual information and identification of IROs

The initial stage took into account the business and processes of the organisation's own operations, including the geographies where the Group operates, as well as upstream and downstream business relationships (value chain mapping).

The identification stage, for the preliminary listing of impacts, risks, and opportunities, involved various sources of information, including general resources, sustainability reports, and internal resources of the Secil Group, as well as external sources. Based on the research carried out, a list was drawn up with a total of 320 IROs, developed at the ESRS sub-sub-topic level, and mapped by taking into account, across the board, Secil's business model, the geographies in which its activities are conducted, and their positioning along the value chain. [ESRS2.53a | ESRS2.53bi/ii/iii | ESRS2.53g]]

General Resources	Sustainability Report	Internal resources	External resources
Prior to identifying the impacts, risks and opportunities, regulatory instruments and guidelines were consulted, in order to apply the double materiality assessment. • Delegated Regulation (EU) 2023/2772; • EFRAG IG1 Materiality Assessment; • EFRAG IG2 Value Chain; • EFRAG IG3 List of ESRS Datapoints (explanatory note + excel).	An IRO baseline was developed through the review of existing reports. Among these, the following stand out: • Secil – 2023 Sustainability Report	Review of internal resources relevant to the identification of IROs and to the definition of the assessment methodology. • Materiality assessment of Semapa Group and its companies in 2022 and 2023; • Semapa Group – list of risks and opportunities identified; • Risk assessment methodology (ERM).	Consultation of external information sources relevant to Secil's business segments. Among the applicable ones, the following stand out: • TNFD. Draft Sector Guidance – Construction Materials; • Repertory of the consulting firm's IROs.

In addition to the resources listed above, for the completion of the four phases of the double materiality analysis, inputs from various internal specialists who participated in the different validation and assessment workshops were considered.

Description of the processes to identify and assess the environmental IROs

As mentioned above, the Double Materiality Assessment considered all ESRS Standards, and the same methodology and criteria were used to determine and assess the IROs identified in each thematic standard. Furthermore, specific aspects were considered within the context of some thematic standards, particularly environmental, which are presented below.

The environmental aspects were determined for Secil activities, products and services covered by the scope defined for the Environmental Management System. The cement factories in Portugal have their environmental management system certified under NP EN 14001:2015 and the Eco-Management and Audit Scheme (EMAS). In accordance with these two methodologies, the determination of environmental aspects and impacts, as well as the identification of risks and opportunities associated with environmental aspects in operations, is carried out. The EMAS declaration publishes all information related to the environmental aspects with the most significant impact, as well as the policies and measures adopted to minimise negative impacts and enhance positive ones. The plant in Tunisia and Lebanon also feature ISO 14001:2015 environmental certification, which includes the management of environmental aspects. The plant in Brazil implemented an Environmental System, but the facility is not certified under ISO standards. Secil's policy aims to ensure that all the requirements of the plants' environmental licenses are met, in relation to the control and prevention of pollution generated by our industrial operations, taking into account the best practices and best techniques/technology currently available (MDT).

To identify **environmental IROs**, we took into account information resulting from the Identification and Assessment of Environmental Aspects and Impacts, as well as the corresponding LAIA matrices - Determination of environmental aspects, and respective risks and opportunities for the Outão, Maceira and Pataias plants, offices and depots.

In 2024, Secil launched the process to identify climate-related risks and opportunities in our own operations and along the upstream and downstream value chain (Chap. 3.1.1.3). This exercise is being undertaken in accordance with recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD) [E1.IRO-1|E1.20b |E1.20c c|E1.21].

In relation to Secil's own operations, the cement business – particularly our plants – stands out as the location with the most relevance in terms of impact of **pollution**. These sites feature an environmental roadmap that defines a set of actions to be implemented. [E2.AR9]

In 2024 Secil also performed a socioeconomic impact assessment/study in Maceira and Outão, which includes the rehabilitation and **biodiversity** component in our quarries and a survey of the population regarding the Outão site, addressing the main environmental issues. [E4.17e] It should be noted that quarrying associated with the cement industry and aggregates production has negative impacts on **habitats and fauna and flora species**. Rehabilitating exploited areas is a legal obligation of cement producers in Europe. In the case of Secil, the recovery of these areas is even more important when they are located in classified areas, such as the Arrábida Natural Park and Natura 2000 network. Restoring degraded ecosystems is a considerable scientific challenge, especially when there is a high level of degradation, as is the case with quarries, requiring extensive basic ecological knowledge. From an early stage, Secil has endeavoured to develop solutions supported by applied research projects, in partnership with universities and researchers specialised in ecosystem restoration. [E4.19a] One of the mitigation measures is to rehabilitate the exploited areas. As the company has birds included in Annex I and II of the Birds Directive, habitats in Annex I and species in Annexes II and IV of the Habitats Directive, we have been fostering the creation of habitats in these areas, through ecological rehabilitation, mitigating impacts and improving conditions for these species. In relation to Directive 2011/92/EU, when applicable, in other words, in quarries subject to Environmental Impact Assessment, these comply with the mitigation measures set out in the Environmental Impact Statement. [E4.19b]

In Portugal, we also have the Environment, Health and Safety Commission (CASS), which meets regularly with representatives of the workers and our company, to analyse and discuss relevant environmental matters.

We note that the internal experts who participated in the IRO assessment sessions come from a variety of fields, including sustainability, sales, legal, internal auditing and human resources, among others, to ensure that the description and assessment of IROs was suited to the respective topics. Feedback from the Monitoring Commissions was also taken into account.

Process to assess material IROs

The IRO assessment process was conducted through a total of 29 meetings, which involved the participation of 19 internal Secil experts from 11 different areas. During the sessions for each ESRS Standard, each expert gave their opinion on every IRO, and the final assessment was the result of consensus between all parties involved. [ESRS2.53a | ESRS2.53biii]

Impact materiality

To asses impact materiality, the actual and potential negative and positive impacts were addressed, based on their severity (a combination of scale, scope and irremediable nature - only applied to negative impacts) and likelihood (not taken into account when calculating negative impacts on human rights, in which case the severity score prevails over likelihood). Using quantitative thresholds for each parameter, Secil Group's material impacts were identified. [ESRS2.53a | ESRS2.53biv]

Impact materiality assessment factors

Severity (relative)

Scale	+	Scope	+	Irremediability	×	Likelihood
How severe or beneficial the impact is or could be		How extensive is the impact		How difficult is it to neutralise or remedy the resulting harm		Likelihood of the impact occurring (actual impacts = 1)

Assessment methodology applied

Scale	Scope	Irremediable nature	Likelihood
5= Very high harm or benefits for people or the environment	5= National or international impact and/or on a high number of people	5= Difficult to remedy or irremediable/irreversible	1= Certain (<6 months | Ongoing)
4= High harm or benefits for people or the environment	3= Regional impact and/or on a medium number of people	3= Temporary or easy to remedy in the medium term	0.80= Highly likely (6 months to 1 year)
3= Medium harm or benefits for people or the environment	1= Local impact and/or on a low number of people	1= Temporary or easy to remedy in the short term	0.60= Likely (1 to 2 years)
2= Low harm or benefits for people or the environment	0= Non-applicable	0= Non-applicable	0.40= Unlikely (2 to 5 years)
1= Very low harm or benefits for people or the environment			0.20= Rare (> 5 years)
0= Non-applicable			

Time horizon

Short-term: reporting year	Medium-term: Between reporting year and up to 5 years	Long-term: More than 5 years

Financial materiality

At the same time, a process was established in which the potential links between impacts, resource and relationship dependencies, and the resulting risks and opportunities were taken into consideration.

While assessing the financial materiality using quantitative thresholds, the probability and magnitude of the financial effects of risks and opportunities were evaluated, and consequently, the material risks and opportunities for the Secil Group were identified. It should be noted that, regarding the magnitude criterion, the scoring scales defined were based on ranges corresponding to a percentage of EBITDA. [ESRS2.53c]

[S1.50b, S1.51 and S1.52]

Financial materiality assessment factors

Magnitude		Likelihood
Magnitude of the potential financial impact	✖	Likelihood of the risk/opportunity occurring

Assessment methodology applied

Magnitude	Likelihood
5= Critical - Above 20% of EBITDA	1= Certain (<6 months | Ongoing)
5= High - Between 10% and 20% of EBITDA	0.80= Highly likely (6 months to 1 year)
4= Medium - Between 5% and 10 % of EBITDA	0.60= Likely (1 to 2 years)
3= Low - Between 1% and 5% of EBITDA	0.40= Unlikely (2 to 5 years)
1= Very low - Up to 1% of EBITDA	0.20= Rare (> 5 years)
0 = Non-applicable	

Time horizon

Short-term: reporting year	Medium-term: Between reporting year and up to 5 years	Long-term: More than 5 years

Conclusion of the double materiality process

After concluding the assessment sessions, a threshold of 3 was defined for Secil, applied to the impact and financial materiality. The selection of this threshold was based on following the same materiality threshold established by the internal risk assessments. [ESRS2.53d]

A sustainability topic is considered "material" when it covers the criteria defined for impact or financial materiality, or both – within the scope of the assessment undertaken by Secil Group, all IROs that received an overall evaluation equal to or higher than 3 were classified as "material". After calculation of the results, the internal experts revised the impacts, risks and opportunities that received a global score between 2 and 3. [ESRS2.53d | ESRS2.53g]

This calibration exercise followed the same formulas described above. After revision, the final list of material IROs for Secil presents 41 impacts (14 positive and 27 negative), 14 risks and opportunities (6 risks and 8 opportunities), distributed as follows:

- 5 environmental topics, corresponding to ESRS E1, E2, E3, E4 and E5;
- 3 social topics, two of which correspond to ESRS S1, S2 and S3;
- 1 governance topic, corresponding to ESRS G1.

These results were subsequently approved by Secil's Executive Committee. The material impacts, risks, and opportunities will be included in Secil's overall risk management process. [ESRS2.53d | ESRS2.53e | ESRS2.53f]

IRO-2 - Disclosure requirements in ESRS covered by the company's non-financial information statement

The material information was determined on the basis of the material IROs resulting from Secil's double materiality assessment. After identifying the material thematic standards, the materiality was assessed in terms of disclosure requirements and datapoints. The process to assess materiality and the use of thresholds is described in the previous section (IRO-1). [ESRS2.59]

The disclosure requirements covered by Secil through this non-financial information statement, as well as the list of datapoints that derive from other EU legislation, are identified in Chap. 3.1.5.1 ESRS Correspondence Tables. [ESRS2.56]

3.1.2 Environmental information

3.1.2.1 European Taxonomy

1. Context

The European Union Taxonomy, introduced by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, functions as a standardized and mandatory classification system to determine which economic activities are considered "environmentally sustainable" within the European Union. The objective 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:

Make a substantial contribution 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 no significant harm to any of the other five environmental objectives

An eligible activity is considered sustainable and therefore taxonomy-aligned when it meets the criteria to make a substantial contribution to at least one objective, without doing significant harm to any of the other objectives.

+

Comply with minimum safeguards

In addition, the organisation must comply with a set of minimum safeguards relating to Human Rights, Corruption, Taxation and Fair Competition.

Taxonomy-aligned activity

The criteria that the activities must comply with to be considered sustainable are set out in the Delegated Acts. In 2021, non-financial companies only reported their Taxonomy-eligible activities for the activities listed in the Climate Delegated Act. The eligibility of these economic activities was reported in terms of turnover, capital expenditure (CapEx) and operating expenditure (OpEx). For the 2022 fiscal year, in addition to the eligibility analysis, non-financial companies had to assess and communicate the alignment of those activities with the application of technical criteria and response to minimum safeguards. In the fiscal year 2023, the same exercise was carried out; however, the possible eligibility of the new activities introduced by the Environmental Delegated Act and the new activities of the Climate Delegated Act was also analysed. For the fiscal year 2024, the Secil Group reports its eligible and aligned activities with the taxonomy in relation to the activities listed in the Delegated Acts described above.

2. Eligibility analysis

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

Activity	3.7 – Cement production
Objective	Climate change mitigation (CCM)
Description	• The Secil Group owns seven grey cement plants: two in Portugal, one in Lebanon, one in Tunisia, two in Brazil and one in Angola. Of these seven grey cement plants, two do not produce clinker (one in Brazil and one in Angola). • According to the Group's analysis, the following 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 hydraulic lime of the Secil Group (Cement segment).

Currently, only a set of economic activities is foreseen in the Delegated Acts. At this initial stage, the focus is on the most carbon- and energy-intensive industries, which is why a significant part of Secil's activities are not yet included in the list of eligible activities. Consequently, the production and sale of white cement, ready-mix concrete, aggregates, mortars, precast concrete, and hydraulic lime have been excluded from the eligible activities.

3. Alignment analysis

For the alignment analysis, Secil assessed the technical criteria regarding "Substantial contribution", "Do no significantly harm" and "Minimum safeguards", to determine the alignment score of its activities.

Cement production is not aligned with Taxonomy. However, in 2024, Secil defined a Roadmap with specific actions for all production units, in order to achieve a reduction in CO_2 emissions by 2030, which guarantees alignment with the goal of limiting the Earth's global warming to 1.5 ºC. The 2030 targets were validated by the SBTi (Science Based Targets initiative).

The project to update the technology at our Outão production unit, Project CCL - Clean Cement Line – an investment totalling around 86 million euros that was concluded in 2024 and is currently in the phase of operational production optimisation, will allow CO_2 emissions from the production process to be cut by 20%. At the Maceira production unit, a new project, ProFuture - CCL Maceira, was launched with a planned investment of approximately 63 million euros. The objective is to reduce greenhouse gas (GHG) emissions by around 30.3% and decrease overall energy consumption by about 20.8%, compared to the reference year (2019).

These projects will position these plants as a European benchmark in terms of energy and environmental efficiency.

3.1 Substantial Contribution and Do No Significant Harm

CS/NPS	Criteria (Non-exhaustive)	Application of Secil Group criteria
CS: Climate change mitigation	Specific GHG emissions of less than 0.722 tCO_2e per ton of grey clinker	The Group considers that there is no technical alignment in each of the cement production units.
NPS: 2. Climate change adaptation	Appendix A (Physical Climate Risk Management)	In 2024, the Group elaborated a version of climate-related physical risks, in line with the TFCD framework, in accordance with the plan for the environmental pillar, as part of the Ambition 2025 sustainability project. In 2025, we foresee the identification and assessment of adaptation solutions for total alignment with this criterion.
NPS: 3. Sustainable use and protection of water and marine resources	Appendix B (Sustainable use and protection of water and marine resources)	• All manufacturing facilities comply with the applicable national legislation for managing the use and protection of water resources. • Our cement plants in Portugal feature Environmental Management Systems, certified under NP EN 14001:2015. The Lebanon plant has ISO 14001:2015 environmental certification.
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 the range of standard values; There are no environmental conflicts; Waste management	• In the case of using hazardous waste as alternative fuels, waste reuse fulfils all the requirements in terms of occupational safety, hygiene and health required by the current legislation in force (applicable only in Portugal). • The manufacturing units monitor their emissions continuously and periodically, according to the respective environmental licenses. Regarding the assessment of legal compliance applicable to emissions, in 2024 the daily emission limits were exceeded. This was duly reported to the authorities.
6. Proteção e restauro da biodiversidade e dos ecossistemas	Apêndice D (Proteção e restauro da biodiversidade)	• Todas as alterações às áreas afetas às atividades extrativas estão sujeitas a uma Avaliação de Impacte Ambiental (AIA), quando aplicáveis, e no âmbito da legislação em vigor de cada país. Caso uma AIA seja aplicável, é cumprida a legislação nacional equivalente bem como as medidas de compensação necessárias para proteger o ambiente. • Nas zonas sensíveis do ponto de vista da biodiversidade, a SECIL implementou Planos de Gestão da Biodiversidade, com exceção de uma pedreira onde a implementação do plano está prevista para 2025.

Minimum Safeguards

In order to verify the alignment of eligible activities, it is necessary to comply with the Minimum Safeguards defined by the European Taxonomy Regulation, which defines the "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". The Final Report on Minimum Safeguards published by the European Commission Platform on Sustainable Finance identifies the four topics which companies must address to ensure compliance: Human Rights, Corruption, Taxation and Fair Competition.

Human Rights

Secil's compliance with the universal principles established by the United Nations Human Rights is a priority. The Group implemented the Secil Group Code of Conduct and, to complement it, a Human Rights Policy. Secil also has a Supplier Code of Conduct, where we require our business partners to commit to respecting human rights and, in 2024, we launched an assessment of our most critical suppliers, based on ESG (Environmental, Social and Governance) criteria, through the Moody's platform, which includes Human Rights topics.

In 2024, we revised our double materiality assessment, which includes actual and potential Human Rights impacts. Based on this assessment, Secil is working on developing a Human Rights Due Diligence process, to guarantee a response to any negative impact that our activities may cause.

Corruption, Fair Competition and Taxation

Secil does not tolerate any form of corruption, fraud, money laundering, bribery or extorsion, and requires the same commitment from its suppliers; this is reflected in our Supplier Code of Conduct. We have also implemented the Anti-Corruption Policy and the Anti-Money Laundering and Combating Terrorist Financing Policy. Within the scope of Fair Competition, we implemented the Free Competition Policy, whereby Secil undertakes to implement good competition practices and comply with the applicable legislation.

In terms of Taxation, the Group has a Tax Policy that aims to ensure full compliance with the tax obligations of the companies that make up the Group, developing an organised approach to its tax risks.

In 2025, the Group plans to provide training on the Code of Conduct, Human Rights, Corruption and Fair Competition.

Secil provides an Integrity Channel on its website, managed by an external and independent entity, to report irregularities witnessed within the Group, and ensures the appropriate analysis and remedy.

In terms of convictions, Secil guarantees that it is not aware of any relevant Human Rights, Corruption, Taxation or Fair Competition cases or convictions.

4. Disclosure of KPIs

We present below 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 8) and Delegated Acts: the proportion of the turnover (Turnover KPI), the proportion of the capital expenditure (CapEx KPI) and the proportion of the operating expenditure (OpEx KPI).

Accounting policies and disclosure of indicators

As defined by taxonomy, the amounts reported were calculated in accordance with Secil's Consolidated Financial Statements for the year ended 31 December 2024, which were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

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

Proportion of Turnover associated with taxonomy-aligned economic activities

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 regular activities. Therefore, the total turnover (denominator used to calculate the eligible activities ratio) represents the revenue reported in the Consolidated Financial Statements as at 31 December 2024.

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

Proportion of CapEx associated with taxonomy-aligned economic activities

The figure shown as total CapEx in the denominator used to calculate the eligible activities ratio, is the sum of the acquisitions of tangible assets, intangible assets (excluding CO_2 licences) and right-of-use assets in 2024, 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 relating to the acquisitions of CO_2 licences were excluded, as they are not effectively an acquisition of licences, but rather licences granted to Secil, and their classification as intangible assets results from the accounting policy adopted by the Group. In 2024, no additions were made to investment properties. Table 2 – CapEx

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

- **Cement:** Clean Cement Line Project, which aims to develop and demonstrate new industrial-scale cement production technology. This project includes four R&D subprojects aimed to reduce fossil fuel dependence, as well as increase energy efficiency, energy self-production, integration of the digitalisation process, and reduce CO_2 emissions. These innovations will advance the development of low carbon clinker production and, consequently, drive the creation of a range of low carbon footprint cements.

- **Environment:** Investments in new production equipment with lower energy consumption or lower CO_2 emissions.

Proportion of OpEx associated with taxonomy-aligned economic activities

- • Research and development costs not capitalised;
- • Expenditure on industrial cleaning;
- • Expenditure on maintenance and repairs;
- • Costs of short-term leases not capitalised; and
- • Other expenses directly associated with the maintenance of tangible assets.

The OpEx amounts shown in the table (numerator used to calculate the eligible activities ratio) represents the OpEx allocated to the activities classified as eligible (aligned or not aligned with taxonomy). These figures include OpEx such as:

- **Cement:** costs of Secil's Cement Application Development Centre (CDAC-*Centro de Desenvolvimento de Aplicação de Cimento*), in which research and development activities are carried out into new cement products and applications, and innovative industrial processes to produce them, for the Group to develop and adopt new technologies in the field of sustainable production processes, in order to reduce the carbon content of Secil Group's solutions. Table 3 – OpEx

Standard templates for disclosure according to Delegated Regulation 2022/1214

According to the Taxonomy Regulation, particularly Delegate Act Article 8, non-financial entities must also report the templates for tables associated with activities relating to nuclear energy and fossil natural gas. If the entities do not develop any of these activities, they should only publish Template 1 of this set of tables, which is the case for Secil.

Regarding the use of fossil gas, Secil Group uses natural gas as a fuel in non-European countries marginally, representing less than 0.2% of the thermal energy consumed by the Group. In the 2024 fiscal year, there were no investments relating to natural gas assets.

Model 1: Activities related to nuclear energy and fossil gas

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

Table 1 - Turnover

Financial year 2024				**Substantial contribution criteria**						**NPS Criteria ("do no significant harm")**									
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)**	**Taxonomy-aligned proportion of turnover (A.1) or taxonomy-eligible (A.2), year 2023 (18)**	**Category — enabling activity (19)**	**Category — 51transitional activity (20)**
		euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	*%*	*C*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		–	0%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0%		
Of which, enabling		–	0%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0%	C	
Of which, transitional		–	0%	0%						S	S	S	S	S	S	S	0%		T
A.2. Activities eligible under the taxonomy but not environmentally sustainable (non-taxonomy-aligned activities)																			
Cement Production	MAC 3.7	435013667€	62%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								63%		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)			62%	62%	0%	0%	0%	0%	0%								63%		
A. Turnover of taxonomy-eligible activities (A.1+A.2)			62%	62%	0%	0%	0%	0%	0%								63%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy-non-eligible activities (B)		266822709€	38%																
Total (A + B)		701836376€	100%																

Table 2 - CapEx

Financial year 2024				Substantial contribution criteria						NPS Criteria ("do no significant harm")									
Economic Activities (1)	Code (a) (2)	Capex (3)	Proportion of Capex, 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)	Taxonomy-aligned proportion of Capex (A.1) or taxonomy-eligible (A.2), year 2023 (18)	Category — enabling activity (19)	Category — transitional activity (20)
		euro	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*C*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		–	0%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0%		
Of which, enabling		–	0%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0%	C	
Of which, transitional		–	0%	0%						S	S	S	S	S	S	S	0%		T
A.2. Activities eligible under the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)																			
Cement Production	MAC 3.7	69983613€	76%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								76%		
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)			76%	76%	0%	0%	0%	0%	0%								76%		
A. Capex of taxonomy-eligible activities (A.1+A.2)			76%	76%	0%	0%	0%	0%	0%								76%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of taxonomy-non-eligible activities (B)		22476364€	24%																
Total (A + B)		92459978€	100%																

SECIL

Table 3 - OpEx

Financial year 2024				Substantial contribution criteria						NPS Criteria ("do no significant harm")									
Economic Activities (1)	Code (a) (2)	Capex (3)	Proportion of Capex, 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)	Taxonomy-aligned proportion of Capex (A.1) or taxonomy-eligible (A.2), year 2023 (18)	Category — enabling activity (19)	Category — transitional activity (20)
		euro	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*C*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)		–	0%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0%		
Of which, enabling		–	0%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0%	C	
Of which, transitional		–	0%	0%						S	S	S	S	S	S	S	0%		T
A.2. Taxonomy-eligible activities but not environmentally sustainable (taxonomy-aligned activities)																			
Cement Production	MAC 3.7	45245793€	69%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								81%		
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)			69%	69%	0%	0%	0%	0%	0%								81%		
A. Opex of taxonomy-eligible activities (A.1+A.2)			69%	69%	0%	0%	0%	0%	0%								81%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of taxonomy-non-eligible activities (B)		20433074€	31%																
Total (A + B)		65678867€	100%																

MAC: Climate Change Mitigation.
S: Yes, taxonomy-eligible activity and aligned with the taxonomy regarding the relevant environmental objective.
N: No, taxonomy-eligible activity but not aligned with the taxonomy regarding the relevant environmental objective.
N/EL: Not eligible, activity not eligible for the taxonomy regarding the relevant environmental objective.

5. Next steps in the application of Taxonomy

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

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

Ongoing application of the TCFD (Task Force on Climate-Related Financial Disclosures) framework to support Secil in managing and disclosing climate change-related risks and opportunities. This work will help the company identify physical climate risks and respond to the requirements in Appendix A of the Taxonomy Climate Delegated Act.

Ongoing implementation of sustainability-related projects, namely the Roadmap for decarbonisation.

Monitor Taxonomy Regulation updates published by the European Commission, resulting from the Omnibus legislative package.

3.1.2.2 ESRS E1 – Climate Change

STRATEGY

SBM-3 (ESRS 2) - Material impacts, risks and opportunities and their interaction with strategy and business model

Description	Impact, Risk or Opportunity	Time Horizon	Position in value chain	Sub-topic or related sub-sub-topic
[ESRS2.48a]	[ESRS2.48a]	[ESRS2.48ciii]	[ESRS2.48a]	
Develop initiatives with our stakeholders to adapt to climate change	Positive impact	-	Downstream	Climate change adaptation
Greenhouse gas emission (scopes 1, 2 and 3)	Negative impact	-	Upstream, own operations and downstream	Climate change mitigation
CO_2 capture and storage	Positive impact	Long-Term - More than 5 years	Own operations	Climate change mitigation
Energy consumption from non-renewable sources	Negative impact	-	Upstream and own operations	Energy
Climate change can lead to potential disruption of the supply chain, and the consequent impact on the availability and quality of raw materials can compromise the Group's activities.	Risk	Long-Term - More than 5 years	Upstream	Climate change adaptation
Failure to execute climate change adaptation measures can affect the value chain, for example, interrupting the delivery of products and services to customers.	Risk	Long-Term - More than 5 years	Downstream	Climate change adaptation

Description	Impact, Risk or Opportunity	Time Horizon	Position in value chain	Sub-topic or related sub-sub-topic
The transition to more sustainable technology can, in the long term, lead to significant improvements in operational efficiency and reduce global operating costs, improve profitability and/or gain additional market share.	Opportunity	Long-Term - More than 5 years	Own operations	Climate change adaptation
Replace fossil fuels with renewable fuels (e.g. biomass, solar and hydrogen)	Opportunity	Medium-Term - Between reporting year and up to 5 years	Own operations	Climate change adaptation
Rising carbon price and reduction in the availability of EU ETS allowances.	Risk	Medium-Term - Between reporting year and up to 5 years	Own operations	Climate change adaptation

Note: The material impacts identified are actual, and therefore do not have an associated time horizon.

In relation to climate change adaptation, in 2024 Secil launched the process to identify climate risks and opportunities in accordance with recommendations by the Task Force on Climate Related Financial Disclosures (TCFD), in order to assess potential climate-related physical and transition risks in accordance with the recommendations, and to develop suitable adaptation strategies [E1.SBM-3]. The following phases were undertaken: phase 1, identification of climate risks; phase 2, definition of climate scenarios; and phase 3, materiality assessment, for the purpose of determining material risks. After completing the process of identifying risks and opportunities in accordance with the TCFD, Secil will carry out a resilience analysis of its business.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

E1-1 - Transition plan for climate change mitigation

"Secil's Path to Decarbonisation" Roadmap

Secil defined its decarbonisation roadmap - "Secil's Path to Decarbonisation" - based on the Cembureau 5Cs[5] methodology. This roadmap establishes Secil's path to decarbonisation in its cement plants, with targets defined for 2030 and the objective of achieving carbon neutrality by 2050. This is applicable to all our geographies and was approved by the Executive Committee [E1.16i]. The targets defined for 2030 are in line with the 1.5°C trajectory and were validated in 2024 by the Science Based Targets initiative (SBTi) [E1.14 | E1.16a | E1.16h]. The roadmap is based on the implementation of a set of actions (Chap. 3.1.2.2) [E1.16b], supported by an internal investment plan until 2050 [E1.16e | E1.16h].

Secil's investment plan is divided into two stages, until 2030 and from 2030 to 2050. Until 2030, the target is to reduce clinker and cement CO_2 emissions using traditional levers:

5 5Cs" – Clinker, Cement, Concrete, Construction and (re)Carbonation

Scope 1 Emissions

For scope 1 emissions, this reduction involves modernising our facilities with proven and more efficient technology, enabling a decrease in thermal consumption and increase in the use of alternative fuels with a neutral CO_2 content, also sustained by the use of green hydrogen. In addition, the plan includes using decarbonated raw materials in clinker production, as well as alternative raw materials with pozzolanic properties to reduce the clinker factor in cement [E1.16b]. Development of the CCL (Clean Cement Line) project was Secil's first major decarbonisation project, executed at the SECIL-Outão plant in Portugal [E1.16j].

Scope 2 Emissions

For scope 2 emissions, the potential GHG emission reduction in each geography is considered. In some facilities, there are plans to use energy from renewable sources, namely through solar panel systems, as well as operating our own electricity generation unit with a lower CO_2 emissions factor than the external electricity grid. [E1.16b].

Scope 3 Emissions

In relation to scope 3 emissions, by 2030, Secil is committed to reduce gross GHG emissions from purchased clinker and cement by 25.3% per tonne of clinker and cement [E1.16b].

For the period between 2030 and 2050, Secil is studying the technological solutions available and under development to select those best suited to our plants. One of the possibilities being considered is the usage of captured CO_2, either for use in the forced carbonation of our own materials, or for the production of efuels. The company is also in the process of identifying the necessary infrastructures to utilise or store captured CO_2 safely, including geological storage [E1.16b | E1.16c].

Until 2040, Secil plans to invest more than 150 million euros in decarbonisation projects, with impact on traditional levers, namely: alternative fuels and secondary raw materials, low carbon clinker, reduction in the clinker factor and thermal energy efficiency measures [E1.16c].

Secil is not excluded from the reference targets in line with the EU Paris Agreement [E1.16g], and our economic activities are covered by the European Union Taxonomy Regulation. In accordance with our internal plan, the company plans to achieve 86% alignment by 2030, reinforcing our transition to a sustainable economy [E1.16e].

E1-2 - Policies related to climate change mitigation and adaptation

Secil adopts policies related to climate change mitigation, namely the **Sustainability Policy** (Chap. 3.1.4.1) and **Quality, Environment, Energy, Health and Safety Policies** implemented in our geographies [E1.24 | ESRS 2.65a]. These policies aim to reduce emissions from our operations by increasing efficiency, optimising processes, and using and promoting secondary raw materials and alternative fuels.

Policies

Document	Quality, Environment, Energy, Health and Safety Policies
Key-contents and objectives [ESRS 2.65d - Scope] [E1.25]	Secil structures the Sustainable Development of its activities through these policies, committing to the continuous improvement of our benchmarking performance, to meet the expectation of all stakeholders in our operations. Environmental Responsibility and Protection is one of the topics addressed by these policies, whereby Secil is committed to: • Mitigating the impacts of our activities by adopting the best available technologies and practices, and adequately training our employees; and • Reducing the carbon impact of our activities, namely by promoting the use of secondary raw materials and alternative fuels. Respecting the following standards: ISO14001; ISO 9001, ISO 18001; EMAS
Scope [ESRS 2.65b - Scope]	Own operations and value chain. Covers all of Secil Group's geographies.
Stakeholders [ESRS 2.65e]	Direct and indirect employees, customers, suppliers, business partners and service providers, communities.
Most senior level accountable for implementation [ESRS 2.65c]	Board of Directors, Sustainability Coordinator and Management System
Third-party standards or initiatives committed to respect [ESRS 2.65d]	ISO14001; ISO 9001, ISO 18001; EMAS
Availability [MDR-P_06; §65 f]	Internal network and Secil website

ACTIONS and RESOURCES
E1-3 - Actions and resources in relation to climate change policies

Secil has been developing a set of measures and initiatives in order to reduce the carbon footprint of our operations and generate a positive impact in our value chain, anticipating that the respective adoption will allow us to achieve the established targets (Chap. 3.1.2.2, E1-4) [E1.29b]. The decision to implement any action is preceded by a strict evaluation of its technical and economic viability, as well as the availability of financial resources that ensure its execution, also taking into account the local context and applicable regulations [AR21].

The actions taken and planned contribute to the achievement of policy objectives and targets. The targets validated by the SBTi are in line with the trajectory to limit global warming to 1.5°C, and with international commitments such as the Paris Agreement and European Climate Pact [ESRS 2.68a]. These actions are associated with the main decarbonisation levers, as part of our roadmap for carbon neutrality (Chap. 3.1.2.2, E1-1) [E1.29a].

The initiatives developed and under development by Secil in our geographies are presented below:

Actions

Key actions	Status	Scope of action	Time horizon	Outcomes
[ESRS 2.68a]	[ESRS 2.68 and ESRS 2.69]	[ESRS 2.68b]	[ESRS 68c]	[ESRS 2.68a | E1.29b | E1.28e]
Clean Cement Line (CCL)	Achieved	Own operations - Portugal	-	Reduce thermal and electric energy consumption, contributing to reduction of our carbon footprint.
Power Purchase Energy (PPA)	Achieved	Upstream and own operations - Tunisia	-	Guarantee energy consumption from renewable sources, contributing to reduction of our carbon footprint.
Installation of a 10MW solar power plant	Achieved	Own operations - Lebanon	-	Increase renewable energy production capacity in operations and reduce CO_2. emissions.
Energy optimisation in raw materials transportation	Achieved	Own operations - Lebanon	-	Replace the pneumatic conveying system from the vertical raw mill to the mixing silo, responsible for feeding the cement kiln and mills in the storage silos, with a more efficient and lower energy consumption mechanical transport system.
Expand our capacity for storing and testing alternative fuels	Achieved	Own operations - Brazil	-	Expand storage infrastructures through the construction of a new warehouse for alternative fuels, allowing us to increase the fuel replacement rate to 40%. Furthermore, a new on-site laboratory was installed, in order to speed up testing of incoming cargo.
Profuture Secil Maceira-Liz Project	Planned	Own operations - Portugal, Maceira	Medium-Term (1-5 years)	Objectives to be achieved: i) reduce energy consumption ii) reduction of GHG emissions by approximately 30.3% and reduction of overall energy consumption by approximately 20.8%, compared to the reference year (2019). iii) Zero Fossil Fuels (90% Alternative fuels + 10% Green Hydrogen)
Cementitious drying and processing	Planned	Own operations - Portugal, Outão and Maceira	Short-Term (less than 1 year)	Project aimed to equip plants with dedicated infrastructures to process and dry large volumes of cementitious materials, in order to reduce the percentage of clinker in cement production.

Our environmental investments are usually financed by green instruments, as demonstrated by the recent CCL project in Outão, which was funded by two green loans [ESRS 2.69a]. In total, sustainable financing lines (Green Bonds, Sustainability-Linked Bonds and Sustainability-Linked Loans) represented 57% of the total lines committed by Secil at the end of 2024. Furthermore, Secil has several financing schemes linked to sustainability key performance indicators (KPIs) and targets, including the reduction of CO_2 emissions, in three geographies where we operate (Portugal, Brazil and Tunisia) [ESRS 2.69a | ESRS 2.69a].

The project that received the largest CapEx and OpEx investment was the Clean Cement Line (CCL) - Outão, involving approximately 84 million euros. The project with the largest planned investment is Profuture - Secil Maceira-Liz, with an estimated investment of around 63 million euros [ESRS 2.69c].

Profuture (CCL) Secil Maceira-Liz

Clean Cement Line, Secil's first major decarbonisation project, recognised as a Potential National Interest (PIN) project, was the largest initiative in the Portugal 2020 program in the field of technological research and development, integrating mature and innovative technologies. 9 patents were registered throughout this project.

CCL was a project to update the technology of the Outão production unit, and it is currently in the process of optimising its production operations.

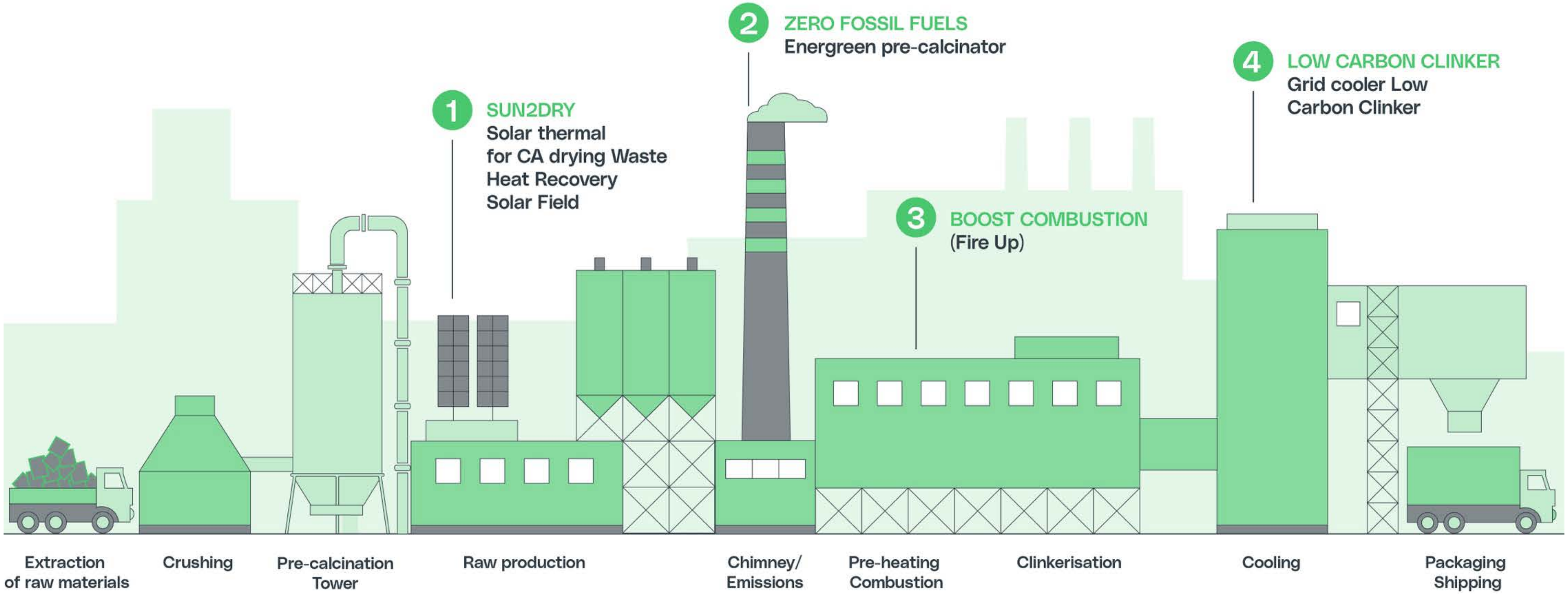
This project comprises four R&D subprojects that aim to eliminate the dependence on fossil fuels, increase energy efficiency, generate our own electric energy, integrate digitalisation into the process and reduce CO_2 emissions.

20%	20%	30%
reduction of CO_2 emissions	reduction of Energy and Thermal Energy consumption	electricity self-consumption

Subprojets:

Zero Fossil Fuel	Low Carbon Clinker	Combustion Boost	Sun2dry
Precalciner; Energreen; Digitalisation	Grate cooler, Low Carbon Clinker	Hydrogen-fuelled continuous combustion and pulsed injection	Hybrid Waste Heat Recovery System with Solar Thermal Concentration and Alternative Fuel Dryer

SECIL



1
SUN2DRY
Solar thermal
for CA drying Waste
Heat Recovery
Solar Field
2
ZERO FOSSIL FUELS
Energreen pre-calcinator
3
BOOST COMBUSTION
(Fire Up)
4
LOW CARBON CLINKER
Grid cooler Low
Carbon Clinker
Extraction of raw materials
Crushing
Pre-calcination Tower
Raw production
Chimney/ Emissions
Pre-heating Combustion
Clinkerisation
Cooling
Packaging Shipping

Profuture (CCL) Secil Maceira-Liz

The Profuture Maceira project represents a strategic step towards decarbonising cement production at Secil, specifically at the Maceira-Liz plant. The main objective is to eliminate the use of fossil fuels and increase energy efficiency, reducing Greenhouse Gas (GHG) emissions and increasing our commitment to innovation and sustainability.

Therefore, we promote the use of clean energy, the development of low carbon clinker and digitalisation of the production line, incorporating innovative sensing and monitoring systems for optimised, real-time control.

This project is part of Secil's carbon neutrality roadmap, which follows the Cembureau 5C's methodology (Clinker, Cement, Concrete, Construction, (re)Carbonation), with direct impact on the reduction of emissions from clinker production. We note below some of the key initiatives:

- Adapt the existing production line to use up to 10% green hydrogen;
- Increase the use of alternative fuels up to 90%, reducing fossil fuel consumption to zero;
- Optimise energy consumption with an estimated reduction of 20% compared to the baseline year (2019);
- Reduce overall CO_2 emissions by around 30% compared to the baseline year (2019).

In 2024, the execution of this project was marked by significant advances:

- Approval of a 25.6M€ subsidy under the Recovery and Resilience Plan - RRP (Component 11 - Industry Decarbonisation) in February;
- Approval of the project by the SEMAPA Board of Directors in May;
- Granted Potential National Interest (PIN) status by the Standing Committee for Investor Support (CPAI) in September;
- Within the scope of environmental licensing, a favourable opinion was issued by the APA in June concerning the Major Accident Prevention regime, and in November the CCDR-C announced the decision not to submit the project to an Environmental Impact Assessment (EIA);
- Launch of the investments foreseen in the RRP, with the "Engineering Services Agreement" signed with the main supplier in October;
- Submission of the Prior Information Request (PIP) - Urban Operations to Leiria Municipal Council in December 2024.

The global contract with the main supplier is expected to be signed in January 2025, consolidating progress in the execution of this innovative and essential project for the sustainability of the cement industry.

SECIL – MACEIRA-LIZ PLANT

Profuture (CCL Project)
Line 6 conversion towards fossil-free clinker production through increased use of alternative fuels and introduction of green hydrogen

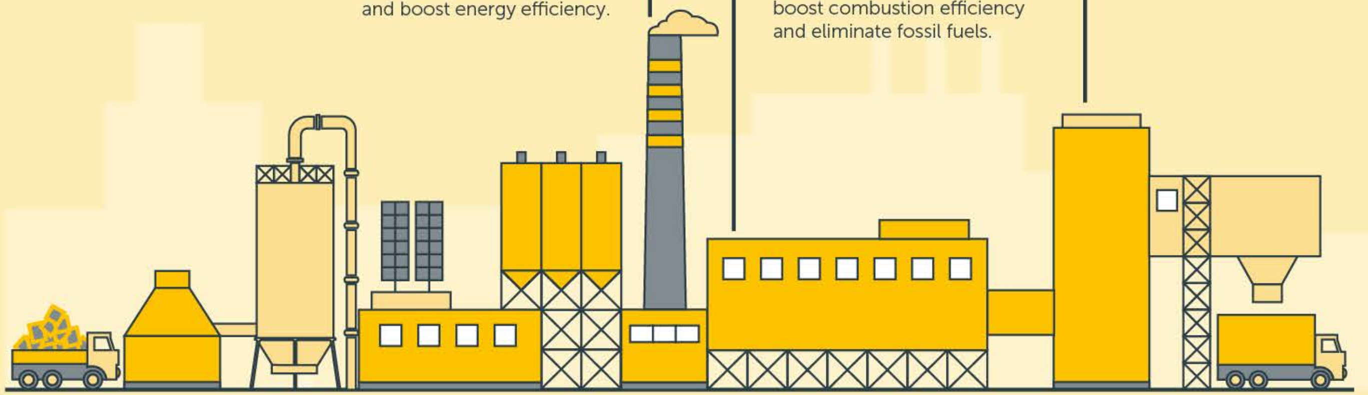
1 *CALCINER*
New calciner, burner, and AF systems for feeding, dosing, transport and storage, optimized for higher flow and process efficiency.

2 *PREHEATER*
Full redesign of the cyclone system Addition of 5th cyclone stage to extend residence time and boost energy efficiency.

3 *CLINKER COOLER AND LOW CARBON CLINKER*
Top-performance clinker cooler to maximize waste heat recovery at the final stage of the process. Low carbon clinker production enabler.

4 *ALTERNATIVE FUEL DRIER*
Dryer installation to reduce AF moisture below 15% and enable use of more biogenic feedstocks.

5 *ZERO FOSSIL FUEL*
Green H_2 integration with pyrolysis system upgrade to enhance AF adsorption, boost combustion efficiency and eliminate fossil fuels.



Global Benefits

Zero
Fossil Fuel (90% Alternative Fuels + 10% Green H_2)

30%
CO_2 Emission Reduction
30.3% reduction

20%
Energy Efficiency
20.8% energy use reduction

METRICS AND TARGETS

E1-4 - Targets related to climate change mitigation and adaptation

In 2024, the Science-Based Targets initiative (SBTi) approved Secil's near-term decarbonisation targets.

These targets are in line with the commitments established in the company's Sustainability Policy and Quality, Environment, Energy Health and Safety Policy, specifically through the implementation of actions to reduce emissions, based on strategic emission reduction levers [ESRS 2.80a | E1.34f]. The targets enable management of material negative impacts identified in the sub-topic of climate change mitigation (Chap. 3.1.1.3, SBM-3), with the aim of reducing emissions from our own operations [E1.33].

Secil's Roadmap was verified and aligned with the SBTi's scientific criteria, namely the requirements and guidelines for the cement sector for near-term targets, classifying the targets for 2030, for scopes 1 and 2, as being aligned with a trajectory of 1.5°C, the most ambitious limit laid down in the Paris Agreement [ESRS 2.80g | AR26 | E1.34e | E1.34f].

The table below details the target set by Secil relating to climate change mitigation.

Metrics and Metrics

Metric and Target	Baseline (Baseline value and base year)	Unit	Performance 2024	Target value to achieve in 2030
[ESRS 2.80 | E1.32 | E1.34]	[ESRS 2.80d | E1.34c]	[ESRS 2.80b | E1.34a]	[ESRS 2.80j]	[ESRS 2.80b | ESRS 2.80e | E1.34d]
Gross scope 1 and 2 emissions (market-based approach) per tonne of cement	781 Base year: 2020	kg CO_2e / t cement	689	544

Note 1: The target boundary includes emissions and removals in the land use category associated with bioenergy raw materials.
Note 2: The boundary includes the plants in Outão, Maceira, Adrianópolis, Pomerode, Gabès and Sibline.
Note 3: The 2024 performance only contemplates CO_2 emissions.
Note 4: There was a change in the target value published in the previous report. Secil's Roadmap was verified and aligned with the SBTi's scientific criteria, classifying the targets for 2030, for scopes 1 and 2, as being aligned with a trajectory of 1.5°C, the most ambitious limit laid down in the Paris Agreement. [ESRS 2.80i | AR25b].

Secil commits to reduce gross scope 1 and 2 GHG emissions by 30.4% per tonne of cement until 2030, compared to the base year 2020. The company also commits to reduce gross scope 3 GHG emissions from purchased goods and services by 25.3% per tonne of clinker and cement within the same deadline[6].

In specific terms, Secil aims to achieve the emission of 544 Kg CO_2/t of cement in 2030, compared to 781 Kg CO_2/t of cement in the base year 2020, in regards to scopes 1 and 2. The 2030 target covers 98.7% of the emissions from the company's own operations (scopes 1 and 2) [E1.34b | E1.34f]. We intend to achieve a reduction of 28% in scope 1 emissions and 80% in scope 2 emissions [E1.34b]. The boundary of the reduction target does not diverge from that of the emissions reported under E1-6 [AR24].

6 The target boundary includes emissions and removals in the land use category associated with bioenergy raw materials.

The formalisation of this commitment involved internal stakeholders, namely the managers in each geography directly involved in the topic of CO_2 emissions, senior management and the consultants who supported the target validation process [ESRS 2.80h].

The emission reduction target was set based on the emission reduction potential of each action included in the roadmap, and was adapted to each cement operation, taking into account the local context and projects to be implemented in each geography [ESRS 2.80f |E1.34e]. To define the target, cement production forecasts associated with sales for 2030 were considered, based on the expected market in each region where Secil operates. Market development varies according to geography, anticipating stability in Europe, moderate growth in Tunisia and Lebanon, and stronger growth in Brazil [E1.34e].

E1-5 - Energy consumption and mix

The topic of energy and energy efficiency is vital for the cement industry due to its significant impacts on operating costs, competitiveness, environmental sustainability – with impact on the emission of greenhouse gases and other pollutants – and legal and regulatory compliance. Although there are challenges associated with the implementation of energy efficiency measures, the opportunities for cost saving, emission reduction and innovation justify the efforts.

Within this scope, 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 our plants.

In relation to energy consumption, in 2024 a total of 4 752 236 MWh were consumed, which represents an increase of approximately 3% compared to 2023 (4.607.154 MWh), due to the increase in clinker and cement production. In regard to thermal consumption for clinker production in Portugal, projects like CCL in Outão made it possible to reduce thermal consumption by around 4% compared to 2023, representing a reduction of 76 403 MWh. Energy from non-renewable sources continues to be the primary energy source in Secil's operations. In 2024, the mix of energy consumption in the company's operations was comprised of 85.8% fossil sources, 13.7% renewable sources and 0.5% nuclear sources [E1.34f]. It should be noted that, in relation to energy consumption per business segment, the cement business accounts for the largest share, representing approximately 97.3% of the total energy consumption.

In terms of energy production, Secil only generated non-fuel renewable energy, totalling 2.522 MWh in 2024 [E1.39], which is used for consumption in our own operations, representing less than 1% of the overall consumption. In terms of energy intensity, in 2024, Secil recorded 0.007 MWh/€ of net revenue [E1.41]. The table below presents the energy consumption in operations controlled by Secil.

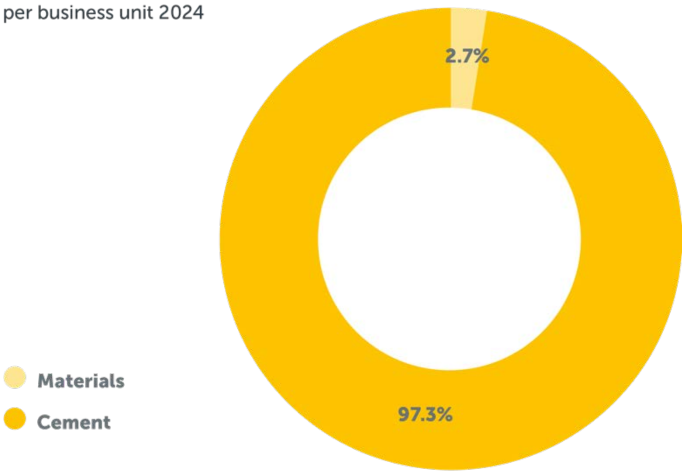
Energy mix

Energy consumption related to own operations	**2024**
[E1.37 | E1.38]	
Values in MWh	
Fuel consumption from coal and coal products	192,801.6
Fuel consumption from crude oil and petroleum products	2,967,282.9
Energy consumption from natural gas	16,636.7
Fuel consumption from other fossil sources	640,424.5
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	260,272.3
Total energy consumption from fossil sources	**4,077,418.1**
Total energy consumption from nuclear sources	**25,654.1**

Energy consumption related to own operations	2024
Fuel consumption from renewable sources, including biomass	358,470.5
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	288,171.2
Consumption of self-generated non-fuel renewable energy	2,522.3
Total renewable energy consumption	**649,163.9**
Total energy consumption	**4,752,236.1**

Note 1: Energy consumption at the Madeira Cimentos, Madeira Agregados and Madeira Betão facilities (Portugal) in December 2024 was estimated based on the consumption registered in the same period in 2023.
Note 2: Energy consumption at the Aridos facility (Spain) corresponds to the sum of the Berducido (Galicia) and Latores (Astúrias) quarries. Electricity from the Latores quarry (Asturias) was accounted for until April 2024, as this unit was sold at the beginning of May 2024.
Note 3: Energy consumption from nuclear sources only regards operations in Portugal and Terneuzen (Netherlands).

ENERGY CONSUMPTION
per business unit 2024



E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions

Cement production contributes to global greenhouse gas (GHG) emissions, especially Carbon Dioxide (CO_2), due to limestone calcination and fuel combustion during the manufacturing process, 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. In accordance with the Global Cement and Concrete Association (GCCA), cement production accounts for approximately 7% of global CO_2 emissions into the atmosphere.

In 2023, Secil's total carbon footprint was calculated, covering all business segments, with the main objective of quantifying scope 1, 2 and 3 GHG emissions (CO_2, CH_4, N_2O and other). Calculation of the carbon footprint was undertaken in accordance with the operational control approach - Secil calculates 100% of the GHG emissions of operations where the company has total autonomy to introduce and implement operational policies. In operations where Secil has a stake but no operational control, the emissions were not calculated.

Scope 1 emissions were the most significant, representing 65% of the total emissions, followed by scope 3 emissions with 30%: The most significant categories were purchased goods and services (C1), fuel and energy-related activities (C3) and downstream transportation (C9) [AR39b | AR46d | AR46i]. In scope 3, categories 8, 13 and 14 are not applicable to Secil's activities. Category 11 was not included in the calculation due to the high estimation uncertainty; however, the associated emissions are expected to be marginal [AR46i].

It should also be noted that Secil is covered by the European Union Emissions Trading System (EU ETS), namely the cement and lime facilities in Portugal.

In relation to the cement and lime business, Secil's gross scope 1 emissions in 2024 were 3.259.964 tCO_2 from fossil sources and 46.959 tCO_2 from biogenic sources [E1.44a | E1.50a]. The emissions from fossil sources include 1.365.943 tCO_2 covered by the EU ETS, representing 42% of the total in 2024 [E1.44a | E1.48b | E1.50b].

In regard to scope 2 emissions, in 2024 Secil emitted a total of 96.473 tCO_2 considering a location-based approach, or 122.702 tCO_2 considering a market-based approach [E1.44b | E1.49 | E1.52]. During the period under analysis, 14 tonnes of biogenic CO_2 emissions were registered, resulting from the combustion and biodegradation of biomass.

The reported scope 1 and scope 2 data for 2024 only concern CO_2 emissions, and only consider the cement and lime business in Portugal (Maceira, Outão and Pataias Branco), Angola (Lobito), Brazil (Adrianópolis and Pomerode), Lebanon (Sibline) and Tunisia (Gabès). The scope 1 and 2 emissions related to other business segments and scope 3 emissions are not yet available and have therefore not been taken into account for the purposes of this report.

Thus, in 2024, specifically in the cement and lime business, scope 1 and 2 emissions were 3.356.437 tCO_2 (location-based approach) or 3.382.666 tCO_2 (market-based approach).

Secil is a member of the GCCA and applies this association's "Cement CO_2 and Energy Protocol", developed specifically for the cement sector, to calculate its scope 1 and 2 emissions, which are validated annually by an external and independent entity [AR39b | AR46h].

The emission factors used to calculate scope 1 emissions are based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 3 – Industrial Processes and Product Use. For scope 2 emissions, Secil applied a location-based approach using emission factors of the International Energy Agency (IEA), and market-based approach based on emission factors provided by the respective electricity supplier. When the supplier's factors were not available — namely in Sibline, Gabès and Lobito — we used location-based emission factors as an alternative to calculate the market-based emissions [AR39b].

For scope 3 emissions in 2023, the calculation methodology is based on the application of emission factors and the company's activity data. The report considers the GHGs listed in the Kyoto Protocol, including carbon dioxide (CO_2), methane (CH4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6) [AR39b]. To quantify the emissions of each GHG, we used the respective Global Warming Potential (GWP), converting the values to Carbon Dioxide Equivalent (CO_2e), the unit that consolidates and expresses all GHG emissions. The calculation methodology took into account the GWP values contained in the IPCC Fifth Assessment Report (AR5), as recommended by the Greenhouse Gas (GHG) Protocol. By using the GWP values of the AR5, this study is in line with the national benchmark published in the National Inventory Report (NIR) by the Portuguese Environmental Agency (APA). [AR39b].

For the first time, the company calculated the total carbon footprint for Secil Group, including scope 3 emissions in 2020 and 2022. Due to our geographic dispersal, business complexity and number of facilities, the calculation process has been improving and becoming increasingly structured, giving growing precedence to primary data and less to estimations. The total scope 3 emissions in 2024 were estimated on the basis of actual emissions in 2023 and variations in purchased goods and services per country, sales per country, the turnover of subsidiaries and number of employees between 2023 and 2024. The calculation took into account the impacts of inflation and exchange rates in Secil's different geographies.

In terms of emissions intensity, in 2024 Secil registered 0,00478 tCO_2 /€[7] per net revenue, according to the location-based approach, and 0,00482 tCO_2/€ per net revenue, according to the market-based approach [E1.53 |E1.54].

7 The net revenue value used for the calculation can be found in Note 2.1 of the annex to the consolidated financial statements.

Emissions (tCO_2)			Retrospective		Milestones and target years		
	2020 (Base year)	2023 (N-1)	2024 (N)	% (N / N-1)	2030	2050	Annual % target / Base year
Scope 1							
Gross scope 1 emissions - fossil (tCO_2)	3,642,864.0	3,241,793.0	3,259,963.9	0.6%	*	-	-
Scope 1 emissions from regulated emission trading schemes (%)	38%	41%	42%	-	-	-	-
Scope 2							
Gross location-based scope 2 emissions (tCO_2)	163,490.7	129,783.9	96,472.8	-25.7%	-	-	-
Gross market-based scope 2 emissions (tCO_2)	185,371.8	140,045.1	122,702.0	-12.4%	*	-	-
Scope 3							
Category 1 - Purchased goods and services (tCO_2)	559,203.9	815,628.6	747,041.9	-8.4%	-	-	-
Category 2 - Capital goods (tCO_2)	10,804.5	21,940.3	66,407.4	202.7%	-	-	-
Category 3 - Fuel and energy-related activities (tCO_2)	408,417.0	342,652.6	378,401.1	10.4%	-	-	-
Category 4 - Upstream transportation and distribution (tCO_2)	62,050.5	78,003.6	69,072.0	-11.4%	-	-	-
Category 5 - Waste generated in operations (tCO_2)	1,476.6	1,982.3	4,273.5	115.6%	-	-	-
Category 6 - Business travels (tCO_2)	199.50	630.10	637.80	1.2%	-	-	-
Category 7 - Employee commuting (tCO_2)	5,729.8	6,345.5	6,883.6	8.5%	-	-	-
Category 9 - Downstream transportation and distribution (tCO_2)	196,762.6	159,278.5	173,452.9	8.9%	-	-	-
Category 10 - Processing of sold products (tCO_2)	27,618.6	19,432.7	19,580.5	0.8%	-	-	-
Category 12 - End-of-life treatment of sold products (tCO_2)	19,272.6	13,490.0	13,603.5	0.8%	-	-	-
Category 15 - Financial investments (tCO_2)	10,593.1	16,164.1	16,586.6	2.6%	-	-	-
Total gross scope 3 emissions (tCO_2)	**1,302,129.8**	**1,475,547.4**	**1,495,940.8**	**1.4%**	*	-	-
Total emissions (location-based)	**5,108,484.5**	**4,847,124.3**	**4,852,377.1**	**0.1%**	-	-	-
Total emissions (market-based)	**5,130,365.6**	**4,857,385.5**	**4,878,606.8**	**0.4%**	*	-	-

Note 1: * The targets set by Secil, and in accordance with validation by SBTi, were established in specific terms (kg CO_2 /t cement), rather than absolute values.
Note 2: The data reported only considers the cement business in Portugal (Maceira, Outão and Pataias Branco), Angola (Lobito), Brazil (Adrianópolis and Pomerode), Lebanon (Sibline) and Tunisia (Gabès), and Hydraulic lime in Portugal.
Note 3: To calculate scope 2 emissions according to the market-based approach, in the Sibline, Gabès and Lobito facilities location-based emission factors were used, as specific emission factors provided by the respective electricity suppliers are unavailable.
Note 4: The sum of total CO_2 emissions does not include scopes 1 and 2 emissions from biogenic sources.
Note 5: There were no significant changes in the definition of what constitutes the reporting company and its value chain [E1.47].
Note 6: The scope 3 values for 2023 and 2024 were recently updated.

E1-9 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

In accordance with Appendix C of ESRS 1, Secil has opted not to report information on the anticipated financial effects of climate-related impacts, risks, and opportunities in this first reporting year.

3.1.2.3 ESRS E2 – Pollution

SBM-3 (ESRS 2) – Material impacts, risks and opportunities and their interaction with strategy and business model

Description	Impact, Risk or Opportunity	Time Horizon	Position in value chain	Sub-topic or related sub-sub-topic
[ESRS2.48a]	[ESRS2.48a]	[ESRS2.48ciii]	[ESRS2.48a]	
Release of air pollutants (SOx, NOx, Particulates, etc.)	Negative impact	-	Own operations	Air pollution

Atmospheric emissions are a consequence of the raw materials used, and the mix of fossil and alternative fuels employed. They are categorised into fixed and diffuse emissions. The primary sources of fixed emissions are associated with clinker kilns, and coal and cement mills. Diffuse emissions, which are fine dust particles, result above all from transport, stockpiling and handling operations involving raw materials, solid fuels, clinker and cement.

IMPACT, RISK aND OPPORTUNITY MANAGEMENT
E2-1 - Policies related to pollution

Secil has two pollution-related policies, namely the Sustainability Policy (3.1.4.1, G1) and the Quality, Environment, Energy, Health and Safety Policy (3.1.2.1). [E2.14 | ESRS 2.65a] In both cases, we follow an integrated approach to sustainability and environmental responsibility. [E2.15]

Secil strives to uphold a standard of responsible action that reconciles our use of natural resources with the conservation and development of the ecosystems where we operate. To mitigate impacts, we apply the best available technologies and practices, along with continuous and in-depth employee training. The company is also committed to promoting biodiversity in the territories under our management and to reduce the carbon impact of our operations, namely by encouraging the use of secondary raw materials and alternative fuels. In addition, our **Quality, Environment, Energy, Health and Safety Policy** establishes the regular disclosure of data relating to our environmental performance, to increase transparency and enable an ongoing assessment of our progress. [E2.15a]

Avoiding incidents and emergency situations is an integral part of our **Quality, Environment, Energy, Health and Safety Policy**, within the scope of the environmental responsibility and protection ensured through our Environmental Management System, which covers all environmental emergencies and incidents. In Portugal, to test the efficiency of our plants' response to emergency situations, every year we perform drills of the risk scenarios identified in the Self-Protection Measures - SPM and foreseen in the Internal Emergency Plan. [E2.15c] The control measures in place are: regular maintenance of machinery and equipment; retention basins; hydrocarbon separators; containment boxes; waterproofed flooring.

ACTIONS and RESOURCES

E2-2 - Actions and resources related to pollution

Within the context of pollution, we highlight the following actions: implementation of dust removal systems, automated control systems, continuous gas and particulate emission monitoring, and air quality monitoring network. [E2.18]

Key actions	Status	Scope of action	Time horizon	Outcomes
[ESRS 2.68a]	[ESRS 2.68 and ESRS 2.69]	[ESRS 2.68b]	[ESRS 68c]	[ESRS 2.68a]
Implementation of dust removal systems - Diffuse emissions	Achieved and Planned	The scope of action covers Portugal, Brazil, Lebanon and Tunisia, with impact on our own operations.	Long-Term	Minimise environmental degradation (water/soil/air)
Continuous gas and particulate emission monitoring (point sources)	Achieved and Planned	The scope of action covers Portugal, Brazil, Lebanon and Tunisia, with impact on our own operations.	Long-Term	Minimise environmental degradation (water/soil/air). Compliance with daily Emission Limit Values (ELV) in accordance with the respective licence.
Periodic monitoring (heavy metals, dioxins and furans)	Achieved and Planned	The scope of action covers Portugal, Brazil, Lebanon and Tunisia, with impact on our own operations.	Long-Term	Minimise environmental degradation (water/soil/air). Compliance with daily Emission Limit Values (ELV) in accordance with the respective licence.
Air quality monitoring network	Achieved and Planned	The scope of action covers Portugal, SECIL-Outão, with impact on our own operations.	Long-Term	Minimise environmental degradation (water/soil/air). Assess the possible influence of the plant's emissions on the ambient air quality of the surrounding area.

Through the implementation of our Environmental Management System, over the last decades Secil has invested in solutions to control and reduce emissions, namely NO_x, SO_2 and Particulate emissions, taking into account the measures, best practices and best techniques/technologies currently available.

Concerning diffuse emissions, we have installed several dust removal devices (bag filters) throughout the entire manufacturing chain, which enable particulate matter to be collected and reintroduced into the process, thus reused. In order to mitigate these emissions, the plants have industrial vacuums, sweeper machines, mist cannons and watering tanks to spray water on the routes travelled by the quarry's fleet.

In terms of fixed (chimneys), gas and particulate emissions, the plants are equipped with gas analysers and opacimeters, which continuously measure the pollutants emitted from the kilns and coal and cement mills.

The SECIL-Outão plant in Portugal has an air quality monitoring network, which continuously monitors pollutants like: PM_{10}, SO_2, NO_2, O_3 and CO. This monitoring network allows us to assess the possible influence of the plant's emissions on the ambient air quality of the surrounding area.

The results of this monitoring show that the average values obtained in 2024 were not exceeded on an annual basis.

We have committed financing lines that are significantly higher than our needs, guaranteeing coverage of all planned investments, as well as any new initiatives, without financial restrictions. Therefore, the execution of our environmental and social action plans **does not depend** on specific additional funding. However, a significant portion of our financing lines is directly linked to **key sustainability indicators (environmental and social KPIs)**, increasing our commitment to integrate ESG criteria into the company's financial structure.

Investments undertaken within the continuous/point measurement system, as well as for the air quality monitoring network, are stated in the item ESS (External Supplies and Services) in the Secil Financial Statements. In terms of cash flows, these amounts were considered under operating activities - payments to suppliers. [ESRS 2.69b]

E2-3 - Targets related to pollution

Secil has not defined specific quantitative targets to reduce atmospheric emissions, focusing instead on strict compliance with the Emission Limit Values (ELV) applicable to each facility. We also ensure continuous monitoring of the primary pollutants — namely nitrogen oxides (NO_x), sulphur dioxides (SO_2) and particulate matter (PM) — in line with the legal requirements and best practices in the sector. This approach allows us to guarantee real-time operational control and ensure the environmental compliance of our industrial operations. The company guarantees full execution of our continuous and periodic monitoring plans, as required by the environmental licenses and key performance indicators (KPIs) defined in the Global Cement and Concrete Association (GCCA) guidelines. However, the definition and implementation of targets to reduce atmospheric emissions is foreseen in the next strategic cycle, namely 2026-2030. [ESRS 2.72 | ESRS 2.81a/b]

Despite the absence of formally adopted targets, Secil supervises the efficiency of its pollution-related policies and actions. For this, the plants operate under an Environmental Management System (EMS), which includes specific licences to monitor and control emissions. This system allows us to ensure that our industrial processes comply with the applicable legal and environmental requirements. [ESRS 2.81b]

E2-4 - Pollution of air, water and soil

Pollutants	Atmospheric emissions - absolute values (kg/year)
PM	82,503.99
NOx	5,315,922.47
SO_2	1,519,611.30
Hg	31.33
HM1	30.36
HM2	888.72
VOC/THC	75,824.00
PCDD/F	0.03
Total	**6,994,812.20**

Note 1: PM, NOx and SO_2 are continuously monitored. Hg, HM1, HM2, VOC/THC, PCDD/F are measured periodically in accordance with the respective environmental licences.
Note 2: The data reported for PM, NOx and SO2 only contemplates the Cement business in Portugal (Maceira, Outão and Pataias Branco), Brazil (Adrianópolis), Lebanon (Sibline) and Tunisia (Gabès). The data concerning periodic measurements only contemplates Portugal and Brazil.
Note 3: The data reported for Tunisia are estimates, due to problems with the measuring equipment. [E2.31]

3.1.2.4 ESRS E3 – Water and marine resources

MANAGING IMPACTS, RISKS AND OPPORTUNITIES
SBM-3 (ESRS 2) – Material impacts, risks and opportunities and their interaction with strategy and business model

Description	Impact, Risk or Opportunity	Time horizon	Position in value chain	Sub-topic or related sub-sub-topic
[ESRS2.48a]	[ESRS2.48a]	[ESRS2.48ciii]	[ESRS2.48a]	
Raw materials suppliers in the value chain account for significant water consumption, which can have negative impacts on the ecosystems and local communities.	Negative impact	-	Upstream	Water consumption
The company accounts for significant water consumption, which can have negative impacts on the ecosystems and local communities.	Negative impact	-	Own operations	Water consumption
Water withdrawal in areas facing water scarcity and/or stress (intensive use of shared resource).	Negative impact	-	Own operations	Water withdrawal
Water withdrawal (groundwater, surface, municipal, etc.) impacts on soil stability, ecosystem stability and restoration of river flows.	Negative impact	-	Own operations	Water withdrawal
Water scarcity	Risk	Medium-Term	Own operations	Water withdrawal

Note: The material impacts identified are actual and therefore do not have an associated time horizon.

E3-1 - Policies related to water and marine resources

Secil has developed and established a set of policies that address the topic of water, namely the Sustainability Policy and the Quality, Environment, Energy, Health and Safety Policy. Within the scope of these policies, an Environmental Management System was implemented in all geographies where we operate.

The **Sustainability Policy** (Chap. 3.1.4.1) and **Quality, Environment, Energy, Health and Safety Policy** (Chap. 3.1.2.2), address sustainable development and promote responsible practices that help preserve natural resources, including water, fostering efficient usage. Secil adheres to strict standards, such as ISO 45001, EMAS, ISO 9001, ISO 18001 and the GCCA roadmaps, to ensure responsible environmental management, guaranteeing the supervision and optimisation of water use. [E3.11 | ESRS 2.65 a]

In 2024, Secil launched the process of identifying climate risks and opportunities in accordance with recommendations by the Task Force on Climate Related Financial Disclosures (TCFD), and water stress was one of the risks identified in this analysis. We performed phase 1 - identification of climate risks, phase 2 - definition of climate scenarios, and phase 3 - materiality assessment to define material risks. Secil will only develop a water management policy after this exercise has been validated. [E3.13 | ESRS 2.62] Within the scope of this assessment for the cement business, in the current scenario, an analysis of forecasts by Aquaductool shows that in Portugal, the Outão plant is located in a region of very high-water stress, and the Maceira-Liz and Cibra-Pataias plants are in an area of high-water stress. The Gabès plant in Tunisia is located in a region of high-water stress, and the Sibline plant in Lebanon is located in an area of very high-water stress.

ACTIONS and RESOURCES

E3-2 - Actions and resources related to water and marine resources

The Group's manufacturing facilities are in compliance with the national legislation applicable to the management and protection of water resources in the geographies where they are located and have implemented an Environmental Management System. The Environmental Management System in Portugal and Lebanon is certified under the NP EN ISO 14001:2015 standard. Portugal is also certified by EMAS (EU Eco-management and Audit Scheme). The scope of our Environmental Management System identifies environmental aspects and impacts, as well as risks and opportunities associated with water resources. Furthermore, we produced an environmental roadmap that describes the actions to be developed by each geography in relation to water resources. Regarding the use of water and marine resources, four actions were developed, specified in the table below. [E3.17 | E3.18b/c]

Actions taken

Key actions	Scope of action	Time horizon	Outcomes
[ESRS 2.68a]	[ESRS 2.68b]	[ESRS 68c]	[ESRS 2.68a]
Reduce water consumption	The scope of action covers Gabès in Tunisia, and Beirut in Lebanon, with impact on our own operations.	Medium-Term	Water consumption was reduced by 40% in Tunisia since 2020, and water withdrawal was reduced by 37% in Lebanon since 2019.
Water reuse	The scope of action covers Pomerode and Adrianópolis, in Brazil, with impact on our own operations.	Medium-Term	Increase water reuse in Pomerode. Evaluate implementation of water reuse in Adrianópolis.
Water discharge - Optimise WWTP operation	The scope of action covers Portugal, with impact on our own operations.	Short-Term	Correct operation of WWTPs, including replacement of UV lightbulbs and filters in some WWTPs
Water consumption - Update water network plan	The scope of action covers Outão in Portugal, with impact on our own operations.	Short-Term	Water network plan was upgraded, including the consumption network, industrial network, discharge points and consumption points.
Water consumption - Install meters to monitor water withdrawal	The scope of action covers Portugal (concrete), with impact on our own operations.	Short-Term	Conclusion of meter installation in all water wells.

Actions planned

Key actions	Scope of action	Time horizon	Outcomes
[ESRS 2.68A]	[ESRS 2.68b]	[ESRS 68c]	[ESRS 2.68a]
Water consumption - separate network for industrial and rainwater	The scope of action covers Outão in Portugal, with impact on our own operations.	Medium-Term	Implementation of separate network for industrial and rainwater.
Water consumption - assess reusing rainwater in the process	The scope of action covers Outão in Portugal, with impact on our own operations.	Medium-Term	Rainwater reuse for cooling system and irrigation.
Water consumption - change water network for consumption	The scope of action covers Outão in Portugal, with impact on our own operations.	Medium-Term	Connect quarry and dock to the public water supply network.
Water consumption - optimise water control equipment	The scope of action covers Portugal (aggregates), with impact on our own operations.	Medium-Term	Gradual replacement of meters with telemetry metering system. Revision/ Preparation of Separate Water Network Plans.

Our goal is to implement efficient water management by identifying and controlling water flows, from withdrawal and use to the discharge points. This process allows us to not only optimise water consumption, but also guarantee the quality of the water discharged, ensuring the right treatment of effluents and strict compliance with the legal requirements established for each unit.

Although a global target for water has not been defined, some facilities have already established specific targets to reduce consumption and incorporate reuse practices. Secil's contribution focuses on the management, conservation and sustainable use of water resources, by minimising water consumption, guaranteeing the safe treatment of domestic and industrial wastewater, increasing water reuse in our facilities, and encouraging conscious water consumption by our internal and external workers. [ESRS 2.68a] These measures are in line with SDG 6 (Clean Water and Sanitation), which aims to ensure availability and sustainable management of water for all by 2030, and the Paris Agreement which, despite being related to climate change, directly impacts water resources due to droughts and floods caused by global warming, which require adaption and mitigation policies.

Secil has been implementing initiatives to manage resources efficiently. Concerning water management, in addition to the aforementioned projects, meters were installed in several facilities to improve the efficiency of water monitoring and consumption. Examples of these initiatives include the installation of water-saving faucets in some cement plants in Tunisia, and in Portugal, water treatment systems were installed in the aggregates business units and meter installation was concluded in the concrete business units. [ESRS 2.68e]

METRICS AND TARGETS
E3-3 - Targets related to water and marine resources

To date, Secil has not developed specific targets for this material topic. However, we monitor the efficiency of our policies and actions through our 2025 Environmental Roadmap, which defines actions related to water management in each geography where we operate. In addition, we monitor the progress achieved through KPIs, using 2020 as the base year. In the future, the company will define a specific target to reduce water consumption. [ESRS 2.81b]

E3-4 - Water consumption

	Water consumption (m^3)
Cement	1,219,092.00
Concrete	334,584.35
Mortars/lime	5,335.35
Aggregates	21,753.56
Other materials	20,648.00
Total	**1,601,413.26**

Note: The data relating to water consumption result from calculating the difference between water withdrawn and water discharged. Water withdrawal in the cement and materials facilities is essentially obtained by direct measurement (< 0.1% corresponds to estimates). [E3.AR29] Estimations for the volume of water discharged depend on the discharge site and can be based on different approaches: information on precipitation, estimated volume of water used in a certain procedure, prior direct measurements, whenever there is historic data or monitoring systems have been installed. [E3.28e] As this is the first year in which we present data per business, it is not possible to present a history.

	Water consumption in areas of water-stress (m^3)
Cement	984,640.98
Concrete	23,329.45
Other materials	18,531.00
Total	**1,026,501.43**[8]

Note: The identification of facilities in water stress areas was carried out using the Aqueduct tool, revealing that in Portugal, the Outão plant is located in an area of very high susceptibility to water stress, while the Maceira-Liz and Cibra-Pataias plants are situated in areas of high susceptibility. The Gabès plant in Tunisia is located in an area of high susceptibility to water stress, and the Sibline plant in Lebanon is located in an area of very high susceptibility to water stress.

	Total water consumption (m^3) per net revenue on own operations
Total water consumption (m^3)	1,601,413
Turnover (million euros)	702k
Water intensity (m^3/M€)	2,282

Note: *This value can be found in note 2.1. of the financial statements.

E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities

In accordance with Appendix C of ESRS 1, Secil has chosen not to report information on the expected financial effects of the impacts, risks and opportunities related to water and marine resources in this first year of reporting.

[8] Os valores foram recentemente atualizados.

3.1.2.5 ESRS E4 – Biodiversity and ecosystems

STRATEGY
SBM-3 (ESRS 2) – Material impacts, risks and opportunities and their interaction with strategy and business model

Description	Impact, Risk or Opportunity	Time horizon	Position in value chain	Sub-topic or related sub-sub-topic
[ESRS2.48a]	[ESRS2.48a]	[ESRS2.48ciii]	[ESRS2.48a]	
The Group's activities produce GHG emissions with indirect negative impacts on biodiversity and ecosystems.	Negative impact	-	Own operations	Climate change
Quarrying causes significant land-use changes (ex. physical changes to the soil and landscape, to hydrology, and ecosystem and biodiversity loss).	Negative impact	-	Upstream and Own operations	Land-use change, freshwater-use change and sea-use change
The activities of suppliers of materials and services in the value chain can cause biodiversity loss.	Negative impact	-	Upstream	Species population size
The company's operations and activities in sites located in and/or near biodiversity-sensitive areas lead to deterioration of natural habitats and disturbance of the species.	Negative impact	-	Own operations	Species population size
The activities of suppliers of materials and services may lead to intense soil degradation, which in turn can generate significant negative impacts for the local biodiversity.	Negative impact	-	Upstream	Soil degradation
Quarrying causes impacts on soil degradation through soil removal (can influence destruction of the soil structure, erosion and changes in local hydrology, and changes in terrain).	Negative impact	-	Own operations	Soil degradation
The company's exploitation and/or mismanagement of natural resources can lead to negative impacts on ecosystem services.	Negative impact	-	Own operations	Impacts and dependencies on ecosystem services
The development of partnerships with academia and/or other entities that perform scientific studies can help promote and conserve biodiversity and restoration methodologies.	Positive impact	-	Own operations	Direct impact drivers on biodiversity loss

Quarrying has recognised impacts on the landscape, terrain changes, soil removal and groundcover, consequently resulting in threats to the local biodiversity, especially in biodiversity-sensitive areas, namely through: habitat loss and fragmentation, direct mortality and disruption, as well as the spread of invasive alien species. Therefore, Secil strives to minimise the impacts on biodiversity and speed up the natural colonisation process in our quarries. This objective has been achieved through programs that help restore the structure and functionality of flora and fauna, and of the original ecosystems. [E4.16b | E4.16c]

Some of Secil's activities take place in ecologically sensitive areas. All areas with quarries — cement and aggregates business units — receive special attention, especially those located in conservation sites. Six of the company's quarries are currently located in the following protected areas:

- Sesimbra (Arrábida Natural Park and Natura 2000 network)
- Outão Property (Arrábida Natural Park and Natura 2000 network);
- Madeira (Madeira Natural Park, partially). [E4.16a]

IMPACT, RISK and OPPORTUNITY MANAGEMENT
E4-2 - Policies related to biodiversity and ecosystems

Secil recognises the importance of preserving the biodiversity and ecosystems of the regions where we operate. Given the industry's extractive nature, the company is aware of the environmental and social impacts resulting from our operations, namely in the balance of ecosystems and diversity of wildlife, which are key elements for human health and well-being. [E4.23b] [E4.23d] [E4.23f]

Biodiversity management is an integral part of Secil's mission, guaranteeing the sustainability and resilience of operations in the face of socio-environmental challenges. To minimise impacts and speed up the natural rehabilitation of our quarries, we implemented ecosystem restoration programs and adopted policies related to the conservation of biodiversity and ecosystems, namely the Biodiversity Policy published in 2024, and several policies under the Quality, Environment, Health and Safety management systems. The table below presents the key aspects of the policy adopted by the company for the conservation of biodiversity and ecosystems. [E4.22 ESRS 2.65a]

Document	Biodiversity Policy
Key-contents and objectives [ESRS 2.65d]	In line with global best practices, increasing the Group's commitment to biodiversity and sustainability for future generations. The policy defines Secil's biodiversity-related responsibilities and targets.
Scope [ESRS 2.65b]	Own operations. Covers all Secil's business units and geographies.
Most senior level accountable for implementation [ESRS 2.65c]	Sustainability management
Third-party standards or initiatives committed to respect [ESRS 2.65d]	• ISO14001 - Environmental Management System • ISO 9001 - Quality Management System • GCCA - Global Cement and Concrete Association (Biodiversity Policy) • Cembureau Biodiversity Roadmap
Availability [ESRS 2.65f]	Secil Website

Secil adopts biodiversity and ecosystem management policies that focus on the recovery of degraded areas, promoting ecological restoration. These initiatives help mitigate disruptions caused by quarrying activities, create habitats for fauna and flora, also aiding the recovery of threatened species, reducing soil erosion and helping build ecosystems that are more resilient to climate change. Furthermore, in some locations, Secil monitors fauna and flora populations, also identifying, managing and implementing actions to monitor and control invasive species. [E4.23a] [AR4]

Secil's approach to biodiversity is centred on measuring and managing the impacts in each location, including manufacturing facilities, quarries and the surrounding areas, focusing especially on our own operations and taking into account each region's specific characteristics. Our Biodiversity Policy establishes that the net impact on biodiversity should be evaluated throughout the entire Secil Group, particularly in high conservation value areas. The goal is to understand these impacts to enable the effective management and implementation of measures that produce positive outcomes for nature.

ACTIONS and RESOURCES

E4-3 - Actions and resources related to biodiversity and ecosystems

Actions

Key actions	Status	Scope of action	Time horizon	Outcomes / expected outcomes
[ESRS 2.68a]	[ESRS 2.68a]	[ESRS 2.68b]	[ESRS 68c]	[ESRS 2.68a] [ESRS 2.68e]
Definition of the Group's biodiversity policy, listing the key responsibilities and targets	Achieved	Own operations in all geographies. Internal employees, partnerships with universities and associations.	Short-Term	Publication of the policy
Quarry rehabilitation	Planned Achieved and Planned	Own operations in all geographies. Partnerships with universities and associations. Regulatory bodies.	Long-Term	Execution of quarry rehabilitation plans (cement and aggregates) and restoration of the areas affected by quarrying.
Monitoring flora	Achieved and Planned	Own operations in the Outão quarries in Portugal. Partnerships with universities and associations.	Medium-Term	Development and launch of protocol to monitor flora.
Monitoring fauna	Achieved and Planned	Own operations at Outão and Sesimbra quarries in Portugal. Partnerships with universities and associations.	Medium-Term	Compliance with protocol to monitor fauna.
Internal biodiversity roadmap	Achieved and Planned	Own operations in all geographies. Partnerships with universities and internal employees.	Medium-Term	Development and implementation of internal guidelines on biodiversity restoration/regeneration and management, to advance the development of standardised tools applicable to all of the Secil Group.
Rehabilitation plan for quarries in Brazil	Achieved and Planned	Own operations in Brazil. Regulatory bodies, internal employees and consulting.	Long-Term	Development and approval of rehabilitation plan of quarries in Brazil
Fazenda Ilha Private Natural Heritage Reserve (RPPN)	Achieved	Own operations in Brazil. Regulatory bodies, internal employees and consulting.	Short-Term	Development of the Management Plan for the Supremo Cimentos conservation unit, Fazenda Ilha RPPN

On December 6th, Curitiba hosted the 8th Sesi ODS 2024 Awards, an event that recognises and disseminates practices that foster the pursuit of Sustainable Development Goals (SDGs). The award considers initiatives by industries, companies in the State of Paraná and Brazilian civil society organisations.

Supremo Secil Cimentos was honoured and privileged to have two projects recognised with the SESI ODS Seal in the category of medium-sized companies. In the environmental pillar, the company won 1st place for the project to create the Fazenda Ilha Private Natural Heritage Reserve (RPPN), located in Adrianópolis.

The Fazenda Ilha RPPN is entirely enclosed in Brazil's Atlantic Forest, a transitional area between the Dense Ombrophile Rainforest and Mixed Ombrophile Rainforest, occupying a total area of 112,3 hectares of preserved forest. The reserve harbours trees over 30 metres high and features eight natural caves in the Karst landform, which is part of the Votuverava Group.

The Fazenda Ilha RPPN was created in 2022, within the Adrianópolis property, in order to implement the necessary offsets and environmental programs due to the expansion of mining operations. This conservation unit is the first Private Natural Heritage Reserve in the Alto Ribeira region and steps up our commitment to preserve local biodiversity.

Secil's objective is to adopt practices that minimise the impacts of our quarrying activities on biodiversity and speed up the natural colonisation process in our quarries. This goal has been achieved through restoration programs that help recover the structure and functionality of flora and fauna, and of the original ecosystems. This commitment aims to reverse biodiversity loss and promote a sustainable use of natural resources, in complete alignment with the initiatives: United Nations Decade on Ecosystem Restoration (2021-2030), the European Green Deal launched in 2019, which places the 2030 Biodiversity Strategy as a central element, the recently approved EU Nature Restoration Law (2024), and the Kunming-Montreal Global Biodiversity Framework. [ESRS 2.68a]

Secil has committed financing lines that are significantly higher than our needs, to guarantee coverage of all planned investments (and any others that may arise), without financial restrictions. Therefore, the execution of our environmental and social action plans **does not depend** on specific additional funding. However, a considerable % of those financing lines are sustainable financing, as they are linked to sustainability KPIs. In Portugal, in addition to funding for a specific project through a Green Bond, we have a further 185 million € in sustainable financing (SLB and SLL). This type of funding is also employed in Brazil and Tunisia, totalling 408 million € of sustainable financing in the Group at the end of 2024 (or, excluding the Green Bond, 333 million €). These values can be found in **note 8.1.3**. Liquidity risk of the financial statements. [ESRS 2.69a]

The current financial resources attributed to these actions are represented in the financial statements as personnel costs, external supplies and services. In terms of cash flows, these are outflows related to personnel expenses and payments to suppliers. [ESRS 2.69b]

Restoration practices are implemented through the application of Nature-Based Solutions, exploring the complementarity between local knowledge of the natural systems and forest species, and the application of natural engineering techniques that help mitigate environmental impacts, restore degraded ecosystems and promote sustainable practices in those areas.

Secil grows native forest species in its nurseries, which are then used to reforest the quarries. The successful production of these plants is made possible by the expertise of our technicians, who have extensive know-how in collecting seeds from 17 species from ripe fruit in adjacent natural habitats and processing them using proper techniques to break dormancy and stimulate seedling germination. Rehabilitation of our quarries is performed according to the best natural engineering practices, applying the following techniques: (1) directly planting native species to reforest exploited areas and stimulate biodiversity, (2) hydroseeding, to stabilise embankments and prevent erosion, (3) creating ecological corridors to provide connectivity between natural habitats and restored areas, (4) creating ponds and shelters for wildlife in restored areas. [E4.28c]

METRICS AND TARGETS
E4-4 - Targets related to biodiversity and ecosystems

To assess progress, Secil established two measurable targets related to material sustainability matters. These are not science-based and internal stakeholders were involved in setting the targets [ESRS 2.80g]; they cover our own operations in all of Secil Group's geographies [ESRS 2.80c] [ESRS 2.80h]

Metrics and Targets

Objective and target	Baseline (baseline value and base year)	Associated metric	Performance 2022	Performance 2023	Performance 2024	Outcomes to achieve
[ESRS 2.80]	[ESRS 2.80d]	[ESRS2.75] [ESRS2.80B]	[ESRS 2.80j]	[ESRS 2.80j]	[ESRS 2.80j]	[ESRS 2.80e]
Metric 1: All active quarries with restoration plans	77% 2020	% of quarries with a restoration plan	83%	83%	90%	100% in 2025
Metric 2: Areas with high biodiversity value and biodiversity management plans	40% 2020	% of areas with high biodiversity value and biodiversity management plans	33%	33%	83%	100% in 2025

Note: The method for calculating targets/metrics did not change compared to the previous year. [ESRS 2.80i] For the targets, only active quarries were considered, covering the geographies of Portugal, Brazil, Tunisia and Lebanon.

The targets presented are directly related to the company's Biodiversity Policy. This policy establishes Secil's commitment to protecting and promoting biodiversity, covering all geographies where we operate. The targets implement this policy through concrete and measurable actions, such as (1) developing internal guidelines for restoration, regeneration and management of biodiversity, applicable to all of the Secil Group; (2) promoting strategic partnerships with the local communities, NGOs and the academic sector, in line with the principle of collaborative action; (3) requiring all quarries to have a rehabilitation plan in force and biodiversity management plans in all sites with high ecological value; and (4) encouraging the advancement of scientific knowledge and innovation, stepping up the company's role in actively conserving biodiversity. [ESRS 2.80a]

Metric 1 aims to ensure that all of the company's active quarries have a duly defined and implemented rehabilitation plan. The established target is to reach 100% by 2025, driving the restoration and regeneration of habitats to promote the recovery of ecosystems and foster biodiversity. Metric 2 aims to guarantee that all quarries in areas with high biodiversity value and under the company's responsibility, have biodiversity management plans, thereby promoting the protection and recovery of ecosystems. Significant progress was made in 2024, rising to 83%, with a target of 100% until 2025. This metric is particularly relevant in protected zones where the company operates, underlining our commitment to nature conservation.

As already mentioned, these targets are in line with several initiatives and policies relating to this subject, such as the United Nations Decade on Ecosystem Restoration (2021-2030), the European Green Deal launched in 2019, which places the 2030 Biodiversity Strategy as a central element, the recently approved EU Nature Restoration Law (2024), and the Kunming-Montreal Global Biodiversity Framework. [E4.15]

We highlight that Secil follows a mitigation hierarchy to prevent, minimise, restore or offset possible impacts, and one of the measures to manage and mitigate the impacts of quarrying is through the restoration and regeneration of habitats to promote the recovery of ecosystems and foster biodiversity. [E4.32b] Our goal is to have restoration plans in all of Secil's active quarries, and Biodiversity Management Plans in areas with high biodiversity value. [E4.32c] Secil follows the GCCA Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management in target setting. [ESRS 2.80f].

E4-5 - Impact metrics related to biodiversity and ecosystems change

	Sites owned, leased or managed in or near protected areas or key biodiversity areas [E4.35]
Number (sites)	6
Area (hectares)	499

Some areas where Secil operates are located in ecologically sensitive areas. Secil owns 499 hectares of property within the national protected areas network (Arrábida Natural Park), Natura 2000 network, and part of Madeira Natural Park, in Portugal.

The calculation of the metrics presented is based on the GCCA Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management KPIs, which are key performance indicators. [ESRS2.77a and b]

3.1.2.6 ESRS E5 – Use of Resources and Circular Economy

SBM-3 (ESRS 2) – Material impacts, risks and opportunities and their interaction with strategy and business model

Description	Impact, Risk or Opportunity	Time horizon	Position in value chain	Sub-topic or related sub-sub-topic
[ESRS2.48a]	[ESRS2.48a]	[ESRS2.48ciii]	[ESRS2.48a]	
Extraction/use of raw materials from non-renewable resources.	Negative impact	-	Upstream and Own operations	Resource inflows, including resource use.
Recovery of waste/by-products.	Positive impact	-	Own operations	Resource inflows, including resource use.
Development of techniques, processes, procedures and products in order to strike a balance between the availability of resources and avoid shortages in the short/medium and long term.	Positive impact	-	Own operations	Resource inflows, including resource use.
Promote circular economy-related activities and partnerships for by-products and waste, including circular bioeconomy and R&D projects.	Opportunity	Short-Term - Reporting year	Upstream	Waste

Note: The material impacts identified are actual, and therefore do not have an associated time horizon.

Secil identifies and assesses the environmental impacts associated with our activities, products and services in a structured manner. In determining environmental aspects and impacts, we identify material risks and opportunities related to environmental aspects, namely the circular economy. Secil's **Sustainability Policy** states our commitment to the responsible use of natural resources and energy, promoting the circular economy. Our circular economy targets are presented as percentages: The percentage of alternative fuels for clinker production kilns, with a view to replace fossil fuels, and the percentage of clinker incorporated into cement by partially replacing with alternative materials. [E5.11]

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

The incorporation of raw materials recycled from the use of demolition waste from buildings and infrastructures presents major potential, allowing a reduction in the use of virgin materials and environmental impacts arising from the exploitation and transport of waste to landfills. However, the absence of a suitable legal framework and effective control system for this waste, and lack of a business model to sustain this activity, continue to limit the recovery of this waste. As a consequence, disposal in landfills currently remains the most viable option, contrary to the principles of circular economy. Therefore, their incorporation into the cement-concrete value chain is still virtually non-existent.

In Portugal, we highlight a project that is in the analysis and development phase, relating to the circularity of construction and demolition waste, which aims to reuse recycled aggregates to replace natural aggregates.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

E5-1 - Policies related to resource use and circular economy

Secil adopts policies related resource use and circular economy, namely our **Sustainability Policy** and **Quality, Environment, Energy, Health and Safety Policies** (different for each geography). [E5.14 | ESRS 2.65a] These policies promote upstream circularity through the use of secondary raw materials and alternative fuels, [E5.15] and downstream through efficient waste management. Waste collection and storage is segregated, carried out in specific streams and in dedicated Secil sites. Whenever possible, we give precedence to waste recovery solutions, respecting the principle of waste hierarchy. [AR9b]

Our Sustainability Policy falls within the third level of the waste hierarchy, namely recycling, through the use of secondary raw materials. The Quality, Environment and Health and Safety policies fall within the fourth level, corresponding to other recovery, through the coprocessing of alternative fuels. [AR9a]

The following information is included by reference to other parts of the non-financial information statement (MDR-P, ESRS 2, §65 a/b/c/d/f):

- Sustainability Policy – Chap. 3.1.4.1, G1
- Quality, Environment, Energy, Health and Safety Policies– Chap. 3.1.2.2, E1

E5-2 - Actions and resources related to resource use and circular economy

Within the context of resource use and circular economy, four specific actions were developed. In Portugal, we note two initiatives: the Clean Cement Line project, in Outão, and the Profuture Clean Cement Line project, in Maceira (Chap. 3.1.2.2). Relating to the increase in alternative fuel consumption, two other actions were implemented, one in Adrianópolis, Brazil, and another developed simultaneously in Sibline, Lebanon, and Gabès, Tunisia. With the exception of the Clean Cement Line (CCL) project and the project to increase alternative fuels in Brazil, which are completed, all other actions are still in the planning phase. The CCL Outão project concluded in 2024 aimed to update this unit's production technology and is currently in the process of optimising its production operations. [E5.19]

Actions

Key actions	Status	Scope of action	Time horizon	Outcomes / expected outcomes
[ESRS 2.68a]	[ESRS 2.68a]	[ESRS 2.68b]	[ESRS 68c]	[ESRS 2.68a] [ESRS 2.68e]
Clean Cement Line Project, Outão	Concluded	The scope of action covers Outão, in Portugal, and has impact on employees, customers, sector and business associations, official entities, financial and insurance entities, community, academia.	Short-Term	Eliminate fossil fuel consumption, 20% reduction in CO_2 emissions and 20% reduction in thermal energy, 30% electricity self-consumption from heat recovery. Alternative fuel consumption rate CCL Outão in 2024: 49.3%
Increase alternative fuel consumption in Brazil	Concluded	The scope of action covers Adrianópolis, in Brazil, and has impact on employees, customers, sector and business associations, official entities, financial and insurance entities, community, academia.	Medium-Term	Achieve alternative fuel consumption rate of 40%.
Profuture Clean Cement Line Project, Maceira	Planned	The scope of action covers Maceira, in Portugal, and has impact on employees, customers, sector and business associations, official entities, financial and insurance entities, community, academia.	Medium-Term	Eliminate fossil fuel consumption (90% alternative fuels + 10% H_2), reduce GHG emissions by approximately 30.3%, and reduce overall energy consumption by approximately 20.8%, compared to the reference year (2019).
Increase alternative fuel consumption in Lebanon and Tunisia	Planned	The scope of action covers Sibline, Lebanon, and Gabès, Tunisia, and has impact on employees, customers, sector and business associations, official entities, financial and insurance entities, community, academia.	Medium-Term	Achieve alternative fuel consumption rate of 40%.

For each action presented, namely the Clean Cement Line project in Outão and Profuture Clean Cement Line project in Maceira, CapEx investments were made in the amounts of 86 and 63 million euros, respectively. [ESRS 2.69b]

The current financial resources attributed to the actions are represented by the associated Capex, registered in the balance sheet as fixed assets, both tangible and intangible. In the financial statement, the effects of depreciation, amortisation and impairment losses are considered in non-financial assets, while the cash flows related to these actions, classified as investments, correspond to payments made in relation to tangible fixed assets. [ESRS 2.69b]

The actions adopted resulted in several benefits, both globally and for Secil. The implementation of the Clean Cement Line project in Outão, currently in the optimisation phase, will allow a reduction of CO_2 emissions by approximately 20% and achievement of the "zero fossil" target.

Likewise, with the Profuture Clean Cement Line project in Maceira, the goal is to achieve the "zero fossils" milestone (90% alternative fuels + 10% green hydrogen), improving energy efficiency (reducing energy consumption by approximately 20.8%) and contributing to decarbonisation (reducing GHG emissions by approximately 30.3% and reducing overall energy consumption by approximately 20.8%, compared to the reference year 2019).

In Sibline and Gabès, implementation of the Capex – Alternative Fuel Use Projects, aims to achieve an alternative fuel use rate of 40%, and in Gabès, to start employing alternative fuels in addition to olive waste. [ESRS 2.68a]

METRICS AND TARGETS

E5-3 - Targets related to resource use and circular economy

Secil defined two measurable targets to achieve by 2030 which, while not mandatory under the current legislation in force [E5.27], are outcome-oriented, time-bound and in line with material sustainability matters established to assess progress. These targets, presented in the table below, did not change compared to the previous reporting period. [ESRS 2.80i]

Metrics and Targets

Objective and target	Baseline (baseline value and base year)	Associated metric	Performance 2022	Performance 2023	Performance 2024	Outcomes to achieve
[ESRS 2.80]	[ESRS 2.80d]	[ESRS2.75] [ESRS2.80B]	[ESRS 2.80j]	[ESRS 2.80j]	[ESRS 2.80j]	[ESRS 2.80e]
Target 1: Alternative fuels	Base year: 2020 Baseline value: 26.2%	Percentage of alternative fuels (%)	25.3%	21.7%	25.9%	49% Alternative fuels and 5% Sustainable Biomass
Target 2: Clinker factor	Base year: 2020 Baseline value: 80.2% (Portugal) Baseline value: 79.3% (Other geographies)	Percentage of clinker incorporation (%)	79.5% (Portugal) 78.9% (Other geographies)	80.4 % (Portugal) 78.1% (Other geographies)	79.3 % (Portugal) 76.9% (Other geographies)	65% (Portugal) 74% (Other geographies)

Note 1: The performance outcomes were presented with the same threshold as Secil's decarbonisation roadmap (Cement plants Maceira, Outão, Sibline, Gabès, Adrianópolis and Pomerode).
Note 2: No changes were made in values, year, calculation method, assumptions, sources or target limitations [ESRS 2.80i | ESRS2.13], and no prior period errors were identified [ESRS2.14].

The measurable targets established are not based on scientific evidence, [ESRS 2.80g] and were defined as: alternative fuels (target 1) and clinker factor (target 2). The scope of these targets includes our own operations in Portugal, Brazil, Lebanon and Tunisia. [ESRS 2.80c]

Secil is developing innovation projects with emphasis on the use of new cementitious materials, such as calcined clays, as well as grinding optimisations that increase reactivity and improve energy efficiency and productivity. [ESRS 2.80h] The targets were developed on the basis of the company's cycles and strategic objectives, and relate to the context where the plants are located, for example, the availability of alternative fuels in the market. The sector's benchmarks (GCCA, Cembureau) and the adoption of best practices oriented target setting and monitoring. [ESRS 2.80h]

Both targets promote circular economy and reduce environmental impacts: **Target 1**, replace fossil fuels with alternative fuels (e.g. refuse derived fuels, used tyres, biomass), reduce CO_2 emissions and promote circularity, decreasing the need to dispose of waste in landfills and minimising environmental impacts. [E5.24] The reduction of clinker factor, **Target 2**, which results in partially replacing clinker with decarbonated cementitious secondary raw materials, such as calcined clay, allows the reuse of other materials, promoting circular economy and reducing the need for virgin raw materials, decreases the consumption of thermal and electric energy, and directly cuts CO_2 emissions, as clinker production is one of the primary sources of CO_2 emissions in cement production. [ESRS 2.80f]

In relation to Secil's performance in the current reporting year, the actual accumulated targets and values are monitored in the Sustainability Committee's quarterly meetings. The Group's environmental targets are detailed in each business unit's Medium-Term Plans, and are subsequently reflected in the annual budget. In the business unit's daily, weekly and monthly management cycles, the targets are monitored and actions are taken to control any deviations. [ESRS 2.80j]

The targets presented are in relation to the Sustainability Policy and supported by the business units' development plans, namely the Plant Development Plan and Capex Plan. The Sustainability Policy defines our objectives and prioritises our actions, and environmental matters are one of the priority areas defined in this policy. [ESRS 2.80a]

E5-4 - Resource inflows

Secil believes that the circular economy play a key role in the cement industry, due to its potentially positive impacts on waste reduction and efficient use of resources. The integration of industrial waste and alternative materials as substitutes for traditional raw materials help decrease the dependence on finite natural resources and reduce the carbon footprint. Furthermore, it increases competitiveness through lower operating costs, mitigates risks associated with the availability of raw materials and addresses growing market demand for more sustainable products.

The consumption of these resources may differ according to geography and the period under analysis, influenced both by the level of activity and the characteristics and scale of the projects under development. The table below details the principal resource inflows resulting from Secil's operations in the cement industry. [E5-4.30]

Operations [E5-4.30]	**Resource inflows** [E5-4.30]
Products (including packaging)	**Aggregates:** Lubricating oils, explosives **Cement:** Grinding aids, paper bags, plastic, plastic film and explosives **Mortars:** Cement, paper bags **Concrete:** Cement, concrete admixture
Materiais (em especial no que diz respeito às matérias-primas críticas e às terras raras)	**Aggregates:** Limestone or granite **Cement:** Limestone, loam, clay, sand, gypsum, iron oxide **Aggregates:** Sand, gravel **Concrete:** Sand, gravel
Água e ativos	**Aggregates:** Water **Cement:** Water **Mortars:** Water **Concrete:** Water

The two tables below also relate to resource inflows in Secil's operations. The first table presents the overall weight of technical and biological products and materials, in metric tonnes (t), although biological materials are not applicable to the company. [E5.31a] The second table presents the weight of secondary components, products and materials. [E5.31c]

Technical and biological products and materials used in own operations [E5.31a]	**Unit**	**2024**
Weight of the products used	t	8,094,238.01
Weight of the technical materials used	t	16,468,109.28
Weight of the biological materials used	t	N/A
Overall weight of the technical and biological products and materials used	t	**24,562,347.30**

Note: The "weight of products used" corresponds to the sum of cement products and construction materials products, while the "weight of technical materials used" results from the sum of cement materials and construction materials. It should be noted that fuels were not considered in calculating the weight of technical and biological products and materials used in our own operations.

Secondary components, products and materials [E5.31c]	**Unit**	**Alternative materials**	**Primary**	**Total**
Aggregates	t	0	5,474,200.24	5,474,200.24
Cement	t	806,699.37	6,747,562.39	7,554,261.76
Concrete	t	2,900.19	11,155,936.98	11,158,837.16
Mortars / Hydraulic lime	t	1,492.00	322,669.02	324,161.02
Other construction materials	t	0.00	50,887.11	50,887.11
Total	t	**811,091.56**	**23,751,255.74**	**24,562,347.30**

E5-5 - Resource outflows

Aware of its own and the sector's potential impacts, Secil has been adopting corporate strategies for circularity, reuse and recycling of materials. This approach allows the company to increase the efficient consumption of resources and, consequently, achieve economic gains. In the table below relating to resource outflows, we present the total amount of waste generated, broken down by treatment type and stream, in metric tonnes (t), both in Secil's own operations and along the value chain per business (aggregates, cement, concrete, mortars/hydraulic lime and other construction materials). [E5.37a | E5.37b | E5.37c]

Recovery operations [E5.37a | E5.37b | E5.37c]	Hazardous [E5 39]	Non-hazardous	Total waste generated [E5.37a]
Aggregates			
Preparation for reuse	0	0	0
Recycling	37.68	6,704.40	**6,742.08**
Other	2.06	10.68	**12.74**
Cement			
Preparation for reuse	85.91	3.45	**89.36**
Recycling	10.44	25,102.54	**25,112.98**
Other	161.35	3,260.59	**3,421.94**
Concrete			
Preparation for reuse	**1.25**	**0**	**1.25**
Recycling	2.30	54,610.41	**54,612.71**
Other	24.61	11,231.05	**11,255.66**
Mortars / Hydraulic lime			
Preparation for reuse	0	0	**0**
Recycling	0	540.98	**540.98**
Other	2.57	0	**2.57**
Other construction materials			
Preparation for reuse	**0**	**0**	**0**
Recycling	0	0	**0**
Other	0	0	**0**
Total waste recovered	**328.17**	**101,464.10**	**101,792.27**

Note: For the totals presented in the tables above relating to resource outflows, including the total of hazardous and non-hazardous waste, the following assumptions were made for recovery operations: other recovery operations (outside and inside our facilities), preparation for reuse (outside and inside our facilities), and recycling (outside and inside our facilities).

On the other hand, the table below only presents the total amount of waste generated, broken down by hazardous and non-hazardous waste, of all recovery and disposal operations.

Operations [E5.37a | E5.37b | E5.37c]	Hazardous [E5 39]	Non-hazardous	Total waste generated [E5.37a]
Aggregates	60.76	6,716.08	**6,776.84**
Cement	383.62	28,610.77	**28,994.39**
Concrete	48.67	66,808.43	**66,857.10**
Mortars / Hydraulic lime	2.72	540.98	**543.7**
Other construction materials	0	0	**0**
Total	**495.77**	**102,676.26**	**103,172.03**

The methodology used for calculation is based on direct measurements taken on properly calibrated scales located in the industrial complexes, and the information is recorded on an electronic platform, in the case of Portugal and Brazil, and in the other geographies, according to registration by the entities. [E5-5.40]

E5-6 - Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

In compliance with Appendix C of ESRS 1, Secil chose not to report information on the anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities in this first reporting year.

3.1.3 Social Information

3.1.3.1 ESRS S1 – Own workforce

Our people

In 2024, our Human Resources department maintained its course to fulfil the 'People' goal in our Ambition 2025 – Sustainable Growth strategy, to be the preferred employer for the professionals we want to attract, to develop and retain talent, to grow and operate with excellence.

Therefore, in 2024 the focus on the Talent front was to launch the Secil Academy, our employee training hub, which includes three schools: Technical School, Leadership School and Management School. At the Leadership School, we launched Secil Leader, our leadership framework that encompasses Secil's leadership style – the Secil leader is someone who develops, empowers and recognises team members –, how to give feedback – through the Keep, Start and Stop methodology – how to observe and assess skills. In the Management School, we launched the program Digital Training – Foundations, Finance for Non-Financials, and conducted several workshops and training sessions for various publics, addressing the theme Artificial Intelligence. At the Technical School, the highlight in Portugal was to kick-off the Materials School and, in other countries, we provided training on the cement industry.

The Secil Academy also fostered self-development by launching two e-learning platforms. The Udemy, for a population of 299 learning enthusiasts out of the entire Group, and the Learning Hubz, which were open to all employees.

To accelerate the development of talent in critical jobs, we launched the first edition of the Secil International Young Talent Program, featuring 13 trainees from Portugal, Tunisia, Lebanon and Brazil. This one-year program included two weeks of onboarding in Portugal, job rotation, field immersion and an international experience lasting approximately three months. During this period, the trainees received training in the VDZ cement process and were included in the Finance for Non-Financials and Secil Leader training courses.

We present below other activities within the key topics of the Human Resources strategic agenda:

- **Talent** (attraction, retention and development): in addition to the Secil Academy, we launched our employer brand proposal to all Group employees. The EVP (Employee Value Proposition) was created in 2023.

- **Performance** (aligning individual goals with our business strategy): the 2024 People Performance Management Cycle presented some new features in skills assessment. Based on the launch of the new skills dictionary, we held a training session for all our people managers and experts to present the new dictionary, changes in evaluation, and to provide training on how to observe and assess skills.

- **Reward** (recognise and reward exceptional individual and team performance): in 2024, Secil explored the main outputs of the Reward Management project and, above all, learnt to interpret this methodology and its impact on employees, through 25 sessions presented to all levels of the Organisation, across the country.

- **Culture & Organisational Climate:** in 2024, we conducted two Organisational Climate Pulse surveys to measure employee satisfaction and assess our evolution in Culture and the Organisational Climate. Within these two spheres, our eNPS (Employee Net Promoter Score) presented a positive evolution, rising from 26 (January) to 34 (December), a result that is considered very good compared with the benchmark.

- **Internal Communication:** in 2024, we launched important features to improve employee alignment and engagement. In February, we released SecilLetter, a monthly bilingual newsletter presenting the most important news on all the companies that make up the Secil Group in the eight countries where we operate. In that same month, we launched InfoLeader, a monthly newsletter to deliver important firsthand news about Secil to our leaders, to keep them updated on how to prepare and disseminate information and support their teams. In November, we also launched Secil Talks, a videocast published on Youtube and Spotify, which in its first season addressed our Digital Transformation projects.

STRATEGY

SBM-3 (ESRS 2) – Material impacts, risks and opportunities and their interaction with strategy and business model

Description	Impact, Risk or Opportunity	Time horizon	Position in value chain	Sub-topic or related sub-sub-topic
[ESRS2.48a]	[ESRS2.48a; S1.14d]	[ESRS2.48ciii]	[ESRS2.48a]	
Health, safety and well-being				
Shift work impacts on quality of life and physical and mental health.	Negative impact	-	Own operations	Working hours
A work-life balance promotes employee health and well-being.	Positive impact	-	Own operations	Work-life balance
Work-related accidents or ill-health lead to fatalities, injuries or other pathologies.	Negative impact	-	Own operations	Health and safety
Failure to comply with occupational safety regulations and procedures negatively impacts worker health and safety.	Negative impact	-	Own operations	Health and safety
Talent retention and organisational engagement				
Promoting social dialogue between management and worker representatives facilitates greater worker engagement with regard to common interests, which can have an impact on working conditions.	Positive impact	-	Own operations	Social dialogue
Promoting social dialogue between management and worker representatives facilitates greater worker engagement with regard to common interests, which can have an impact on working conditions.	Positive impact	-	Own operations	Freedom of association, works councils and workers' rights to information, consultation and participation
Attractive wages (monetary benefits) and non-monetary benefits generate employee satisfaction.	Positive impact	-	Own operations	Fair remuneration
Attractive wages (monetary benefits) and non-monetary benefits generate employee satisfaction, maximising their retention and productivity.	Opportunity	Short-Term - Reporting year	Own operations	Fair remuneration

Description	Impact, Risk or Opportunity	Time horizon	Position in value chain	Sub-topic or related sub-sub-topic
Greater bargaining power for workers covered by collective agreements.	Positive impact	-	Own operations	Collective bargaining, including rate of workers covered by collective agreements.
Promoting open communication between employers, employees and their representatives, results in fairer and safer working environments, increasing worker satisfaction and productivity.	Opportunity	Medium-Term - Between the reporting year and up to 5 years	Own operations	Social dialogue
Collective bargaining, combined with the satisfaction of workers with wages and benefits, can prevent strikes, business disruption, and result in financial gains.	Opportunity	Short-Term - Reporting year	Own operations	Collective bargaining, including rate of workers covered by collective agreements.
Promoting Equity and Diversity				
We guarantee equal pay for equal work in the geographies where we operate.	Positive impact	-	Own operations	Gender equality and equal pay for equal work.
The lack of gender representation and age diversity creates less inclusive and equal environments, reducing innovation and a sense of belonging.	Negative impact	-	Own operations	Diversity
Continuous Development and Training				
Workforce training and continuous skills assessment promote workers' professional and personal growth.	Positive impact	-	Own operations	Training and skills development
Promoting training initiatives that foster employee development can increase their motivation and productivity.	Opportunity	Short-Term - Reporting year	Own operations	Training and skills development
Training and upskilling in sector-specific subjects, maximises talent attraction and retention, and differentiates the company in its sector.	Opportunity	Short-Term - Reporting year	Own operations	Training and skills development

The material risks and opportunities identified cover the entire workforce [S1.16] and the material impacts identified under the scope of 'own workforce' do not result from transition plans to reduce negative environmental impacts. [S1.14e; S1.14f; S1.15]

Secil is aware that its strategy and business model has a direct impact on employees, as the decisions made and practices adopted can have a positive or negative effect on the conditions provided to our workforce. Therefore, we prioritise social dialogue as part of our commitment to employee well-being, aligning management and other practices with the needs and concerns of our workforce. Regular meetings with unions and worker representatives to negotiate working conditions and benefits, strengthen organisational cohesion and are one of the ways in which we express this concern.

We are committed to increasing employee satisfaction and motivation by adopting policies that foster well-being and promote flexibility, such as our Flexwork Policy, as well as supporting employees at different stages of life. [I-104] We provide benefit plans, such as health insurance and medical support services, that extend beyond occupational medicine, as well as parental support. These show how we care about our people.

In addition, we focus on improving the skills of our direct employees, through our investment in continuous training and professional development programs. Secil's strategic vision to provide a fair and inclusive working environment, guaranteeing equality in pay, is implemented through our annual remuneration management and periodic review of salary structures, in order to eliminate internal inequalities of any kind. As we are aware that, due to its origins, our business model tends to concentrate employees in traditionally male-dominated technical fields, thereby limiting diversity, we established partnerships with technical schools as a way of attracting female employees, and also review recruitment policies to include more female candidates, while also providing initiatives that raise awareness and foster inclusion. [S1.13a, S1.13b]

Secil is aware that our sector carries inherent risks and that the nature of our industrial operations implies greater occupational risks. The company mitigates these in various ways, namely through our Health and Safety Policy, which is based on the "Zero Harm for employees, contractors and communities" ambition, safety training programs, and strict supervision of labour conditions, which significantly reduce these risks. Furthermore, each accident is analysed in depth to identify the causes and prevent recurrence.

As a complement, training programs like "Leading with Safety" empower employees and leaders to prioritise safety and implement continuous improvements, in order to limit deviations from compliance with safety standards and procedures [I-106] that could result in incidents, such as accidents or avoidable risk situations. Therefore, continuous training in these subjects, as well as strict oversight, aim to reinforce our safety culture and guarantee compliance with regulations.

Some of our activities require continuous operation, which is ensured through shift work, which impacts our people's quality of life. [I-99] This is a systemic or widespread impact, as shift work is widespread in the cement industry. We strive to mitigate these impacts, not only through social dialogue to adjust schedules, shift rotation and regular pauses, but also by encouraging practices that promote health and well-being.

The company's workforce in comprised of different types of direct employees who can be subject to material impacts by the organisation's operations, namely employees who are in a direct employment relationship with the company, covering administrative, technical, operational and management positions. Self-employed workers, namely independent service providers who collaborate directly with the company in specialised fields or specific projects; workers supplied by third-party undertakings, namely temporary workers or workers supplied by employment agencies, usually allocated to short- or medium-term operational or administrative positions, are covered as value chain workers and will be included in this scope (Chap. 3.1.3.2). [S1.14a]

Secil's strategy and business model has impact on its own workforce. Most material opportunities and impacts related to this are included in the Social (S) pillar or our sustainability framework (Chap. 3.1.1.3), a pillar that reflects our commitment to guarantee safe working conditions, promote employee well-being, ensure inclusive practices and strengthen our relationships with stakeholders. [SBM-3; S1.13a; S1.13b]

All direct employees in Secil's own workforce that may be subject to material impacts by the company's operations or value chain, are included in the disclosures, in line with our comprehensive and inclusive management and oversight of impacts on our workforce, guaranteeing that both employees and non-employee workers, as well as workers hired from labour supply companies (as defined by the NACE N78 code), are covered by the materiality assessments and corresponding disclosures. [SBM-3; S1.14; S1.14b; S1.14c]

Secil is aware that certain groups of employees may be more vulnerable to specific risks due to their personal characteristics, work context or the nature of their activities, adopting measures to mitigate negative impacts and guarantee the safety and well-being of all. [S1.15] However, we also believe that, as forced labour and child labour are regulated nationally in each geography where we operate, Secil does not have operations with a significant risk of forced labour. [S1.14e; S1.14f; S1.15]

S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

Secil values the views of our employees and actively includes their contributions in decisions and activities that aim to manage the actual material impacts on our workforce. This commitment is manifested through various practices and policies that promote bidirectional communication and employee engagement in decision-making processes.

Internal Communication as a Strategic Tool

Secil considers internal communication a key facilitator to execute our business strategy. Recognising the geographical and cultural diversity of our teams, the company implements close and participative communication, placing our employees at the centre. This is achieved through:

1. Climate Surveys: Every year a climate survey is carried out, where we listen to our people's views on the organisational climate; this is followed up with action plans that are prepared with the teams.

2. InfoLeader: Newsletter aimed for our leaders, providing firsthand information to help them communicate with their teams.

3. Information screens and Local Newsletters: We use various channels to guarantee that our information reaches all employees, irrespective of their location or position.

4. Town Hall Meetings: Quarterly live webinars presenting safety results, business performance and strategic updates, promoting transparency and alignment.

These initiatives guarantee that workers stay informed and have the opportunity to share their opinions, helping orient the company's decisions.

Local Communities as Partners

Secil is committed to adding value to the communities where we operate, including in our own workforce, through:

e) Job Creation and Local Hiring: We create job opportunities that recognise local talent and foster community development.

f) Community Engagement: Initiatives that encourage the active participation of our own workers in community projects, strengthening their sense of belonging and social responsibility.

g) These actions reflect Secil Group's commitment to take our employees' views into account in our decisions and activities, promoting an inclusive and responsible working environment. [S1.27]. [S1.27c] Dialogue with workers can take place through worker representatives, via works councils, or with the employees themselves, as is the case with the climate survey. [S1.27a] In terms of frequency, meetings with works councils are held monthly, [S1.27b] while the dialogue with national organisations representing workers occur annually, or whenever it is necessary to establish a specific agreement addressing a certain topic. On the other hand, climate studies are performed every two years. [S1.27b]

Secil implemented mechanisms to assess the effectiveness of our interaction with employees, guaranteeing that the opinions of our workforce are taken into account in the company's decisions and activities, such as action plans resulting from organisational climate surveys, monitoring of our eNPS (employee – Net Promoter Score) target, or our Systematic Dialogue Process with Stakeholders. Within the scope of our commitments for 2020-2030, Secil established the target of implementing a systematic dialogue process with various stakeholder groups, including employees. This commitment aims to ensure that the views and concerns of our workers are collected regularly and considered in business decisions. Furthermore, our social dialogue undergoes continuous assessment and improvement, due to our recognition of the importance of continuously monitoring and improving the effectiveness of this dialogue, thereby demonstrating Secil's commitment to stay aligned with international best practices, which recommend regular assessments of the impact of social dialogue institutions on socioeconomic decisions, reflecting a proactive approach in the continuous assessment and improvement of effective dialogue with employees. [S1.27e; S1.28]

Secil adopts a proactive approach to understand the views of our employees, including those who may be particularly vulnerable or marginalised. We implemented several measures to ensure that the voices of all our employees are heard and considered in our decisions and activities. The company also has Human Resources Business Partners (HRBPs), who guarantee proximity to our leaders and the respective teams, allowing us to understand, assess and support the different views of our employees. [S1.28]

In addition to those mentioned above, Secil has other practices that foster bilateral communication, to integrate the views of our employees, including those in vulnerable situations, namely:

1. Internal Communication and Active Participation

Secil promotes internal communication, recognising the geographic and cultural diversity of our teams. The company uses multiple channels to guarantee that all employees, irrespective of their location or position, have access to information and opportunities to participate. This includes newsletters, information screens, face to face meetings and training sessions. These initiatives allow employees to share their opinions and concerns, helping orient the company's decisions.

2. HR proximity - Open information sessions to address employee doubts, every month on the respective websites of the company's operations in Portugal. [S1.28].

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

Secil adopts a proactive approach to correct negative impacts that may affect its own workforce, guaranteeing that our employees have access to structured processes to mitigate and remediate adverse impacts.

Secil structures its approach to mitigate and remediate adverse impacts through preventive and corrective measures, in compliance with our **Human Rights Policy** and international best practices. [S1.32a]

The Integrity Channel is a confidential platform available to all employees, where they can report cases of non-compliance, harassment, discrimination or human rights violations, with the guarantee of investigation and possible correction. This channel is regulated by the **Integrity Channel Policy** (Chap. 3.1.4.1), which includes measures to protect complainants, namely guaranteeing anonymity when requested by the complainant, confidential treatment of the complaint and a clause for protection against retaliation. [S1.33]

This initiative reinforces the company's commitment to ensure effective mechanisms to raise concerns, also encouraging direct dialogue with leaders and HR. [AR30 | S1.32b | S1.32d | S1.32c | S1.32e | S1.33]

Whenever it is determined that the company has caused or contributed to a material negative impact, corrective actions are analysed to prevent recurrence and guarantee remediation of damages. Measures can include adjustment of labour policies, reinforcement of safety practices, fair compensation or revision of internal procedures. Furthermore, we have established processes for continuous monitoring and improvement, which allow the implemented measures to be monitored effectively, guaranteeing that they result in actual and effective change for our employees. These processes include internal audits, feedback collected from workers and regular revisions of our labour policies. [S1.32a].

Secil recognises the importance of ensuring that our employees are aware of and confident in the available channels to raise concerns or needs, adopting practices that promote effective internal communication and protect our employees. Therefore, we implement practices that reinforce this concern, such as the Secil Group Integrity Channel Policy, which includes clauses to protect complainants against retaliation and guarantee their protection, namely when they use the Integrity Channel, thus enabling employees to confidentially report any cases of non-compliance with the company's principles and commitments. This channel is an internal Secil initiative, as indicated in our Anti-Money Laundering and Combating Terrorist Financing Policy. [S1.33].

Secil values all of our employees, in their similarities and differences, stimulating equal opportunities and non-discrimination. We have developed measures and actions that target the material impacts identified on our own workforce.

These can be grouped in the categories below:

1. Health, Safety and Well-Being ;

2. Talent Recognition.

I. Health, Safety and Well-Being
IMPACT, RISK and OPPORTUNITy MANAGEMENT
S1-1 – Policies related to own workforce

Secil features a set of policies related to our own workforce, which span all of the Group's activities and aim to structure our performance, of which we note our **Human Rights Policy** and **Code of Conduct** (Chap. 3.1.4.1), the **Health and Safety Policy**, **Sustainability Policy**, and **Stakeholder Engagement Policy,** applicable to all of the Secil Group, for all of the geographies where we operate. We also have specific policies in each geography, such as the **Flexwork Policy**, which is applicable in Portugal. [ESRS 2.65b].

When defining the **Health and Safety** and **Human Rights** policies, (Chap 3.1.4.1) we involved internal and external stakeholders, such as regulatory entities, workers' representatives or unions, legal advisors, and health and safety consultants. [ESRS 2.65e]

Policies

Document [S1-19 and ESRS 2.65a]	Health and Safety Policy
Key-contents and objectives [ESRS2.65a]	This policy is based on 5 pillars: Leadership, Operational Safety, Management Systems, Communication and Training. It aspires to the highest level of awareness, promoting the continuous improvement of our processes through the implementation of an effective management system and strong leadership. In our commitment to zero harm for employees, contractors and communities, all employees are trained to perform their work in the safest way possible, where each person is accountable for adopting safe behaviour in all activities.
Scope [ESRS2.65b]	Covers the entire value chain, with impact on members of the governing bodies, committee members, Secil employees and representatives. Covers all of the Group's geographies and business units.
Most senior level accountable for implementation [ESRS2.65c]	CEO of the Group and of the respective Geographies (Country CEO)
Availability [ESRS2.65f]	Communicated to all employees, contractors and sub-contractors, managers and supervisors, regulatory entities, customers, suppliers, unions, local communities, through publication on the website.

The aforementioned policy is part of the Secil workplace accident prevention strategy, [ESRS 2.23] and addresses the ISO 18001 Health and Safety Standard [ESRS 2.65d] and the IRO identified within this scope, namely quality of life and physical and mental health in shift work, work-related accidents or ill-health, which lead to fatalities, injuries or other pathologies, and failure to comply with occupational safety regulations and procedures.

This Health and Safety Policy clearly reflects the Group's commitment to achieve zero harm for employees, contractors and communities.

In line with this commitment, the physical environment was adapted to guarantee the health and safety of our workers, customers and other visitors with disabilities. One example of this is the modernisation of our premises, namely the sanitary facilities, and other adaptations, which include the installation of accessible resources, wider doors to accommodate wheelchair access, grabrails near sanitary facilities and sinks for added safety, lower sinks and mirrors to enable use by wheelchair users, and non-slip flooring to reduce the risk of falls by people with mobility impairment. We also installed faucets and soap dispensers with motion sensors to eliminate the need for manual operation, guaranteeing hygiene and convenience. These adaptations are made in accordance with the organisation's broader commitment to promote an inclusive and safe environment for all. [AR17d]

ACTIONS AND RESOURCES

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The implementation of strategic actions in the field of health and safety, aims to address the material impacts identified, namely to avoid non-compliance with occupational safety regulations and procedures and prevent work-related accidents or ill-health, to achieve the objectives and targets of the Health and Safety Policy, promoting a structured, responsible and proactive safety culture.

Actions

Key actions	Status	Scope of action	Time horizon	Outcomes
[MDR-A_01; ESRS 2.68a]		[MDR-A_02; ESRS 2.68b]	[MDR-A_03; ESRS 2.68c]	[MDR-A_01; ESRS 2.68a | 2.68d]]
Action 1 **Safety Framework and maturity questionnaire**	Achieved	Secil Group	2024	Secil Safety Framework established and evaluated internally.
Action 2 **Key Performance Indicators (KPIs) to achieve fundamental proficiency in two components of the safety framework.**	Achieved	Employees in all geographies	2024	Process review, training. Enabled identification of key risk areas and measurable improvements, guaranteeing accountability and focus on mitigating recurring problems. [2.68d]
Action 3 **Continuous Training and Development** **Provide Visible Leadership and Safety training to all leaders**	Achieved	Employees in all geographies	2024	Acquire new knowledge. Trained leaders to promote open communication, enabling them to promptly address incidents and support the affected parties. [2.68d] Improved the capacity to investigate root causes and implement corrective actions effectively, minimising the likelihood of similar events. [2.68d]
Action 4 **Technical training for safety team.**	Achieved and Planned	Employees in all geographies.	Continuous action. Several periodic actions, in accordance with the annual training plan.	2024 training concluded. Continuous Technical and Behavioural Training: Continuous training programs to improve technical skills and safety-related behaviours.
Action 5 **External Support and Continuous Improvement: Hire an external consultant to strengthen and improve the organisation's safety culture.**	Achieved	Employees in Portugal	2024	Acquire new knowledge. Added expertise to assess systemic flaws, provide actionable insights to improve the organisation's capacity to prevent harm and respond to impacts. [2.68d]
Action 6 **Safety Roadmap. Update and monitor implementation of the Strategic Safety Plan.**	Achieved	Employees in all geographies	2024	Organised plans and respective oversight, in each geography.

Within the topic of Health and Safety, we note actions taken, planned or that are ongoing, to mitigate or correct material negative impacts on our own workforce [S1.38a]:

1. Established Secil's Safety Framework and Continuous Assessment;

- Our Safety Framework aims to act as an internal benchmark to assess our safety culture, starting from the current state and defining objectives for excellence in safety practices.

- The framework is comprised of 37 elements that are safety topics, such as working at height, safety dialogues, hazard identification and risk assessment, training. All these elements are associated with a corporate procedure to be followed, in other words, the regulations to be implemented and expected outcomes. Each has a set of questions categorised into three phases: Development, Implementation, Time horizon and Outcomes. These phases help assess the progress of each element in terms of implementation and effectiveness. As the questions are answered, each element receives an achievement percentage, which is then classified in one of five categories: 1 -Not Implemented, 2- Basic, 3- Good, 4- Excellent and 5- Sustainable. This structured approach allows Secil to clearly evaluate the level of safety maturity in several areas and identify opportunities for improvement, guaranteeing our continuous progress towards excellence in safety. [S1.46; ESRS2.80f; ESRS 2.77a]

In 2024, Secil established key performance indicators (KPIs) to achieve fundamental proficiency in two components of the safety framework, related to the company's operational scope and critical activities. Due to its importance, one of these elements was widespread and spanned all geographies: implementation of the LOTOTO procedure – Lock-Out, Tag-Out, Try-Out [Action 2], and the other was chosen by each site/geography, according to need and relevance.

2. Continuous Training and Development.

- The "Leading with Safety" program empowers employees in various fields and geographies to carry out training sessions in "Safety Leadership". The participants become Safety Ambassadors, in charge of promoting a safety culture and identifying potential vulnerabilities among workers. This program reinforces the importance of a behavioural approach to safety, guaranteeing that the views of our employees, including the most vulnerable, are taken into account.

- Provide "Visible Leadership in Safety" training to all leaders, empowering them with the necessary skills to shape and reinforce safe behaviour; (Action 3)

- Provide specialised technical safety training to the safety team (Action 4), improving their ability to deal with operational risks effectively.

3. External Support and Continuous Improvement (Action 5)

- In 2024, we hired external consultants specialised in occupational health and safety: to guarantee access t o the best safety practices and updates, promoting an optimal safety culture, from an impartial perspective and with expert guidance to integrate the best safety practices into our organisational culture.

- Regular and ongoing revisions of procedures and risk assessments at the corporate and local level: To maintain their relevance and effectiveness, guaranteeing comprehensive safety coverage.

4. Safety Roadmap. Strategic Plan and Annual Monitoring

- In 2017 Secil implemented a Safety Roadmap in all geographies where we operate. This global tool standardises the Group's strategy relating to health and safety in the workplace, featuring widespread and site-specific actions. The Roadmap aims to ensure that health and safety-related matters are given priority and implemented systematically, thereby improving the communication and dissemination of these topics.

- The Safety Roadmap is a strategic safety plan; it is already in its second term 2021-2025: Definition of the safety plan, detailed annually and monitored monthly in each geography, to guarantee consistent progress and alignment with safety objectives. Safety oversight and management in global quarterly meetings, to make updates, share best practices and resolve broader difficulties, promoting knowledge exchange between geographies. Monthly meetings are also held between safety managers in all geographies, to monitor implementations, share knowledge and update best practices. [2.68d].

Together, these actions demonstrate our commitment to build a proactive and collaborative safety culture that aspires to excellence throughout the entire organisation, [S1.38a] and aims to address safety risks, improve the safety culture and develop technical and behavioural skills at every level. [S1.38b]

They aim to predict, cooperate or support people who are harmed by the negative and actual material impacts resulting from Secil Group's activities, identified in the double materiality assessment. Altogether, they result in greater confidence, a better response to incidents and a more resilient safety culture. [2.68d]

The Safety Roadmap is updated regularly, based on real-time feedback and the outcomes obtained. It allows us to monitor progress and maintain consistent alignment with the policy's objectives, as well as continuously reduce priority risks. [ESRS 2.68e]

The improvement in safety behaviours and efforts to mitigate risks in the components identified in the "Safety Framework" are measurable through the defined KPIs. Leaders and employees at every level have actively participated in the implemented initiatives and training sessions, reporting greater confidence and reinforcing safe practices, which has resulted in greater safety engagement and constructive feedback in daily operations. [ESRS 2.68e].

In order to identify the necessary actions and appropriate responses to actual or potential negative impacts on our workforce, Secil applies a set of structured processes. The identification of actions that target these actual or potential negative impacts includes proactive assessments, collaborative engagement and mechanisms for continuous improvement.

In the case of health and safety, the principal processes include:

1) Risk Assessments and Incident Analysis: Regular risk assessments are carried out to identify potential hazards and risks for the workforce;

2) Collaboration between Departments and Units: Allows exchange of ideas, identification of weaknesses and development of targeted solutions. Employees at every level are encouraged to share their insights on what safety practices work well, the challenges they face and improvements they would like to see implemented;

3) Channels for Employee Feedback and Suggestions;

4) Analysis of Roots Causes: When incidents or near-accidents occur;

5) Training and Awareness Programs: Based on flaws or negative impacts identified.

The safety team improved its technical skills, allowing a faster identification of root causes and more effective implementation of corrective actions, reducing the time taken to resolve incidents. Collaboration with the external consultant brought new perspectives and highlighted specific areas for improvement. The first feedback suggests greater team participation and alignment with safety initiatives, as well as more robust processes to respond to material impacts. [ESRS 2.68e].

Budgeting in our geographies is undertaken through the yearly submission of financial budget proposals by the safety departments and corporate team, for their planned initiatives. These are analysed and approved by management following a discussion and evaluation process. We have committed general sustainable financing lines, which depend on sustainability KPIs; two of those KPIs are LTIR (Lost Time Injury Frequency Rate) and the percentage of women in the total workforce. This information is detailed in the document "sustainability linked-financing" available on the website.[2.69a | 2.69b]

In addition to internal processes, Secil strives to continuously improve our health and safety practices through participation in industry associations, such as GCCA (Global Cement and Concrete Association); involvement in safety commissions that provide valuable insight on best practices; or by consulting external safety experts and consultants. These partnerships help us incorporate proven strategies and methodologies, guaranteeing alignment with industry standards and developments in safety regulations.

All the actions taken, underway or planned, aim to resolve the actual material impacts on Secil Group's workforce, as detailed above. [2.38b]

METRICS AND TARGETS

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Secil is committed to managing safety and well-being responsibly, which is expressed through two objectives and targets defined under this scope. [ESRS 2.80c]

Secil's Safety System incorporates safety practices that not only protect our workforce, but are also in line with broader environmental, social and economic objectives. Through our comprehensive structure—including leadership, training, operational safety, management systems, and communication and reporting—our system guarantees that Secil's safety initiatives are both sustainable and adaptable to local conditions, by promoting a safety culture that encourages proactive risk identification and mitigation. In addition, this system upholds long-term health and well-being (in line with SDG 3: Good Health and Well-Being) and promotes responsible operational practices that minimise the environmental impact and waste of resources (SDG 12: Responsible Consumption and Production). Furthermore, our focus on continuous improvement, transparency in communication and inter-site learning, guarantees that local challenges are addressed while advancing sustainability at the organisational and community level.

Metrics and Targets

Objective and target	Baseline (baseline value and base year)	Associated metric	Performance 2024	Year and Value of target to achieve in 2025
[ESRS 2.80]	[ESRS2.80d]	[ESRS2.75; ESRS 2.80b]	[ESRS 2.68J ESRS2.80J]	[ESRS2.80e]
Reduce accident frequency rate	Baseline value: 7.5 Base year: 2020	Accident frequency rate	Secil Group's accident frequency rate: 5.5 Progress monitored monthly in all geographies.	3.8
Monitor status of the Safety Framework	Baseline value: - Base year: 2024	To have implemented 2 elements of the Safety Framework	Works were launched in the cement plants in Portugal at the end of 2024. See Framework box	52%

The targets defined for our own operations in all of the Secil Group included the involvement of internal stakeholders and did not change since the period of their definition. Regarding the stakeholder engagement plan, the impact is reflected across the entire value chain. [ESRS2.80c; 280g; 2.80h; 2.80i; S1.46]

These defined targets aim to monitor the related material IROs, and material impacts related to Health and Safety.

In the case of the **Accident Frequency Rate** (AFR), a reactive indicator, Secil maintains a clear focus on guaranteeing the improvements reflected in successive decreases in the AF over the last three years. This is a widespread metric applied to measure the frequency of workplace incidents or accidents in relation to the quantity of worked performed. It is frequently expressed as the number of incidents (such as injuries or accidents) per million hours worked and helps assess an organisation's safety performance and monitor trends over time. However, this process is limited because it does not contemplate the severity of the incidents or include near-accidents, which can provide important information on safety. Furthermore, variations in reporting practices, under-reporting and the inability to provide context or reflect the risks for all workers, may compromise accuracy and comparability between organisations.

The improvements achieved result from initiatives implemented and targeted training programs, as well as support from external consultants. [S1.46; ESRS2.80f; ESRS 2.77a]

Health and Safety targets take into account the broader context of sustainable development and the local situation in which the company's impacts occur. In terms of reducing the Accident Frequency Rate (AFR) target, this supports sustainable development by prioritising safer workplaces, reducing accident-related interruptions and aligning with the local context of promoting well-being and economic stability in the communities impacted by the company. [S1.46 | ESRS2.80f]

In the case of the **Safety Framework**, the two elements implemented contribute to a proactive indicator relating to the Health and Safety Policy, to achieve "Zero Harm" for employees, contractors and communities. [S1.46; ESRS2.80a]

The 2024 target aimed to have these two elements fully implemented with a "Good" score. The elements considered in 2024 were LOTOTO (Lock Out, Tag Out, and Try Out) and one other element chosen by each geography. For the latter, we detail the Preliminary Risk Analysis (PRA), as this was the choice in many geographies.

The metrics used were the scores for these elements of the Safety Framework, which allow us to assess the maturity of the implementation of the safety element or topic. No interim targets were developed, due to a management decision based on the metric's baseline. [S1.46; ESRS2.80e; 2.80f]

LOTOTO is a safety procedure used to ensure that machinery or equipment is fully shut off and cannot be restarted until the maintenance or service is concluded. This is a critical workplace safety process to prevent accidents caused by an unexpected power surge or machinery switched on accidentally.

The **Preliminary Risk Analysis** (PRA) is a proactive safety management tool used to identify and assess risks and potential hazards associated with a process, activity, system or equipment before beginning operation. The objective is to anticipate and mitigate risks beforehand to ensure safe operations and prevent accidents.

The methodology to include the full implementation of LOTOTO and the Preliminary Risk Analysis (PRA) in the safety KPIs involves verification against the requirements defined in each element's description, for example, the percentage of equipment or tasks subject to LOTOTO or PRA protocols, to measure their compliance. However, limitations include a potential focus on quantity to the detriment of quality, the varying complexity of tasks, and difficulty in consistently evaluating the effectiveness or depth of these implementations. [ESRS2.77a; ESRS2.77c]

For these elements of the Safety Framework, local safety managers lead the maturity assessment with the operational teams. The Group's Safety Manager orients, monitors and discusses this assessment to ensure alignment. Based on these discussions, recommendations are presented to Secil's Executive Committee for revision and approval. [S1.47]

Starting in 2025, these assessments will be undertaken by an external consultant, in order to guarantee impartiality and total coverage in evaluating the maturity of our Safety Framework in all geographies. [S1.46 | ESRS2.80f]

The first Health and Safety target, monitored monthly, was defined in accordance with a widespread process whereby the safety team of each geography collaborates with the respective operational teams to develop proposals that produce a continuous improvement compared to the previous year, taking into account the specific conditions of each location. These proposals are reviewed and approved by the geography's senior management through a series of meetings. Subsequently, each geography presents and defends its proposal to the Group's management for final approval. The Group's target is then calculated on the basis of the targets approved for each geography.

Target-related performance

The performance relating to safety targets is monitored through a structured approach, with monthly oversight meetings held with the geographies, weekly meetings to address specific matters, annual visits to the sites by the Group's safety manager, monthly meetings to share outcomes with the Group's management, including the Country CEOs, and quarterly meetings for the Group's management and safety teams to share updates, knowledge and improvements. As this target is a common KPI in this field, it is validated and audited externally. [ESRS 2.77b]

S1-14 – Health and safety metrics

Secil implemented an Occupational Health and Safety Management System (OH&SMS) in accordance with the ISO 45001 standard, in all geographies. Although Brazil is not certified, this geography implements the OH&SMS in accordance with the ISO 45001 standard. Implementation: 100% coverage for all Group employees and business units.

[S1.88a]

	Percentage of employees covered by a health and safety management system	2024
S1-14-001	Workforce	100%
S1-14-002	Employees	100%
S1-14-003	Non-employee workers	100%

[S1.88c]

	Number of recordable work-related accidents	2024
S1-14-017	Workforce	62
S1-14-018	Employees	39
S1-14-019	Non-employee workers	23

During the reporting period, no fatalities were recorded in Secil's operations. [S1.88b]

[S1.88c]

	Number of days lost to work-related injuries and fatalities due to work-related accidents, work-related ill-health and fatalities from illness	2024
S1-14-018	Employees	1,990
S1-14-019	Non-employee workers	880

The number of days lost to work-related injuries and fatalities, due to work-related accidents, does not include work-related ill-health, in the case of employees and non-employee workers.

[S1.88c]

	Work-related accidents (per 1.000.000 hours)	2024
S1-14-018	Employees	7.96
S1-14-019	Non-employee workers	5.52
	Workforce	6.84

The number of days lost to work-related injuries and fatalities, due to work-related accidents, does not include work-related ill-health, in the case of employees and non-employee workers.

II. Talent recognition

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S1-1 – Policies related to own workforce

In terms of policies, we underline the **Code of Conduct** detailed in Chap. 3.1.4.1, which shapes and guides the behaviour of all Secil employees, establishing high standards of business ethics and personal integrity in the performance of their respective activities.

Secil's **Human Rights Policy** (Chap. 3.1.4.1) expresses our commitment to protect and promote respect for Human and Labour Rights. Thus we stand by a solid and clear commitment to Human Rights, in line with the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation's Declaration on the Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. [S1.20; S1.21]

This policy establishes a set of structuring principles that steer actions in accordance with the applicable laws and regulations, guaranteeing respect for Human and Labour Rights in all the Group's operations. These include Freedom of Association and Collective Bargaining, eliminating discrimination, fighting harassment, promoting equal opportunities and recognising diversity and inclusion. These principles are critical to guarantee a respectful, safe and inclusive working environment for all employees. Secil adopts a zero tolerance approach to any form of discrimination, whether based on ethnicity and race, colour, gender, sexual orientation, gender identity, disability, age, political convictions, nationality, social origin or other. [S1.24b] We are also committed to guaranteeing equal opportunities for all employees. [S1.24a]

In addition to defining this policy, we have specific mechanisms in place to ensure that discrimination is avoided [S1.24d], detected and corrected. In this sense, we provide regular training on harassment in the workplace and carry out actions to raise awareness on these subjects. Furthermore, Secil undertakes to continuously monitor the impact of our diversity, inclusion and anti-discrimination practices, ensuring that our principles are respected.

The detection of cases is guaranteed through our **Integrity Channel**, where any employee can confidentially and safely report any instance of discrimination or harassment. Correction is ensured through serious and impartial investigation into all complaints, guaranteeing protection of the victim and the application of corrective actions and remediation whenever necessary. [S1.24d]

This policy explicitly addresses the issues of human trafficking, forced or compulsory labour and child labour, ensuring that these practices are not tolerated in any part of our value chain. [S1.22]

Secil makes specific commitments related to inclusion and/or positive action for people in its own workforce who belong to groups that are particularly exposed to a risk of vulnerability. In addition to those already mentioned, we subscribe to the Portuguese version of the CEO Guide to Human Rights by the World Business Council for Sustainable Development (WBCSD), undertaking to promote human rights issues in our operations and value chains. Our efforts extend beyond risk management and legal compliance, striving to create positive change in people's lives and provide a safe, equitable and respectful working environment in all our operations. Thus, Secil also embraces other specific commitments relating to Human Rights and Labour Rights across the entire Group, ensuring compliance with the applicable laws and regulations in the development of our activities. We also ensure freedom of association and collective bargaining, recognising the importance of constructive dialogue between all stakeholders; diversity and equal opportunities, building an inclusive, discrimination-free working environment, guaranteeing equal opportunities for all employees, irrespective of their personal or social characteristics; a physically and psychologically safe and healthy working environment, providing continuous training and access to social protection schemes. We reject any type of child and forced labour, fully complying with the International Labour Organisation (ILO), and ensure respect for the local communities where we operate, adopting measures to minimise negative impacts and foster their sustainable development. [S1.24c]

We also note our **Sustainability Policy** (Chap 3.1.4.1), which expresses our focus on employee talent, equal opportunities and employee diversity, recognising merit, as well as applying fair and equitable remuneration, and our **Flexwork Policy**, which aims to uphold a work-life balance through flexible working hours, to strike a better balance between professional and private life and meet the expectations of new generations.

Policies

Document [S1-19 and ESRS 2.65a]	**Flexwork Policy**
Key-contents and objectives [ESRS2.65a]	Aims to promote a work-life balance, inspired by the organisational happiness and well-being standard.
Scope [ESRS2.65b]	Covers employees and their families, in Portugal.
Most senior level accountable for implementation [ESRS2.65c]	Human Resources Management
Availability [ESRS2.65f]	Communicated to employees via email.

The following information is included by reference to other parts of the non-financial information statement:

- Provisions established in the Supplier Code of Conduct (AR13): Chap. 3.1.3.2
- Presentation of the Code of Conduct, Human Rights Policy and Sustainability Policy (MDR-P, ESRS 2, §65 a/b/c/d/f): Chap. 3.1.4.1

ACTIONS AND RESOURCES

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Secil intends to provide working conditions that generate a sense of belonging and commitment, build closer dialogue between management and the workforce, and offer attractive conditions that foster employee satisfaction, namely in terms of work-life balance. [S1.38a] [S1.38b]

Our focus on building an equal and inclusive culture that offers equal opportunities to our employees and the communities where we operate, inspired the macro-objective of providing equal opportunities and promoting diversity in management decisions throughout the Secil Group, which was established in 2023 in line with the best international practices and strengthened our business reputation. [S1.38b] The percentage of women allows the negative impact identified in diversity to be monitored, and relates to the social pillar of our Sustainability Policy. (Chap. 3.1.4.1) [S1.46; ESRS2.80a]

In terms of equal pay and benefits, Secil aims to reduce gender gaps and ensure equal pay for all, preventing inequalities and reinforcing equity in the workplace. [S1.38b] By establishing partnerships with Technical Schools, (Action 14) we intend to increase the inclusion of women in technical sectors, thereby promoting diversity. [S1.38b]

Our investment in education and training prepares employees for future challenges, increasing the company's competitiveness. Furthermore, our focus on innovation and belonging ensures that Secil will remain competitive and sustainable. [2.68a | 2.68b | 2.68c]

We list below actions taken that aim to provide or enable solutions related to actual materials impacts. [S1.38b]

Actions

Key actions	Status	Scope of action	Time horizon	Outcomes
[MDR-A_01; ESRS 2.68a]		[MDR-A_02; ESRS 2.68b]	[MDR-A_03; ESRS 2.68c]	[MDR-A_01; ESRS 2.68a]
Talent Retention and Organisational Engagement				
Action 5 **"Stay interviews" with high-potential (HiPo) employees, performed by the HRBP - Human Resources Business Partner team:** Enable collection of strategic feedback from high-potential employees, ensuring adjustments to internal practices to increase retention, allowing alignment with retention strategies and strengthening company-employee relationship. (Global) [S1.38b]	Achieved	Employees Secil Group, Globally	2024	Voluntary and involuntary employee turnover: 12.2% Enables alignment with retention strategies and strengthens company-employee relationship. [S1.38b]
Action 6 **Offer of short- and long-term bonus:** Implementation of a short- and long-term bonus to increase employee motivation and loyalty, reducing voluntary turnover. (PT) [S1.38b]	Achieved	Employees Secil Group in Portugal	2024	Volunt/Invol Turnover. Offer of short- and long-term bonus.
Action 7 **Stronger Sense of Belonging:** creates an environment where employees feel valued and connected to the company's vision. [S1.38b]	Achieved	Secil Group Employees Tunisia	2024	Volunt/Invol Turnover
Action 8 **Voluntary and involuntary employee turnover:** Increase Employee Ownership. (LB; BR)	Achieved	Secil Group Employees in Lebanon and Brazil	2024	Volunt/Invol Turnover
Action 9 **Voluntary and involuntary employee turnover**: Increase transparency and fair exit management, building organisational trust. [S1.38b] (BR)	Achieved	Secil Group Employees in Brazil	2024	Volunt/Invol Turnover
Action 24 **Monetary contributions, employee volunteering and in-kind donations:** Scholarships for children of employees. (PT)	Achieved	PT	2024	Monetary contributions, employee volunteering and in-kind donations
Promoting Equity and Diversity				
Action 10 % Women: **Equal Pay**: Review salary structure and adjust the salary gap between Men and Women. (PT and LB)	Achieved	Secil Group Employees in Portugal and Lebanon	2024	Review salary structure to correct gap between men and women

Key actions	Status	Scope of action	Time horizon	Outcomes
[MDR-A_01; ESRS 2.68a]		[MDR-A_02; ESRS 2.68b]	[MDR-A_03; ESRS 2.68c]	[MDR-A_01; ESRS 2.68a]
Action 11 % Women: **Equal Benefits** (e.g. health insurance): Improve our health insurance to include maternity (including childbirth expenses). (PT)	Achieved	Secil Group Employees in Portugal	2024	Update benefits, including health insurance and maternity-related expenses
Action 12 % Women: **Review Employer Branding contents**: Review employer branding campaigns (ads, social media posts, etc.) to increase female presence. (PT)	Achieved	Secil Group Employees in Portugal	2024	% Women
Action 13 % Women: **Partnership with technical schools:** Develop partnerships with technical schools to attract more women to technical courses, providing internships and mentoring sessions. (PT)	Achieved	Secil Group Employees (own operations) and downstream operations in Portugal	2024	% Women
Action 14 % Women: Provide equal benefits (e.g. insurance, ...) (LB)	Achieved	Secil Group Employees in Lebanon	2024	% Women
Action 15 % Women: Conversation circle. (BR)	Achieved	Secil Group Employees in Brazil	2024	% Women
Action 16 % Women: Working from home after maternity leave. (BR)	Achieved	Secil Group Employees (own operations) and downstream operations in Brazil	2024	% Women
Continuous Development and Training				
Action 17 **Training and development**: Collaboration with universities. Coordinate special discounts with universities to encourage employees to complete their studies, contributing with education subsidy.	Achieved	Secil Group Employees (own operations) and downstream operations in Portugal; Universities	2024	**Training and development** - Average amount spent per FTE
Action 18 **Training and development**: Partnership with online learning platforms; develop partnerships with online course platforms to give employees autonomy to choose different courses available at any time and in any location.	Achieved	Secil Group Employees in Portugal	2024	**Training and development** - Average amount spent per FTE
Action 19 **Training and development**: Collaboration with universities. Coordinate special discounts with universities to encourage employees to complete their studies, in addition to company's contribution through education benefits. (LB)	Achieved	Secil Group Employees in Lebanon	2024	**Training and development** - Average amount spent per FTE
Action 20 **Training and development**: Create a library available to all Secil employees in Tunisia. (TN)	Achieved	Secil Group Employees in Tunisia	2024	**Training and development** - Average amount spent per FTE
Action 21 **Training and development** - Encourage knowledge sharing. (TN)	Achieved	Secil Group Employees in Tunisia	2024	**Training and development** - Average amount spent per FTE
Action 22 **Training and development** - Functional training.(BR)	Achieved	Secil Group Employees in Brazil	2024	**Training and development** - Average amount spent per FTE

Key actions	Status	Scope of action	Time horizon	Outcomes
[MDR-A_01; ESRS 2.68a]		[MDR-A_02; ESRS 2.68b]	[MDR-A_03; ESRS 2.68c]	[MDR-A_01; ESRS 2.68a]
Action 23 **Training and development** - Online learning platform. (BR)	Achieved	Secil Group Employees in Brazil	2024	**Training and development** - Average amount spent per FTE:
Action 33 **Voluntary /Involuntary turnover**: Value innovative and creative ideas from employees, in line with the Innovation pillar of Ambition 2025. (TN)	Achieved	Employees Tunisia	2024	**Voluntary/Involuntary Turnover**

Of the measures and initiatives adopted with the primary objective of generating positive impacts on our own workforce, as a complement to the actions aimed to prevent or correct negative impacts, we disclose the actions that promote well-being (Action 17), professional development and engagement with the company, [S1.38c] that value innovative ideas (Action 33), as well as initiatives that foster equity and diversity (Actions 11, 14, 27; Action 14) or support employees and their families.

Secil adopts a systematic approach to track and assess the effectiveness of actions and initiatives aimed for our own workforce. One of our key initiatives to generate positive impact on our workforce is the implementation of the "Consequence Management Procedure" which was created to encourage employees to adopt safer practices, recognising and highlighting safe behaviours. In addition, employees who offer new ideas or projects that aim to improve the safety culture will be recognised. We expect this approach to generate greater enthusiasm among our workforce and add significant value to Secil's overall safety culture.

The effectiveness of the "Consequence Management Procedure" and other related initiatives can be tracked and assessed using several key methods:

- Employee engagement and feedback: Regular surveys and feedback sessions with employees can help assess their views on the initiative, level of engagement and motivation to participate in safety-related activities. This allows us to directly obtain information on how the workforce responds to recognition and incentive systems.

- Data from the Recognition and Reward Program: The number of employees recognised for their safety contributions can be tracked.

- Management reviews and audits: Regular reviews by management and safety teams, along with auditing the implementation of the procedure, allow us to assess its alignment with the safety objectives and the effectiveness in achieving the desired outcomes. Adjustments can be made, based on the results of the audits and the data collected.

These methods to track and assess the effectiveness of our actions and initiatives, are in addition to those already detailed in this report, such as Continuous Feedback (Stay Interviews - Action 5); Internal Communication Channels; Performance Indicators; Voluntary/Involuntary Turnover Rate - Assessment of changes in retention rates after specific actions (bonuses, recognition for ideas, etc.); Equity Indicators; Satisfaction and Engagement Surveys; Partnership Impact Assessment; Internal Audits and Reviews to guarantee that the actions implemented are in line with the company's strategic objectives and values; Recognition and Continuous Adjustment to actions based on the feedback collected and recognition of the initiatives' positive outcomes. [AR 38| AR 39 | AR 42 | S1.38d]

Secil adopted several actions to pursue the material opportunities identified. Regarding the payment of attractive wages (monetary benefits) and attribution of non-monetary benefits to generate employee satisfaction and maximise their retention and productivity, these are communicated and explained via jobgrading and roadshows. Furthermore, in order to increase employee motivation and productivity, as well as attract talent, due to the company's differentiation in the sector, the Secil Academy Training Plan was implemented with various schools. [S1.40b]

Concerning the remaining impacts identified, we note the aforementioned internal and collaborative methods and practices, which allow these to be identified and prevent them from becoming significant problems. [S1.39]

A comprehensive approach is adopted to ensure that internal practices do not cause or contribute to material negative impacts on Secil Group's own workforce. These cover areas such as public procurement, sales and data use. This commitment is reflected in our policies and procedures, notably the Sustainability Policy, Supplier Code of Conduct and 2020-2030 Sustainability Commitments, in line with the Global Cement and Concrete Association (GCCA) guidelines, expressing the company's responsibility to mitigate the impacts of its operations on the environment and communities where we operate.

In relation to our employee, customer and partner data use, Secil acts in accordance with the General Data Protection Regulation (GDPR). [S1.41]

Our processes for managing material risks related to our own workforce are integrated into the processes for managing actual risks, namely the Secil risk management process. (Chap. 4.4) [AR47]

METRICS AND TARGETS

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The targets defined for all of Secil Group's own operations included the involvement of internal stakeholders and did not change since the period of their definition. In the case of the stakeholder engagement plan, the impact is reflected across the entire value chain. [ESRS2.80c; 280g; 2.80h; 2.80i; S1.46]

Metrics and Targets

Objective and target	Baseline (baseline value and base year)	Associated metric	Performance 2024	Year and Value of target to achieve in 2025
[ESRS 2.80]	[ESRS2.80d]	[ESRS 2.75; ESRS 2.80b]	[[ESRS 2.68J; ESRS2.80J]	[ESRS2.80e]
Employee Turnover	Baseline value: 12.80% Base year: 2020	Voluntary/involuntary employee turnover (%)	12.20%	9.2%
Employee Satisfaction	Baseline value: 35 Base year 2021	eNPS	34	Between 36 and 40
Percentage of Women	Baseline value: 12% Base year: 2020	% women	13.49%	14.50%
Training & Development	Baseline value: 650 Base year: 2020	Training & Development (€/FTE)	498,44€/FTE	700€/FTE

in the case of **employee turnover,** the focus was to decrease voluntary/involuntary employee turnover (%), which is monitored quarterly. This aims to ensure that we are creating attractive and stable working environments, generating well-being and safety in the workplace, as well as **employee satisfaction**. This value is monitored annually through the eNPS, which also reflects employee engagement. We aspire to achieve a high value that demonstrates our commitment to positive and inclusive working environments, as this impacts on productivity and Secil's reputation as an employer. It also helps assess employee satisfaction at several levels. [S1.46; ESRS2.80f; S1.47]

The **percentage of women**, monitored quarterly, fosters equal opportunities for women and men. Increasing the percentage of women in Secil's workforce helps build diversity, equity and inclusion, reflecting our commitment to fair and inclusive labour practices.

Training and development indicators (€/FTE) enable us to monitor matters related to this topic. [S1.46; ESRS2.80e; 2.80f] Tracking this metric on a quarterly basis increases upskilling and promotes Secil's employability, innovation and sustainable competitiveness. [S1.46; ESRS2.80f; S1.47]

S1-6 – Characteristics of the undertaking's employees

The values presented are the actual number in each geography, without using estimations, based on the payroll systems and cross referenced with the values compiled by the reporting areas. [AR60 | S1.50d; S1.50f]

S1.50a - Total number of employees, broken down by gender

	Total number of employees, breakdown by gender	2024
	Number of employees	
S1-6-002	Male	2,226
S1-6-003	Female	347
S1-6-004	Other	0
S1-6-005	Undisclosed	0
S1-6-001	Total employees	**2,573**

*Note: This figure includes Secil's governing bodies.

This information can be found in the financial statements, under the Staff Costs section.

KPI S1-6-001 - S1-6-009 | Total number of employees, broken down by gender and by country

	Total number of employees, breakdown by country/region	2024
	Number of employees	
S1-6-006	Angola	88
	Brazil	566
	Cape Verde	29
	Lebanon	435
	Netherlands	3
S1-6-007	Portugal	1,166
S1-6-008	Spain	17
S1-6-009	Tunisia	269
	Total	**2,573**

*Note: This figure includes Secil's governing bodies.

	Total number of employees, by type of contract, breakdown by gender	2024
S1-6-003, S1-6-002, S1-6-004, S1-6-005, S1-6-001	Number of employees	
	Male	2,226
	Female	347
	Other	0
	Undisclosed	0
	Total	**2,573**
1-6-014, S1-6-013, S1-6-015, S1-6-016, S1-6-012	Number of permanent employees	
	Male	1,982
	Female	316
	Other	0
	Undisclosed	0
	Total	**2,298**
S1-6-021, S1-6-020, S1-6-022, S1-6-023, S1-6-019	Number of temporary employees	
	Male	215
	Female	31
	Other	0
	Undisclosed	0
	Total	**246**
S1-6-028, S1-6-027, S1-6-029, S1-6-030, S1-6-026	Number of non-guaranteed hours employees	
	Male	29
	Female	0
	Other	0
	Undisclosed	0
	Total	**29**
S1-6-035, S1-6-034, S1-6-036, S1-6-037, S1-6-033	Number of full-time employees	
	Male	2,225
	Female	347
	Other	0
	Undisclosed	0
	Total	**2,572**
S1-6-042, S1-6-041, S1-6-043, S1-6-044, S1-6-040	Number of part-time employees	
	Male	1
	Female	0
	Other	0
	Undisclosed	0
	Total	**1**

Note: This figure includes Secil's governing bodies.

	Total number of employees, by type of contract, breakdown by region	2024
S1-6-010, S1-6-011, S1-6-001	Number of employees	
	Portugal	1,215
	Outside Portugal	1,358
	Total	**2,573**
S1-6-017, S1-6-018, S1-6-012	Number of permanent employees	
	Portugal	1,008
	Outside Portugal	1,290
	Total	**2,298**
S1-6-024, S1-6-025, S1-6-019	Number of temporary employees	246
	Portugal	201
	Outside Portugal	45
	Total	**246**
S1-6-031, S1-6-032, S1-6-026	Number of non-guaranteed hours employees	29
	Portugal	6
	Outside Portugal	23
	Total	**29**
S1-6-038, S1-6-039, S1-6-033	Number of full-time employees	2,572
	Portugal	1,214
	Outside Portugal	1,358
	Total	**2,572**
S1-6-045, S1-6-046, S1-6-040	Number of part-time employees	1
	Portugal	1
	Outside Portugal	0
	Total	**1**

Note: The geography 'Portugal' includes the total number of employees in Portugal, Spain, the Netherlands and Cape Verde.
*Note: This figure includes Secil's governing bodies.

The figures in the Sustainability Report, as reported by each Geography, are based on payroll processing systems and are cross-checked with the values compiled by the Reporting areas. The total number of salaried employees includes the 8 members of the Board of Directors. [S1.50d]

[S1.50c]

	Employee turnover rate	2024
S1-6-047	Number of employees who left the company	314
	Number of employees at the end of the reporting period	2,573
S1-6-048	Employee turnover (%)	12.2%

To calculate the turnover rate, the denominator for turnover was based on the aggregate number of employees. The company's employee turnover also takes hires into account. Admissions were not considered in this denominator, as the description above only refers to exit turnover. [AR59].

S1-7 – Characteristics of non-employee workers in the undertaking's own workforce

[S1.55a]

	Number of non-employee workers	2024
	Non-employee workers	
S1-7-001	Angola	42
S1-7-002	Brazil	181
S1-7-003	Cape Verde	12
S1-7-004	Lebanon	68
S1-7-005	Netherlands	2
S1-7-006	Portugal	1,085
S1-7-007	Spain	45
S1-7-008	Tunisia	442
	Total	**1,877**

Note: Includes trainees and non-employee workers.

The actual number of non-employee workers is reported, and refers to the end of the reporting period. None of the values are estimations. [S1.55b-1; S1.55b-2; S1.57]

S1-8 – Collective bargaining coverage and social dialogue

	Collective bargaining agreements	2024
	Coverage of Collective bargaining agreements (%)	
S1-8-002	Inside the EEA	100%
S1-8-003	Portugal	100.0%
S1-8-007 S1-8-008	Outside the EEA	91.6%
	Tunisia	99.6%
	Angola	98.9%
	Cape Verde	0%
	Brazil	99.3%
	Lebanon	81.4%
S1-8-001	**Total**	**95.5%**

Only countries with significant employment were considered, defined as at least 50 employees by head count, representing at least 10 % of the total number of employees. Employees in the Netherlands and Spain were excluded.

	Social Dialogue	2024
	Social Dialogue (%)	
S1-8-002	Inside the EEA	100%
S1-8-003	Portugal	100.0%

The scope of this datapoint only includes countries in the European Economic Area (EEA) with significant employment (i.e. at least 50 employees by head count, representing at least 10 % of the total number of employees).

Although all employees are covered by collective bargaining, there are more structuring working conditions (e.g. general pay raise) that are determined by a broader (and more favourable) collective agreement. Non-employee workers are usually hired by service providers, and are therefore not covered by these (collective bargaining) contracts. [S1.61; S1.62; S1.63b]

[AR70]

Reporting model for collective bargaining coverage and social dialogue

Coverage rate (%)	Collective bargaining coverage		Social dialogue
	Employees — EEA (for countries with > 50 employees, representing > 10 % of total number of employees)	Employees – Outside EEA (estimation for regions with > 50 employees, representing > 10 % of total number of employees)	Representation in the workplace (only EEA) (for countries with > 50 employees, representing > 10 % of total number of employees)
0 – 19%	n/a	n/a	n/a
20 – 39%	n/a	n/a	n/a
40 – 59%	n/a	n/a	n/a
60 – 79%	n/a	n/a	n/a
80 – 100%	Portugal	Brazil, Tunisia, Lebanon	Portugal

Secil did not enter into any agreement with the company's employees for representation by a European Works Council, Societas Europaea Works Council or Societas Cooperativa Europaea (SCE) Works Council. [S1.63b]

S1-9 – Diversity metrics

[AR71]

[S1.66a]

	Gender distribution at top management level (number)	2024
	Employees at top management level (number)	
S1-9-002	Male	121
S1-9-003	Female	26
S1-9-004	Other	0
S1-9-005	Undisclosed	0
S1-9-001	**Total**	**147**

[S1.66a]

	Gender distribution at top management level (%)	2024
	Employees at top management level (%)	
S1-9-006	Male	82.3%
S1-9-007	Female	17.7%
S1-9-008	Other	0
S1-9-009	Undisclosed	0

The data presented defines top management as employees included in the professional categories “Senior Management” and “Managers”. [AR71]

[S1.66b]

	Distribution of employees by age group	2024
	Number of employees	
S1-9-010	< 30 years old	294
S1-9-011	30-50 years old	1,446
S1-9-012	> 50 years old	833

S1-10 – Adequate wages

At Secil, all employees earn above the national minimum wage in each geography. [S1.69] This information does not include non-employee workers, as the company does not control their wages. However, Secil is certain of the legal compliance of our service providers, namely through respect for the national minimum wage.

S1-13 – Training and skills development metrics

	Percentage of employees that participate in regular performance and career development reviews (%)	2024
	Gender	
S1-13-002	Male	95%
S1-13-003	Female	99%
S1-13-004	Other	--
S1-13-005	Undisclosed	--

Annual bonuses are directly linked to performance evaluations. Therefore, all eligible employees undergo this review. The percentage of employees that is not evaluated relates to those who are not eligible for a bonus, which is determined by their start date at Secil or the type of contract signed. [AR77a | AR77b]

Note: The remaining information regarding the training of salaried employees was not disclosed due to the choice to apply the phase-in approach, given the volume of associated requirements.

S1-15 – Work-life balance metrics

	Percentage of employees entitled to take family-related leave (%)	2024
S1-15-001	Total	**92%**

	Percentage of employees who are entitled to and make use of family-related leave (%)	2024
S1-15-003	Male	2.8%
S1-15-004	Female	5.4%
S1-15-005	Other	–
S1-15-006	Undisclosed	–
S1-15-002	Total	**3.2%**

The information presented relates to Secil employees in all geographies. The calculation contemplates family-related leave starting in 2024.

S1-16 – Compensation metrics (pay gap and total compensation)

	Pay gap between men and women (%)	2024
S1-16-001	Angola	42.2%
S1-16-001	Brazil	55.0%
S1-16-001	Lebanon	25.3%
S1-16-001	Portugal	29.6%
S1-16-001	Tunisia	35.5%
S1-16-001	Total	**39.1%**

Note 1: Employees from the Netherlands, Spain and Cape Verde were not considered in the calculation of this indicator.
Note 2: Salary was included, that is, the minimum fixed amount paid to an employee for performing their duties.

S1-17 – Incidents, complaints and severe human rights impacts

During the reporting period, 13 complaints were filed, treated and closed, presented by workers through the Integrity Channel. Out of these, 5 were work-related incidents of discrimination, including harassment, which resulted in the application of corrective measures, such as training, psychological support and disciplinary sanctions.

Through the Integrity Channel available to the entire Group, employees can report: Code of Conduct violations (e.g. 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 regulations; disclosure of confidential information; among others. These complaints are analysed, and this analysis may or may not lead to an investigation and the subsequent application of corrective actions, if necessary and/or appropriate. [S1-17-001; S1.103a; S1.103d]

There was no record of complaints filed through communication channels for employees to raise concerns, or monetary amounts for damages, or severe human rights incidents related to the company's workforce. [S1-17-002 and S1-17-003]

3.1.3.2 ESRS S2 – Workers in the value chain

STRATEGY
SBM-3 (ESRS 2) – Material impacts, risks and opportunities and their interaction with strategy and business model

Description	Impact, Risk or Opportunity	Time horizon	Position in value chain	Sub-topic or related sub-sub-topic
[ESRS2.48a]	[ESRS2.48a]	[ESRS2.48ciii]	[ESRS2.48a]	
Failure to comply with occupational safety regulations and procedures negatively impacts worker health and safety.	Negative impact	-	Own operations, upstream	Health and safety

Note: The material impacts identified are actual, and therefore do not have an associated time horizon.

The actual impacts identified in the table above [S2.11d | S2.13], which affect the safety of value chain workers, are directly associated with the organisation's strategy and model. Mandatory employee participation in the safety strategy, as well as implementation of a tracking system, provision of Personal Protective Equipment (PPE), obtaining and maintaining safety certifications and the performance of safety training, reflect Secil's strategic commitment to risk management and mitigation, and protecting our workforce. This commitment applies to direct and indirect employees, ensuring their safety and well-being (Chap. 3.1.3.1). [S2.10a-1 | S2.10a-2 | S2.10b]]

This proactive approach not only reduces risks, but strengthens the company's reputation and commitment to corporate responsibility, employee safety, health and well-being, and compliance with legal standards. These are key aspects for a sustainable and responsible business model, helping attract new partnerships and build stakeholder confidence. Furthermore, this approach fosters a culture of continuous improvement in safety management, generating more effective risk assessments, innovation in safety practices and sustainable business growth, essential factors for the long-term resilience and sustainability of Secil's strategy. [S2.10a-1 | S2.10a-2 |S2.10b]

Value chain workers that operate in Secil's facilities follow the same health and safety standards as direct employees, without any type of exclusion. [S2.11] It should be noted that, in accordance with the materiality analysis, no direct relationship was identified between the material risks and opportunities arising from impacts and dependencies on value chain workers and the company's strategy or business model. [S2.10b] Secil identifies and defines several types of value chain workers subject to material impacts, whether due to our own operations or those in the rest of the value chain, namely: [S2.11a]

Workers working on the organisation's sites, but who are not part of own workforce (i):

Contracted, subcontracted or temporary workers may be exposed to safety risks associated with the organisation's operations, such as equipment, chemicals or activities related to production and maintenance. If safety regulations and procedures are not strictly applied or if training is insufficient, these workers can suffer accidents.

Workers working for entities in the organisation's upstream value chain (ii):

These workers are employed by suppliers or service providers who provide raw materials, equipment or services. If these upstream workers are involved in the production of materials used by the organisation, they may be subject to impacts of the working conditions in the suppliers' sites, for example, exposure to hazardous substances or labour rights violations.

Workers working for entities in the organisation's downstream value chain (iii):

These workers are involved in the distribution, sale or final use of the organisation's products. If the products or operations have impacts on downstream workers, especially workers in logistics or construction activities, safety risks may arise related to goods transport or usage and handling of the end product.

Among the different value chain workers identified, no significant risks of child or forced/compulsory labour were found, both in relation to the commodities developed and geographies where Secil operates. Regarding health and safety, Secil requires all contractors to present the necessary documentation relating to their workers, and applies a strict policy forbidding the presence of minors under the age of 18 in our facilities. This approach reinforces our commitment to legal compliance and protection of labour rights. [S2.11b]

Within the scope of health and safety, the material negative impacts identified are of a widespread or systemic nature. Risks such as work-related accidents, exposure to hazardous materials or machine-related injuries are common in this sector and may occur in different geographies or business scenarios. However, by implementing strict safety measures — such as the requirement for contractors to present the necessary health and safety documentation, training performed, the provision of personal protective equipment — Secil aims to prevent these risks from becoming widespread or systemic. Although these measures minimise risk, individual incidents can occur, especially if safety procedures are not followed correctly or if there are failures in the operational safety culture. [S2.11c]

Despite a rigorous Health and Safety Policy, Secil recognises that there are workers with particular characteristics, working in particular contexts or undertaking particular activities along the value chain, who may be at greater risk of harm due to various impacts and risks identified in the materiality assessment, namely: [S2.12]

Workers under 18 years old:

These workers may be more vulnerable to accidents or injuries due to their inexperience or lack of physical strength to handle heavy machinery or hazardous materials. The organisation's policy of not allowing workers under 18 years old on our premises helps mitigate these risks.

Contracted and temporary workers:

These workers may be at greater risk of harm due to inconsistent safety training, lack of familiarity with the company's specific procedures or less access to personal protective equipment. The organisation's policy requiring contractors to submit safety documentation and guarantee its compliance mitigates this risk.

Workers in sectors similar to Secil, where machinery, hazardous materials and heavy manual labour are common:

These workers face high safety risks. Guaranteeing suitable PPE, training, task revision and adaptation, as well as regular safety checks on equipment, helps protect them against injuries and accidents.

Workers who operate complex machinery or heavy equipment:

These workers are at greater risk of serious injury or accidents due to the nature of their work. Comprehensive training, regular machine maintenance and clear safety procedures are essential to protect them.

Workers exposed to chemicals, dust or other hazardous materials:

These workers are at greater risk of long-term ill-health, such as respiratory problems or chemical burns. Providing suitable PPE, ventilation and safety training can help reduce these health risks.

Workers in remote locations, particularly those involved in field work or construction:

These workers may be at risk due to emergency response times in case of accidents. Guaranteeing suitable communication equipment, emergency procedures and first aid training can mitigate these risks.

Migrant workers, frequently in temporary or contract positions:

These workers may be more susceptible to safety risks if they are not familiar with local standards, if language barriers limit their understanding of safety instructions or if they face discrimination. Clear safety integration programs and translation services can help mitigate these challenges.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S2-1 – Policies related to value chain workers

The Group features a **Health and Safety Policy** designed to guarantee the well-being and protection of all our workers, including value chain workers, a **Human Rights Policy** and a **Supplier Code of Conduct** addressing matters such as worker safety, precarious work, human trafficking, forced labour and child labour. [S2.16 | ESRS 2.65a | S2.19]

The **Health and Safety Policy** (Chap. 3.1.3.1) adopted by Secil, which covers all value chain workers, including contract workers [S2.16 | ESRS 2.65], was developed to guarantee the well-being and protection of all parties involved. This policy includes comprehensive safety procedures, clear guidelines for PPE use, regular safety training and strict compliance with regulatory requirements.

The company ensures that our Health and Safety Policy is accessible and understood by all stakeholders through several communication channels, including face to face interactions and support from workers' representatives, which facilitate the dissemination of information. The policy is also prominently displayed in various locations in our facilities, to guarantee visibility and easy access to all workers. In addition, in order to avoid any barriers to understanding, the policy is translated into the relevant languages, enabling workers of different nationalities to effectively understand its implications. [AR16]

Furthermore, our **Human Rights Policy** (Chap. 3.1.4.1) is aligned with internationally recognised instruments, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), in several ways:

Respect for Human Rights:

The policy emphasises the fundamental right of workers to a safe and healthy working environment, reinforcing our responsibility to protect them against risks, especially in the case of value chain workers, whose safety challenges can vary depending on their tasks and workplace.

In 2024, there were no reports of value chain violations in relation to the UN Guiding Principles on Business and Human Rights, ILO Declaration on the Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. [S2.19]

Our **Supplier Code of Conduct**, which covers the workers of suppliers, [S2.16 | ESRS 2.65] clearly establishes provisions aligned with various international principles addressing worker health and safety, precarious work, human trafficking, forced and/or child labour, freedom of association and against retaliation, non-discrimination, environmental impact management, compliance with environmental regulations, transparency and integrity. [S2.17 | S2.19] Although not explicitly mentioned, the code is considered to be in alignment with the ILO Declaration on the Fundamental Principles and Rights at Work. [S2.19]

The Supplier Code of Conduct establishes that suppliers should guarantee safe and healthy working conditions for their employees and contractors, fully complying with local and national laws and regulations related to occupational health and safety. Suppliers must also have all authorisations, licenses and permits required by the competent authorities and ensure the implementation of suitable safety measures to protect workers operating on their premises. The code also emphasises the importance of guaranteeing fair and decent working conditions: workers should earn at least the minimum wage established by national legislation and have access to social security programs in compliance with the applicable legal standards. In countries that lack a legal minimum wage, suppliers are encouraged to remunerate workers on the basis of overall wage levels, cost of living, social security benefits and relative standards of living. [S2.17 |S2.19]

This code expressly forbids any type of forced or involuntary labour, under threat of sanctions, including mandatory overtime, human trafficking, debt bondage, forced prison labour, slavery or servitude. Furthermore, suppliers may not retain the identification documents of migrant workers and are forbidden to employ children of compulsory school age, and should not hire people under 18 years old or under the legal minimum age. [S2.17 |S2.19]

Finally, the Code of Conduct is sent to all suppliers together with purchase orders and, since the end of 2024, acceptance of this code is required of all critical suppliers within the scope of Procurement. [S2.17]

Policies

Document	Supplier Code of Conduct
Key-contents and objectives [ESRS 2.65a]	Respect local and national laws and regulations in relation to occupational health and safety, the environment and human rights.
Scope [ESRS 2.65b]	Covers own operations, upstream and downstream value chain, as well as suppliers and procurement department. Covers all of the Secil Group.
Stakeholder groups [ESRS 2.65e]	Suppliers, procurement department, legal department, health and safety department
Most senior level accountable for implementation [ESRS 2.65c]	CPO and COO of Secil Group
Availability [MDR-P_06; §65 f]	• Secil internal sharepoint • Via email when each purchase order is dispatched • Secil institutional website

S2-3- PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

Secil's approach to health and safety in cases of material negative impacts, such as an accident involving a contract worker, follows a structured process that covers treatment of damages and implementation of preventive measures. For each situation, a variety of strategies are applied – from incident reporting, investigations, emergency response protocols, work permits, complaint mechanisms and safety audits, to continuous training – guaranteeing swift corrective actions, continuous improvement and a decrease of incidents, with faster emergency response times and greater worker involvement in safety matters. By tracking and improving these processes, the company builds a solid safety culture and ensures the well-being of internal and external workers. [S2.27a | S2.33c]

There are several processes to provide or contribute to remediation of a material negative impact caused by the company, adopting different approaches depending on the situations that occur, such as: [S2.27a | S2.33c]

- First aid and immediate medical attention |In the case of accidents, first aid and immediate medical attention are provided to the affected contract worker. Secil has protocols in place to guarantee that emergency services are activated whenever necessary, ensuring that workers receive proper care to minimise the impact of the injury.

- Investigation and analysis of the cause of the accident |A detailed investigation is carried out to determine the cause of the accident. This process involves analysing the safety procedures, equipment, training received and the actions that led to the incident. If the accident is attributed to failures in the company's health and safety practices or systems, corrective action is taken.

- Remediation and compensation | Depending on the severity of the incident, adequate compensation or benefits are provided to the affected contract worker, such as workers' compensation or medical support, ensuring that the worker receives the necessary support for recovery and any work-related loss of earnings.

- **Implementation of corrective measures|** To prevent future incidents, corrective measures are implemented, such as updating safety protocols, improving training or equipment maintenance. Contract workers and other workers are retrained if necessary, and additional safety measures are introduced.

- **Communication with the affected worker |** Continuous communication is maintained with the affected contract worker to guarantee that their needs are addressed and they receive the support they need during the recovery process. If they are unable to resume work immediately, alternatives can be considered, such as job reassignment or working from home.

- **Integrity Channel |** Managed by an external and independent entity, enables reporting of irregularities that occur within the company (Chap. 3.1.3.1). After a complaint is received via the Integrity Channel, it is analysed confidentially and anonymously, launching a process that may result in investigation and the application of corrective measures. The complainant is notified of its receipt and, within a reasonable timeframe, is informed of developments. If the complaint involves members of the integrity committees, it is forwarded to the competent committee.

The effectiveness of Secil's approach to Health and Safety is assessed on the basis of the overall strategy and adopted processes, and is monitored through the following actions: [S2.27a]

- **Monitoring recovery and reintegration |** Secil monitors the recovery of the affected contract worker and their return to work, ensuring that they are physically and mentally fit to resume their duties; their well-being is continuously observed throughout this process.

- Reviewing the implementation of corrective actions | Following implementation of the corrective actions, Secil evaluates the effectiveness of those measures in reducing the risk of similar incidents in the future. This process involves performing regular safety audits, collecting feedback from workers and tracking safety metrics.

- Feedback mechanisms | Contract workers are encouraged to provide feedback on the effectiveness of corrective actions and any other safety concerns. This ensures that remediation is not just reactive, but also proactive, helping prevent recurrences.

ACTIONS and RESOURCES
S2-4 – Taking action on materials impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Concerning value chain workers, in 2024 the company implemented six safety-related key actions through the Procurement department, as well as approaches to manage material risks, identify material opportunities related to those workers and track the effectiveness of those actions. [S2.27a | AR43 | S2.35]

Action 1 - Mandatory safety induction for contractors and visitors – By requiring all external contract workers and visitors to undergo safety induction, Secil ensures that all individuals who enter our premises are duly informed of the safety risks and procedures. This proactive approach minimises the risk of accidents, reducing the likelihood of harm. In the event of an incident, induction serves as an essential basis to build awareness and compliance, supporting corrective actions and encouraging better safety behaviours.

Action 2 - Daily safety dialogues – Regular safety dialogues for internal and external staff increase the awareness of hazards and risk mitigation strategies. These discussions provide an opportunity for workers to express safety concerns, report near-accidents and suggest improvements. This mechanism increases transparency and allows us to identify systemic problems, leading to the adoption of corrective actions that address actual material impacts on our workers' health and safety. [ESRS 2.68d | S2.32a | S2.27a]

Action 3 - Mandatory work permits for non-routine tasks – The implementation of a work permit system for certain tasks ensures that the potential risks are assessed before beginning the activity. This process includes identifying hazards, and defining control measures and authorisation stages, thereby reducing the likelihood of incidents. If harm does occur, the authorisation process provides documentation that facilitates investigation and ensures that the appropriate corrective measures — such as procedural changes, safety upgrades or improvements — are adopted to avoid recurrence.

Actions 4 and 5 - Supplier Code of Conduct – Quotation and acceptance - the implementation of a Supplier Code of Conduct strengthens Secil's commitment to social, environmental, health and safety standards throughout our entire value chain. This promotes responsible and sustainable relationships, in line with the company's values. This way, Secil expects our suppliers to follow the same standards and comply with the applicable legislation. This approach generates mutual value and more solid partnerships.

Action 6 - ESG Questionnaire - Distributing an ESG questionnaire among suppliers allows us to score Secil's suppliers on their environmental, social and governance performance, building greater transparency and responsibility. This makes is easier to identify risks, align with the company's values and develop more sustainable and mindful partnerships.

Various human and financial resources were allocated to these actions. The Group's health and safety manager (each geography also has its own manager and team) and, within the Procurement department, the Strategy and Transformation department and Procurement Cost Management unit are partially allocated to manage these material impacts. [S2.38] In terms of financial resources, to implement these actions, the budget and investment plan are the internal management tools used to finance these initiatives, outlining the actions to be undertaken. [ESRS 2.69a] On the other hand, based on safety-related KPIs, general sustainable financing lines were committed, linked to sustainability KPIs, one of these being the LTIR (Lost Time Injury Frequency Rate). For more information, consult the "Sustainability-Linked Financing" document available on our website. [ESRS 2.69a]

The actions adopted and planned for the Secil Group involved financial resources for employee and supplier expenses, justified under operating activities and the respective payments. In the case of actions 1, 2 and 3, the resources were allocated to payments to employees, while in actions 4, 5 and 6, they were allocated to external supplies and services, also within the scope of operating activities and payments to suppliers. [ESRS 2.69b]

The implementation of these strategic actions relating to suppliers and the respective Code of Conduct, contribute directly to the achievement of the policy's objectives and targets, helping build a culture of transparency between Secil and our suppliers. [ESRS 2.68a] On the other hand, by dispatching our Code of Conduct together with purchase orders and asking suppliers to actively accept the code, we ensure that we work with suppliers who apply the best practices in safety and social responsibility. [S2.32a]

In terms of safety, the key actions implemented at Secil are in line with the principles of provision of remedy, ensuring that harm is prevented and mitigated, while also fostering accountability and the adoption of corrective measures whenever incidents occur. These actions support the provision of remedy in various ways (Chap. 3.1.3.1). [ESRS 2.68d | S2.32a | S2.27a]

We describe below the key actions taken for the health and safety of our contractors (external workers working in our facilities): [ESRS 2.68d]

Actions

Key actions	Status	Scope of action	Time horizon	Outcomes
[ESRS 2.68a]	[ESRS 2.68 and ESRS 2.69]	[ESRS 2.68b]	[ESRS 68c]	[ESRS 2.68a]
Action 1 - **Induction** All contract workers and visitors that enter Secil's premises must undergo safety induction.	Achieved	Covers our own operations and has impact on employees, contractors and visitors. Covers the entire Secil Group.	2024	Safety inductions in force.
Action 2 - **DSD** Regular daily and/or weekly safety dialogues with all internal and external workers, addressing risks and hazards in the workplace.	Achieved	Covers our own operations and has impact on employees and contractors. Covers the entire Secil Group.	2024	Daily/weekly discussions on safety in force.
Action 3 - **WP** (Work Permit) A procedure is in place which requires a work permit to be obtained before beginning specific tasks, regardless of whether the workers involved are internal or external.	Achieved	Covers our own operations and has impact on employees and contractors. Covers the entire Secil Group.	2024	Procedural protocol.

We describe below the key actions taken for the health and safety of our suppliers (Sustainable Procurement): [ESRS 2.68d]

Actions

Key actions	Status	Scope of action	Time horizon	Outcomes
[ESRS 2.68a]	[ESRS 2.68 and ESRS 2.69]	[ESRS 2.68b]	[ESRS 68c]	[ESRS 2.68a]
Action 4 - **Code of Conduct** - quotation Send critical suppliers a request to accept the Code of Conduct.	Achieved	Covers our own operations and has impact on suppliers and the Procurement department. Only covers the Group's activities in Portugal.	2025	Increase the % of ESG Critical Suppliers associated with Secil through the Procurement Policy and Supplier Code of Conduct (relative*). *Relating to the unit of target 3. See table of metrics and targets
Action 5 - **Code of Conduct** - acceptance The Code of Conduct is sent together with all purchase orders.	Achieved	In the value chain, covers our own operations and upstream, has impact on suppliers. Covers the entire Secil Group.	2025	Increase the % of ESG Critical Suppliers associated with Secil through the Procurement Policy and Supplier Code of Conduct (relative*). *Relating to the unit of target 3. See table of metrics and targets
Action 6 - **ESG Questionnaire** The company sends ESG questionnaires to critical suppliers, posing questions on the regulations in force and policies adopted in the three pillars: environmental, social and governance.	Planned	Covers our own operations, upstream value chain, and has impact on suppliers and the Procurement department. Only covers the Group's activities in Portugal.	2026	Better assessment of the supplier's conduct.

Note: The objectives of Actions 4 and 5 were achieved before the time horizon initially set for 2025.

Some of the actions described have delivered positive outcomes. The mandatory safety induction for contractors and visitors has become more structured, incorporating additional visual resources, resulting in less violations and, consequently, greater compliance and understanding of local safety rules by external staff, although there is still no quantitative measurement in place. The daily and weekly safety dialogues have also shown improvement, both in attendance and effectiveness, with greater worker participation and including discussions about real incidents, thereby increasing practical learning. The procedure for mandatory work permits for specific tasks is being implemented. [ESRS 2.68e]

The implementation of these strategic safety actions contributes directly to the achievement of the policy's objectives and targets, promoting a structured, responsible and proactive safety culture. Establishing KPIs to achieve essential proficiency in key components of the safety framework (Chap. 3.1.3.1) ensures trackable progress towards critical safety standards. Our visible safety leadership training empowers leaders with the necessary skills to shape and reinforce safety behaviours, while technical training provided to safety teams improves their ability to deal with operational risks effectively. In 2024, an external consultant was also hired to provide an impartial perspective and expert guidance on integrating the best safety practices into our organisational culture. Finally, regularly developing, updating and monitoring the strategic safety plan ensures continuous alignment with our safety objectives, driving sustained improvement and compliance with safety requirements. [ESRS 2.68a]

All the actions mentioned above, along with other initiatives, are implemented strategically to reduce the number of days lost to accidents in our facilities. These efforts aim to address safety risks proactively, improve our safety culture and upgrade both technical and behavioural practices at every level. By establishing clear safety procedures, performing regular evaluations, providing continuous training and promoting collaboration through meetings and visits, we ensure continuous progress in minimising incidents. Furthermore, constant procedural updates, risk assessments and consultations with experts, help build a safer working environment and reduce days lost to accidents. [S2.32b]

The needed and appropriate actions in response to actual or potential negative impacts on value chain workers, are identified through a systematic analysis of accidents with and without lost days, near-accidents, safety observations, non-conformities and serious incidents. [S2.33a]

The actions mentioned illustrate Secil's commitment to guaranteeing the safety of all external persons who enter our premises. These initiatives are designed to minimise the risk of accidents, both for internal and external employees, promoting a safer working environment. As such, we are starting to implement a supplier assessment process with ESG parameters to create mitigation actions for critical suppliers in the future (action 6 - future). [S2.33a]

In 2024, there were no reports of severe human rights issues or incidents in relation to our upstream and downstream value chain. [S2.36]

TARGETS AND METRICS

S2-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

Secil established a set of health and safety targets and metrics to be achieved by 2025, for our own employees and contract workers working on our premises, and related to the Procurement department, which affect the material impacts of topic S2 workers in the value chain.

We describe below the target set by Secil for the health and safety of our contract workers (external workers working in our facilities):

Metrics and Targets

Metric and Target	Baseline (Baseline value and base year)	Associated metric	Performance 2024	Target value to achieve in 2025
[ESRS 2.77c |ESRS 2.80b]	[ESRS 2.80d]	[ESRS 2.77c]	[ESRS 2.80j]	[ESRS 2.80b | ESRS 2.80e | S2.39]
Target 1- Accident Frequency Rate (AFR)	Baseline value: 7.5 Base year: 2020	The number of incidents or injuries per million hours worked.	Accident frequency rate = 6.8	3.8

We describe below the targets set for the health and safety of our suppliers (Sustainable Procurement):

Metrics and Targets

Metric and Target	Baseline (Baseline value and base year)	Associated metric	Performance 2024	Target value to achieve in 2025
[ESRS 2.77c |ESRS 2.80b]	[ESRS 2.80d]	[ESRS 2.77c]	[ESRS 2.80j]	[ESRS 2.80b | ESRS 2.80e | S2.39]
Target 2- % of ESG Critical Suppliers Evaluated (relative)	Baseline value: 0 Base year: 2022	Percentage of critical suppliers according to Secil methodology that were evaluated in terms of ESG Score (actual or predictive).	% of ESG Critical Suppliers evaluated = 66%	100
Target 3- % of ESG Critical Suppliers associated with Secil through the Procurement Policy and Supplier Code of Conduct (relative)	Baseline value: 0 Base year: 2022	Percentage of critical suppliers according to Secil methodology that passively or actively accepted the Code of Conduct.	% of ESG Critical Suppliers associated with Secil through the Procurement Policy and Supplier Code of Conduct = 50%	100
Target 4- % of companies in the Group that developed a process to identify ESG Critical Suppliers (relative)	Baseline value: 0 Base year: 2022	Percentage of companies in the Group that developed a methodology to identify critical suppliers.	-	100 - 2025

No changes were made in targets since the previous reporting year, except Target 1. For Target 1, a change was made in value: in 2020, an accident frequency rate below 1.5 was set for this target, which was later changed to 3.8. [ESRS 2.80i]

Target 1 corresponds to the work-related Accident Frequency Rate. This target applies to our own operations and several stakeholders were involved in setting the targets, which cover all Secil geographies and include our own employees and contract workers working in our facilities. [ESRS 2.80c | ESRS 2.80g | ESRS 2.80h] In addition, this target is aligned with the Health and Safety Policy and aims to achieve zero harm for employees, contractors and communities. [ESRS 2.80a]

Stakeholders are involved in the process of setting all targets. [ESRS 2.80h] For Target 1, the safety team in each geography collaborates with the respective operational teams to develop proposals that are subsequently analysed and approved by senior management. Each geography then presents and defends its proposal to the Group's management for final approval. [ESRS 2.80h]

Finally, by setting Target 1, Secil aims to reduce the Accident Frequency Rate, contributing to sustainable development by prioritising safer workplaces, minimising accident-related interruptions, and advancing the well-being and economic stability of the local communities impacted by the company. [ESRS 2.80f]

Along with Target 1, three more targets were set – **Target 2**, **Target 3** and **Target 4** – relating to procurement; this target-setting process was led by Secil's Procurement Department in collaboration with the Financial Department. [ESRS 2.80h] Target 2, relating to the % of ESG Critical Suppliers evaluated; Target 3, the % of critical suppliers according to the Procurement Policy and Supplier Code of Conduct; and Target 4, the % of companies in the Group that implemented a process to identify ESG Critical Suppliers. These three targets apply to suppliers within the scope of the Procurement Department, in the upstream and downstream value chain, and to our own operations, covering all of Secil's geographies. The targets are relative and expressed in percentage points [ESRS 2.80c | ESRS 2.80g | ESRS 2.80h] and, except for Target 3 which is related to the Supplier Code of Conduct, they have no relationship to any policy. [ESRS 2.80a]

The three targets presented above also contribute to sustainable development. By **evaluating suppliers** (Target 2) on the three ESG aspects — environmental, social and governance —, we obtain a comprehensive vision of how our suppliers manage and value their workers. This analysis allows us to assess social aspects directly, such as human rights and worker health and safety, and indirectly, namely through mechanisms to control and monitor compliance with these rights. Based on this evaluation and taking into account the relationship with each supplier, in the future it will be possible to assign specific improvement actions, with direct impact on workers' conditions along the value chain. [ESRS 2.80f]

Relating to our Supplier Code of Conduct, Target 3 contributes to sustainable development by defining essential requirements to guarantee safe and just labour conditions. For more details on this code, see the policies section of this report. [ESRS 2.80f]

Concerning Target 4, the methodology developed to identify and prioritise the evaluation of critical suppliers for Secil is based on the classification of the impact – high or low, according to GCCA guidelines – taking into account the supply category and expenses associated with each supplier. This approach aims to implement mitigation actions in the future, if necessary, thus contributing to sustainable development. [ESRS 2.80f]

The metrics associated with the targets resulted from different methodologies, each with its own limitations. [ESRS2.77a] In particular, Metric 1 was externally audited by GCCA, unlike the others, which were not subject to verification by external entities. [ESRS2.77b] Metrics 1 and 3 were calculated based on exact formulas, without assumptions. Metric 2 took into account the suppliers' business sector, the country where they are based and their turnover. Finally, Metric 4 followed the Global Cement and Concrete Association (GCCA) guidelines, considering the expenses per supplier, without taking into account actions that the supplier may implement. [ESRS2.77a]

In relation to **Metric 1**, the **Accident Frequency Rate** (AFR), this metric allows us to evaluate an organisation's safety performance and track trends over time. However, the AF presents some constraints, as it does not take into account the severity of the incidents or include near-accidents, which can also provide valuable information on safety. Furthermore, variations in reporting practices, under-reporting and the inability to provide context or reflect the risks for all workers, may compromise the accuracy of the metric, limiting the comparability between different organisations. [ESRS2.77a]

In addition, **Metric 2** is calculated on the basis of a methodology created by an external Secil supplier that specialises in risk assessment. This supplier calculated the ESG predicted score for critical suppliers, considering the country of operation, turnover and business sector (identified by Metric 4). The primary limitation of this assessment is the predictive nature of the ESG score. The evaluation only includes suppliers that are within the scope of Secil's Procurement. [ESRS2.77a]

Through the policy and Code of Conduct, **Metric 3** features two aspects: a passive aspect, that involves including the Code of Conduct in all purchase orders sent to suppliers, and an active aspect, that asks suppliers to actively accept the Code of Conduct during the negotiation, or later via email. Only suppliers within the scope of Secil's Procurement are considered. [ESRS2.77a]

Finally, **Metric 4** was calculated on the basis of a process developed jointly by different business units (Tunisia, Lebanon, Brazil and Portugal), where most of Secil's Procurement activities are concentrated. The methodology follows GCCA guidelines on the impact of supplier categories on each ESG pillar, while also considering the expenses per category and supplier. This methodology is limited because it fails to take into account actions being taken by the supplier to minimise its impacts. Only critical suppliers within the scope of Secil's Procurement are considered. [ESRS2.77a]

Through these targets, we aim to achieve various benefits for value chain workers. In particular, Target 1 is aligned with internationally recognised commitments, as well as several standards and policies, such as the Health and Safety Policy, the Safety Structure, local OH&S regulations, the International Labour Organisation's (ILO) Occupational Safety and Health Convention (C155), the ISO 45001 standard, the United Nations Global Compact and Industry Codes of Practice. Their principal objective is to raise awareness on health and safety. [S2.39 | AR45c]

Thus, we aim to reduce work-related injuries and fatalities, strengthen worker protection through better training and PPE practices, consolidate our safety culture and build a safer working environment. All of these measures ultimately intend to promote well-being, increase employee satisfaction and guarantee long-term job sustainability. [S2.39 | AR45a] The definition and methodology used to set these health and safety targets have remained consistent since 2020, enabling effective comparison and ensuring the continuity of efforts over time. [S2.39 | AR45b]

3.1.3.3. ESRS S3 – Affected communities

STRATEGY

SBM-3 (ESRS 2) – Material impacts, risks and opportunities and their interaction with strategy and business model

Description	Impact, Risk or Opportunity	Time horizon	Location on value chain	Sub-topic or related sub-topic
[ESRS2.48a]	[ESRS2.48a]	[ESRS2.48ciii]	[ESRS2.48a]	
Promoting the local economy, territorial cohesion and population settlement (e.g. inland regions) by generating decent work, improving infrastructure, investing in social well-being and guaranteeing respect for communities' cultural and environmental rights, to create better living conditions and drive balanced development in the regions.	Positive impact	--	Own operations	Communities' economic, social and cultural rights

Note: The material impacts identified are actual and therefore do not have an associated time horizon.

Secil believes that sustainability is a core pillar of our business strategy and an essential factor for differentiation, revenue generation and value creation. Therefore, we strive to develop our business without compromising our strong environmental and social foundations.

The extractive nature of industrial operations foresees a spectrum of social action that encompasses both people who actively collaborate with the company, and the surrounding communities. These are the first link in the chain to experience the impacts of Secil's industrial activities. Therefore, the company invests in social responsibility to guarantee that our presence has a positive impact on the quality of life of our employees and the communities where we operate.

Following the double materiality assessment, Secil identified a positive impact in the communities affected by our operations. This impact is in line with our strategy and business model of long-term value creation, to help advance the rural economy, territorial cohesion and population settlement. As one of the main employers in many of the regions where we operate, Secil plays an important role in the local economic development. Our business model, which ranges from the extraction of raw materials to the production and sale of cement, concrete, mortars and aggregates, depends directly on a qualified, diversified and safe workforce, as well as sustainable relationships with local suppliers.

Secil encourages local hiring, guaranteeing fair working conditions, equitable pay and professional development opportunities for its employees in the local communities. This approach generates an actual and positive impact in the communities where we operate, which is reflected in (i) quality jobs, (ii) less inequality and (iii) stronger local economic growth.

Furthermore, the Group invests in technical and professional training for its employees and members of the local communities, also including local suppliers in the production chain, thereby strengthening the economy of the communities where we operate [S3.8a-i | S3.9c]. This investment aims to increase skills and improve employability in the communities close to Secil's operations [S3.9c]. In addition, professional development, which benefits not only employees with various qualification levels, also allows the company to maximise the human capital during strategic adjustments or restructurings, which generates goodwill in the local communities and among strategic partners. This helps build a positive view of Secil, as well as facilitating the understanding of extraction, production and commercial processes [S3.8a-ii].

Secil also stands out for its implementation of social responsibility initiatives, which include social, cultural and environmental projects in partnership with the local communities. These initiatives aim to improve quality of life and are particularly important in the regions that are closest to the company's operations [S3.9c].

The company considers several communities that are materially affected[9] by its operations and value chain. These include:

(i) local communities directly living and/or working around the company's operating sites, quarries, plants and other premises. Secil prioritises local hiring and creating economic opportunities in these regions, to foster decent work and economic development;

(ii) communities established along the value chain, such as local suppliers and partners that are part of the supply chain, which benefit from long-term sustainable business relations;

(iii) communities at one or both endpoints of the value chain, including end consumers of Secil products and suppliers of raw materials, both impacted by the company's sustainable procurement and responsibility policies [S3.9a].

The Group adopts an integrated and comprehensive approach, ensuring that the material impacts in these communities are monitored and managed in a responsible manner [S3.9a], and we include all of the communities that are materially affected by our operations or value chain. Within the scope of reporting, we do not exclude specific, geographical or any other type of groups, adopting an inclusive and transparent approach when reporting our impacts [S3.9].

We note that in the materiality assessment, no risks and opportunities for Secil arising from impacts and dependencies on the affected communities were considered material [S3.8b | S3.9d | S3.11], nor were there any negative impacts [S3.9b]. However, outside of this analysis, the company recognises that the communities located near our industrial operations are directly impacted by these units' activities. To mitigate these risks, the Group implements strict environmental control mechanisms, performs continuous monitoring and maintains a transparent dialogue with the communities, for example through Environmental Monitoring Committees (EMC). The EMC's purpose is to monitor the environmental and social performance of Secil's plants, analysing the results and different activities, as well as informing society of their findings. This initiative was launched in 2003 at the Outão plant in Portugal and was replicated at the Maceira-Liz facility three years later. The international expansion of the Environmental Monitoring Committees reached the Gabès plant in Tunisia in 2012, and the city of Adrianópolis, Brazil, in 2015. [S3.10].

9 Within the scope of Secil's operations, no directly affected indigenous communities we identified [S3.9].

Environmental Monitoring Committees (EMC)

for regular consultation with stakeholders in the communities surrounding these units, named Environmental Monitoring Committees (EMC), which meet regularly, three or four times a year, to analyse the environmental performance and safety of these facilities, and to share the communities' expectations and needs.

This monitoring mechanism has been active at the Secil Outão plant since 2003, having conducted its 110th meeting, at Maceira since 2006 (with 40 meetings undertaken) and at Adrianópolis since 2015.

These forums include the participation of representatives from the central and local authorities, teaching establishments, healthcare units, environmental and local development associations, fire brigades and other relevant entities in each community. Company officials also participate in these meetings, from Board members to technical managers of departments involved in each topic analysed.

In addition, when relevant, occasional matters such as formal complaints or information requests are shared with the Board of Directors, which undertakes to define the appropriate responses to stakeholders.

The company also takes into account potential socioeconomic vulnerabilities, namely due to these communities' excessive economic dependence, leading to risks when reducing or ceasing activities. Given this risk, Secil focuses on local economic diversification and invests in community development projects, to reduce vulnerability and strengthen the region's economy. The annual support provided to the Setúbal municipality's associative movement (*Movimento Associativo do Concelho de Setúbal*) is an example of this, with Secil's Outão plant providing funding to a wide range of social solidarity, sports and cultural associations. In Setúbal, Secil also helps implement the program "Arrábida sem carros" (*car-free Arrábida*), which aims to create and maintain safe, responsible and eco-conscious access in the areas surrounding the Secil-Outão plant in the Arrábida mountain range (Figueirinha, Creio, Galapos and Portinho). Other initiatives by the Group include funding to the Biomares program (a protocol established between Secil, CCMAR[10], ICNF[11] and ISPA[12]), a multiannual protocol established with the Maceira Parish Council, as well as numerous donations in cash and in kind to various local associations. Another example of community development projects in 2024 took place in Lebanon, by Sibline, a company in the Group, providing support to the community through a series of donations, namely: (i) 5.000$ for the Farah Social Foundation, targeting disadvantaged people; (ii) 5.000$ for the Sibline Governmental Hospital, to reinforce the stock of medical equipment and medication; (iii) 5.000$ for the Iklim Emergency Committee, to support services provided to the local community; and (iv) a donation of 26.000 Type B blocks for the construction and/or renovation of cemeteries in the neighbouring villages [S3.10].

Therefore, Secil is aware that these communities need special attention, and adapts its strategies and initiatives to mitigate risks and drive sustainable development. By adopting this approach, the company aims to build a responsible and long-term relationship with the communities where it operates [S3.10].

10 CCMAR - Centro de Ciência do Mar do Algarve (Centre of Marine Sciences)
11 ICNF - Instituto da Conservação da Natureza e das Florestas (Institute for Nature Conservation and Forests)
12 ISPA - Instituto Universitário de Ciências Psicológicas, Sociais e da Vida (Institute of Psychological and Behavioural Sciences)

IMPACT, RISK AND OPPORTUNITY MANAGEMENT
S3-1 - Policies related to affected communities

Secil adopts a set of policies that reflect our commitment to the communities involved in our operations, giving special attention to the rights of the local populations. Among these policies, we highlight: the **Code of Conduct**, **Human Rights Policy, Sustainability Policy, Stakeholder Engagement Policy** and **Anti-Corruption Policy**.

These policies are in line with widely recognised international instruments, such as the United Nations (UN) Guiding Principles on Business and Human Rights, which outline business conduct for respecting and promoting Human Rights. Thus, we guarantee that Secil's practices comply with these principles, implementing actions to ensure that the communities and their rights are respected and protected, consulting and actively involving the local populations to manage the impacts of our activities [S3.17-1].

Within this scope, in its Code of Conduct, Secil undertakes to recognise our responsibilities towards the communities where we operate and with whom we interact, helping advance their progress and well-being (Chap. 3.1.4.1). Likewise, ourHuman Rights Policy establishes that the Group considers these rights a structuring principle, which is a key part of our commitment to sustainable development. The company guarantees compliance with the legislation and regulations applicable to the development of our activities, namely among the local communities. Furthermore, Secil adopts measures that minimise the possible negative impacts of our activities, taking into account their values, culture and traditions.

Through our Sustainability Policy, Secil reiterates its commitment to balance the economic performance with environmental respect and responsible citizenship. This policy defines clear goals and prioritises actions that help build a better life and sustainable planet for all.

In the social sphere, Secil is committed to enriching the communities where we operate, promoting job creation, local hiring and community engagement. Furthermore, we value talent, equal opportunity and diversity among our employees, encouraging merit and offering fair and equitable pay.

For Secil, our stakeholders are a key element in our business development, namely comprising shareholders, employees, customers, suppliers, the surrounding communities, local authorities and partners. Therefore, the Group recognises that our stakeholders are essential to our business. This is why we create channels that accommodate the growing involvement of the stakeholders impacted by our operations, to listen to them and involve them in the decision-making process. Within the terms foreseen in our Stakeholder Engagement Policy, consulting the different stakeholders to define how the Group manages its business is a structuring principle of our operations, and includes our commitment to sustainable development (Chap. 3.1.4.1). In this policy, Secil undertakes several commitments for stakeholder engagement. Specifically relating to our communities, it establishes: (i) the continuous intervention and identification of possible impacts on the communities around the regions where we operate; (ii) to enrich the surrounding communities through job creation, local hiring and community engagement; and, (iii) to help improve the well-being of the populations and promote initiatives that support the development not only of the communities, but also the regions where the Group operates.

Secil also recognises that fighting and preventing corruption are structuring principles in our commitment to sustainable development. Therefore, the company and our employees undertake not to offer, promise or authorise undue advantages to any people or entities, with a view to obtaining pecuniary or non-pecuniary advantages for themselves or third parties; to refuse advantages when their acceptance could jeopardise their independence and impartiality, current or future, in relation to the offeror or related entities; not to use donations or patronage to influence decisions that gain advantages; not to make contributions to political parties; and, to encourage communication of operations suspected of involving a violation of the rules and good practices, through the regular reporting procedures or, alternatively, Secil's Integrity Channel (Chap. 3.1.4.1).

Finally, we note that in the reporting year, no significant changes were made to the adopted policies [AR9].

ACTIONS AND RESOURCES

S3-4 - Taking action on material impacts on affected communities and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

Due to our influence in the regions where we operate, Secil encourages active participation of the local communities and implements various initiatives in order to support their development, and of the locations of our activities.

In 2024, the Group maintained its commitment to invest in the communities, as well as reinforce our partnership with local suppliers, prioritising local procurement [ESRS 2.68a].

Regarding activities planned for the future, Secil intends to keep investing in the same actions as this year.

Action

Key actions	Status	Scope of action	Time horizon	Results
[ESRS 2.68 a]	[ESRS 2.68 a]	[ESRS 2.68 b]	[ESRS 2.68 c]	[ESRS 2.68 a]
Investment in the communities	Concluded and planned	Takes place in own operations, upstream and downstream value chain. Involves the local communities and Secil.	2025	In 2024, 790.300 € were invested in the local communities.
Expenditure on local suppliers	Concluded and planned	Takes place in own operations and upstream value chain. Involves suppliers and Secil.	Ongoing	In 2024, 70.2% of procurement was from local suppliers.

Note: No negative material impacts were associated with the Communities' Economic, Social and Cultural Rights, only one positive impact, therefore no remedial actions were identified [ESRS2.68d].

The execution of actions adopted and planned for the future helps generate economic growth, which is driven by developing the communities, strengthening the local economy and stimulating the job market. This allows Secil to consolidate its position as an agent of social and economic change, fostering sustainable development in the regions where we operate [ESRS2.68a].

As the direct economic, social and cultural impacts on the community are positive, no actions were taken to provide for or cooperate in or support the provision of remedy for those harmed by the actual material impacts [ESRS2.68d]. The investment in communities maintained a key role in the mitigation of the impacts of Secil's industrial operations. Over the last years, the company has been maintaining the course established in 2020 to double the investment in communities by 2025, namely by reinforcing local contributions, such as the support provided to associations, donations and collaboration protocols [ESRS2.68e]. Therefore, three types of resources have been allocated, namely financial contributions, employee volunteering and donations in kind [ESRS 2.69a]. On the other hand, procurement from local suppliers has been fluctuating due to factors such as variations in demand, supply and market conditions [ESRS2.68e].

Regarding the resources used to manage the identified impact, Secil allocated monetary amounts to execute the action plan [S3.38]. Current financial resources attributed to actions relating to the most significant amounts are presented in the financial statements, namely: investment in communities in other operating expenses and losses; expenditure on local suppliers in external provisions and services - operating activities /payments to suppliers; and, hiring local employees in personnel expenditures - operating activities /payments to employees [ESRS 2.69b].

METRICS AND TARGETS

S3-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Secil defined a target relating to affected communities: until 2025, we intend to double the monetary value invested in local communities [ESRS2.80]. This investment is accounted for in three ways: (i) cash investment in communities, (ii) investment in goods/in kind, in the communities, and (iii) employee volunteering. Taking into consideration the history of support granted in recent years, the target was set in proportion to the growth of the support granted [ESRS2.80f].

Metrics and Targets

Target	Baseline (baseline value and base year)	Associated metric	Performance 2024	Target level to achieve in 2025
[ESRS 2.77c |ESRS 2.80b]	[ESRS 2.80d]	[ESRS 2.77c]	[ESRS 2.80j]	[ESRS 2.80b | ESRS 2.80e | S2.39]
Investment in local communities	Value invested in communities: 500.000 € Base year: 2020	Value invested in local communities (in €)	Secil invested 790.300 € in local communities, representing 79% of the target to achieve in 2025.	Value invested in local communities: double the value in relation to base year 2020 Target year: 2025

Note 1: The target and metric measurement methodology remain the same as in the previous year [ESRS2.80i].
Note 2: No interim milestones were defined for the target [ESRS2.80e].

The target covers the upstream and downstream value chain, as well as Secil's own operations [ESRS2.80c] and is directly related to the aforementioned Sustainability Policy and Stakeholder Engagement Policy [ESRS2.80a]. The definition did not involve the local communities [ESRS2.80g], only the Executive Committee, Human Resources and the Group's Institutional Communication [ESRS2.80h].

The company's performance in relation to the target in the reporting year was 790.300 €, representing 79% of the target to be achieved in 2025. Secil continues to monitor and review its progress regularly, maintaining the possibility of achieving the target by 2025 [ESRS 2.80j].

In addition to the metric associated with the aforementioned target, another target was defined relating to procurement from local suppliers [ESRS 2.77c].

Metric	2024
Expenditure on local suppliers (%)[13]	70.2%

Note: This metric is subject to validation by an external body within the scope of this report, and is not validated by other entities [ESRS2.77b].

13 This percentage represents the values presented by the Procurement department [ESRS 2.77a].

3.1.4 Governance Information

3.1.4.1 ESRS G1 – Business conduct

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

SBM-3 (ESRS 2) – Material impacts, risks and opportunities and their interaction with strategy and business model

Description	Impact, Risk or Opportunity	Time horizon	Position in value chain	Sub-topic or related sub-sub-topic
[ESRS2.48a]	[ESRS2.48a]	[ESRS2.48ciii]	[ESRS2.48a]	
Developing a responsible corporate culture enhances employees' sense of belonging, increasing their motivation and the company's capacity to retain talent.	Positive impact	-	Own operations	Corporate culture
The use of artificial intelligence, robotics and IoT technologies in industrial processes (cybersecurity) can result in production losses.	Risk	Short-Term - Reporting year	Own operations	Corporate culture
The inability to defend the company's legitimate interests before regulators can affect their decisions, resulting in less profit, revenue, cash flow and access to financing.	Risk	Short-Term - Reporting year	Own operations	Political context and lobbying activities

G1-1 - Corporate Culture and Business Conduct Policies

I. CORPORATE Culture

Secil promotes integrity and transparency in business management, in compliance with the laws, standards and regulations in force, upholding ethical values among employees, customers and partners. In addition, Secil is aware that developing a responsible corporate culture builds our employees' sense of belonging, increasing their motivation and the company's capacity to retain talent. Therefore, we developed a set of policies and actions that aim to govern our behaviour in this regard, ensuring that the commitments that underpin our actions are clear. [G1-1_01; G1.9] Secil Group expresses the importance of integrity, ethics, responsibility and honesty in the development of our business and activities, defining a governance model that covers all geographies where we operate. This is also reflected in policies, mechanisms and instruments that aim to ensure this transparency and integrity in the Group's practices, and the internalisation of our ethical business values at all levels and by all Secil employees, namely through our Human Rights Policy, Code of Conduct and Anti-Corruption Policy.

The policies in force also intend to guarantee compliance with the legislation and commitments undertaken with our stakeholders. Examples include our Free Competition and Stakeholder Engagement policies, among others, which are presented below.

The process of defining and implementing the policies below included the involvement of internal stakeholders, namely the relevant Secil departments, in accordance with the topics in question. [MDR-P_01-06; ESRS2.65e] The Integrity Channel Policy is in reference to legal compliance (Law No. 93/2021, of 20 December) [2.65d]. In relation to Information Technologies and in the case of Remote Access Policies, Asset Management and Racks Management, in addition to Secil's involvement, the process also received support from an external consulting firm.

The five policies developed in 2023 - Human Rights Policy, Anti-Corruption Policy, Anti-Money Laundering and Combating Terrorist Financing Policy, Free Competition Policy and Stakeholder Engagement Policy, aim to fulfil the commitments undertaken by Secil, with regard to the applicable legislation, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, namely the International Labour Organisation (ILO) Declaration on the Fundamental Principles and Rights at Work, the eight fundamental ILO Conventions and the Universal Declaration of Human Rights. [MDR-P_65d; ESRS2.65d]

[G1.MDR-P_01-06; G1-1.7 and ESRS 2.65]

We detail below the policies and codes that are applied across the entire Secil Group, in all geographies where we operate.

Policies Document [G1.7]	**Human Rights Policy**
Key-contents and objectives [ESRS2.65a]	Expresses the commitment to promote respect for human rights and labour rights and to advocate their observance.
Scope [ESRS2.65b]	Covers our own operations, with impact on members of the governing bodies, committee members, Secil employees and representatives. Also covers service providers in the upstream value chain. Covers all of the Group's geographies and business units.
Most senior level accountable for implementation [ESRS2.65c]	Human Resources Management
Availability [ESRS2.65f]	Communicated to all employees, business partners and other stakeholders, through publication on the Secil Group institutional website. Training initiatives are planned for 2025.

Document [G1.7]	**Code of Conduct**
Key-contents and objectives [ESRS2.65a]	The Code of Conduct is a document that guides the behaviour of employees (members of the governing bodies and workforce), establishing high standards of business ethics and personal integrity in the performance of their respective activities.
Scope [ESRS2.65b]	Covers our own operations, with impact on members of the governing bodies, committee members, Secil employees and representatives. Covers all of the Group's geographies and business units.
Most senior level accountable for implementation [ESRS2.65c]	Human Resources Management
Availability [ESRS2.65f]	Communicated to all employees, business partners and other stakeholders, through publication on the corporate website. Also communicated through awareness-raising initiatives and regular training.

Document **[G1.7]**	Anti-Corruption Policy
Key-contents and objectives [ESRS2.65a]	The Anti-Corruption Policy undertakes commitments related to fighting and preventing corruption, namely, not to offer, promise or authorise undue advantages to any people or entities, with a view to obtaining pecuniary or non-pecuniary advantages for themselves or third parties, to refuse advantages when their acceptance could jeopardise their independence and impartiality, not to use donations or patronage to exert illicit influence to obtain decisions that gain advantages, and not to make contributions to political parties.
Scope [ESRS2.65b]	Covers our own operations, with impact on members of the governing bodies, committee members, Secil employees and representatives. Also covers service providers in the upstream value chain. Covers all of the Group's geographies and business units.
Most senior level accountable for implementation [ESRS2.65c]	Legal and compliance management
Availability [ESRS2.65f]	Communicated to all employees, business partners and other stakeholders, through publication on the Secil Group institutional website. Training initiatives are planned for 2025.

Document [G1.7]	Anti-Money Laundering and Combating Terrorist Financing Policy
Key-contents and objectives [ESRS2.65a]	This policy constitutes a benchmark for action to prevent money laundering and terrorist financing, taking into account the context and specificities of the respective activities, in compliance with the applicable legislation and regulations.
Scope [ESRS2.65b]	Covers our own operations, with impact on members of the governing bodies, committee members, Secil employees and representatives. Also covers service providers in the upstream value chain. Covers all of the Group's geographies and business units.
Most senior level accountable for implementation [ESRS2.65c]	Legal and compliance management
Availability [ESRS2.65f]	Communicated to all employees, business partners and other stakeholders, through publication on the Secil Group institutional website. Training initiatives are planned for 2025.

Document [G1.7]	Free Competition Policy
Key-contents and objectives [ESRS2.65a]	This policy aims to be a benchmark for action in relation to competition, listing the commitments undertaken in this matter to ensure compliance with legal obligations regarding competition law and preventing anti-competitive practices.
Scope [ESRS2.65b]	Covers our own operations, with impact on members of the governing bodies, committee members, Secil employees and representatives. Also covers the downstream value chain. Covers all of the Group's geographies and business units.
Most senior level accountable for implementation [ESRS2.65c]	Sales management
Availability [ESRS2.65f]	Communicated to all employees, business partners and other stakeholders, through publication on the Secil Group website. Internet. Training initiatives are planned for 2025.

Document [G1.7]	Stakeholder Engagement Policy
Key-contents and objectives [ESRS2.65a]	This policy aims to express our recognition and commitment to our respective stakeholders. Consulting them to define how the Group manages its operations is a structuring principle of our activities and enables the growing engagement of different actors impacted by Secil's operations.
Scope [ESRS2.65b]	Covers the entire value chain, with impact on members of the governing bodies, committee members, Secil employees and representatives. Covers all of the Group's geographies and business units.
Most senior level accountable for implementation [ESRS2.65c]	Management responsible for the respective stakeholder engagement
Availability [ESRS2.65f]	Communicated to all employees, business partners and other stakeholders, through publication on the corporate website. Training initiatives are planned for 2025.

The policies mentioned above are communicated to all employees, business partners and other stakeholders through publication on our website. Our **Stakeholder Engagement Policy** aims to generate open communication between employers, employees and their representatives, resulting in fairer and safer working environments, greater employee satisfaction and higher productivity.

In addition, we aim to provide training on these policies, in e-learning format, to all employees, irrespective of their location or position, via digital platforms. [G1-1.9]

Document [G1.7]	Anti-fraud Policy
Key-contents and objectives [ESRS2.65a]	This policy describes the procedure to be followed in the event of detection of fraud, and identifies the parties responsible for fraud prevention and detection.
Scope [ESRS2.65b]	Covers our own operations, with impact on members of the governing bodies, committee members, Secil employees and representatives. Covers all of the Group's geographies and business units.
Most senior level accountable for implementation [ESRS2.65c]	Internal auditing management
Availability [ESRS2.65f]	Available on our Intranet.

Document [G1.7]	Integrity Channel Policy
Key-contents and objectives [ESRS2.65a]	The procedure for reporting irregularities established in this policy regulates the process for receiving, screening, treating and filing reports of irregular practices, received by Secil Group on matters within its scope.
Scope [ESRS2.65b]	Covers activities across the entire value chain, with impact on members of the governing bodies, committee members, Secil employees and representatives. Covers all of the Group's geographies and business units.
Most senior level accountable for implementation [ESRS2.65c]	Legal and compliance management
Availability [ESRS2.65f]	Available on the Secil website.

Documento [G1.7]	Sustainability Policy
Key-contents and objectives [ESRS2.65a]	Combines the actions of Secil Group with the highest environmental and citizenship values. Defines the objectives and priority of actions, in order to help build a better life for the planet, striving to reconcile economic performance, which includes product innovation, with environmental respect and responsible citizenship, both internally and in the communities where the Group operates.
Scope [ESRS2.65b]	Covers our own operations, upstream and downstream value chain. Covers all of the Group's geographies and business units. Impacts on employees, contractors and subcontractors, regulatory entities, financial entities, customers, investors and shareholders, suppliers, unions, local communities.
Most senior level accountable for implementation [ESRS2.65c]	Sustainability management
Availability [ESRS2.65f]	Communicated to all employees, business partners and other stakeholders, through publication on the corporate website.

II. CYBERSECURITY

Due to a growing increase in cybersecurity attacks, which can jeopardise the use of technologies linked to Information and Operating systems, thereby leading to possible production losses, we defined policies to guide our actions, such as the remote access policy, asset management and rack management.

Document [G1.7]	Remote Access Policy
Key-contents and objectives [ESRS2.65a]	This policy aims to establish rules for remote access to Secil's information systems for external entities and employees, to safeguard the security of access to them.
Scope [ESRS2.65b]	Covers our own operations, with impact on members of the governing bodies, committee members, Secil employees and representatives. Applicable in Portugal.
Most senior level accountable for implementation [ESRS2.65c]	Information technologies management / cybersecurity department
Availability [ESRS2.65f]	Available on Secil's internal channel (SeSuite).

Document [G1.7]	Asset Management Policy
Key-contents and objectives [ESRS2.65a]	This policy establishes the rules and standards for Secil's information assets in terms of identification, inventory and criticality.
Scope [ESRS2.65b]	Covers our own operations, with impact on members of the governing bodies, committee members, Secil employees and representatives. Applicable in Portugal.
Most senior level accountable for implementation [ESRS2.65c]	Cybersecurity department
Availability [ESRS2.65f]	Available on Secil's internal channel.

Document [G1.7]	Racks (Cabinets) Management Policy
Key-contents and objectives [ESRS2.65a]	This policy ensures rules to maintain the integrity of technical cabinets, namely their access security and organisation.
Scope [ESRS2.65b]	Covers upstream activities, in our own operations and downstream, with impact on members of the governing bodies, committee members, Secil employees and representatives. Applicable in Portugal.
Most senior level accountable for implementation [ESRS2.65c]	Cybersecurity department
Availability [ESRS2.65f]	Available on Secil's internal channel.

We use our Integrity Channel to monitor compliance with the commitments undertaken in the policies, namely through the procedures set up for reporting irregularities (Chap. 3.1.4.1). [G1-1.9]

G1-5 – Political influence and lobbying activities

We have established codes to guide actions within the Group in order to prevent any political influence. [G1-5_02-08; G1.29b] Accordingly, Secil did not make any direct or indirect (via intermediary organisations) political contributions, whether financial or in-kind. [G1-5_11; G1-5.30] Furthermore, no members of the administrative, management and supervisory bodies held comparable positions in public administration or regulatory entities in the two years preceding the current reporting period (Chap. 3.1.1.2). [G1.29c]

Secil Group collaborates with various national and international associations, both in the sector where we operate and in the field of sustainability. [MDR-A] Membership in these associations is the format used to defend the Group's interests before regulators, in order to anticipate their decisions. This collaboration with associations addresses the negative risk identified for our own operations, namely the reduction of profit, revenue, cash flow and access to financing that may arise from the activities of these entities.

Material Impacts, Risks and Opportunities

The principal associations mentioned are: GCCA, CEMBUREAU, ATIC, BCSD and GRACE, in which there are working groups that are directly related to the material topics and IROs for Secil. [G1-5_09; G1-5.29c]

[G1.29c]

Main Interest Groups	Material IROs addressed (main)	Company's Main Positions
GCCA – Global Cement and Concrete Association Aims to promote the cement and concrete industry and improve the sector's socioenvironmental responsibility worldwide.	• CO_2 and decarbonisation strategy, including innovation and development of new technologies; • Safety and Health • Biodiversity • Water • Circular economy	Secil Group has been a member of this association since it was established in 2018, sharing its objectives and continuing the work launched by the CSI – Cement Sustainability Initiative, an association founded in 1999, which Secil joined in 2003, to address the steadily growing sustainability challenges faced by the cement industry.
CEMBUREAU – The European Cement Association Representative organisation of the cement industry in Europe. This association acts as spokesperson for the cement industry before the European Union institutions and other public authorities.	• CO_2 and decarbonisation strategy, including innovation and development of new technologies; • Safety and Health • Biodiversity • Circular economy	As the member representing ATIC in CEMBUREAU, Secil Group monitors the lines of action drawn up by this European association, particularly with regard to carbon neutrality and the transition to a circular economy, among other sustainability objectives.
ATIC – Associação Técnica da Indústria de Cimento Created to represent the Portuguese cement industry and promote a better use of cement.	• CO_2 and national decarbonisation strategy, including innovation and development of new technologies; • Safety and Health • Biodiversity • Circular economy	As a member of ATIC since it was established in the 1960s, Secil Group monitors the course drawn up by this Portuguese organisation for the cement industry to achieve neutral emissions in the cement and concrete value chain.

Main Interest Groups	Material IROs addressed (main)	Company's Main Positions
BCSD Portugal Supports Portuguese companies on their path to sustainability, inspiring them and helping them build business organisations and models that are competitive, innovative and sustainable.	• Climate Change • Circular economy • Value chain • Biodiversity • DEI	Secil has been a member of BCSD since 2003 and is involved in five working groups, namely: Biodiversity; Value Chain and Circular Economy; Climate and Energy; Diversity, Equity and Inclusion (DEI); Sustainable Reporting and Financing.
GRACE – Responsible Companies Non-profit association whose mission is to promote and develop a sustainable business culture. Founded in 2000, this Portuguese business association is part of the European networks EVPA and CSR Europe, leaders in sustainability and corporate responsibility. These international platforms support industry sectors and companies worldwide in the transformation and search for practical solutions for sustainable growth.	• Climate action • Water • Nature – Biodiversity • Future collaborator • DEI	Secil has been a member of GRACE since 2010, participating in the association's annual conference, thematic meetings and other events.

Secil's representation was delegated by the Board in management positions [G1-5_01; G1-5.29a], who are responsible for the respective coordination and oversight.

Secil is not obliged to be registered in the EU Transparency Register or in an equivalent transparency register in a Member State. [G1-5_10; G1.29d]

ACTIONS and RESOURCES

I. CORPORATE Culture

In order to better understand and manage the risks associated with our corporate culture, as well as encourage people in the Group to adopt practices that promote a worthy business conduct and comply with the applicable legislation, we defined a set of qualitative methodologies to address those risks. We detail below the status of these actions, which cover our own operations: [ESRS 2.68b]

Actions

Key actions	Status	Scope of action	Time horizon	Outcomes
[MDR-A_01; ESRS 2.68a]		[MDR-A_02; ESRS 2.68b]	[MDR-A_03; ESRS 2.68c]	[MDR-A_01; MDR-M; ESRS 2.68a]
Sustainability committee	Ongoing	Projects and targets in all geographies	Continuous action	4 sustainability committee meetings in 2024.
Development of structuring policies of the Ethics pillar	Concluded	Policies cover all of Secil Group	2024	Policies defined and communicated in 2024
Training on approved policies	Planned	Employees in all geographies	2025	The training plan was defined. In 2025 the training phase will begin for all employees.
Double materiality analysis performed in accordance with the EFRAG roadmap	Concluded	All stakeholders	2024	Defined and achieved a double materiality assessment process to identify material impacts, risks and opportunities.
Annual publication of reports	Concluded	All stakeholders	2024	Publication of the 2023 annual report.
Internal and external sustainability announcements	Concluded	Employees in all geographies; Customers and other stakeholders	2024	Internal communication via Secil Connect and email, and external communication via our website and LinkedIn.
Implementation of the Stakeholder Engagement Plan	Concluded	All stakeholders mentioned in the plan, worldwide		Implementation of the Stakeholder Engagement Plan

Throughout 2025, Secil plans to provide **training to employees** in all our geographies, on the structuring policies approved and planned by the Board of Directors in 2024. [ESRS2.68a; ESRS2.68c]. This action will give our employees greater clarity on the ethical values and integrity of the Secil culture, generating more engagement with the Group's values and a stronger sense of belonging. In addition, better knowledge of the policies will help reduce deviations from compliance, fostering a culture of integrity, respect and ethics. [G1.MDR-A; ESRS 2.68a]

To implement the sustainability management process (which includes setting targets, follow-up, double materiality exercises and the respective reporting) [ESRS2.77c], we carried out a series of activities in our own operations in all geographies [ESRS 2.68a; ESRS 2.68b], with impact on different stakeholders. In this context, the sustainability committee, which meets quarterly, follows-up on the defined projects and targets, providing guidance in the event of deviations from expectations.

Within the scope of the Stakeholder Engagement Plan, an objective was defined, to be monitored quarterly [S1.47].

The Stakeholder Engagement Plan is related to the Stakeholder Engagement Policy and intends to address various topics, such as Social Dialogue [S1.46; ESRS2.80a].

Another action defined within the same scope is the publication of annual reports - namely the 2023 annual report -, which aims to respond to all stakeholder groups. In turn, sustainability announcements, both internal - via the Secil Connect and email channels -, and external - via the website and LinkedIn -, are directed to employees, in the first case, and customers and other stakeholders groups, in the second case.

Regarding updates to the sustainability strategy and the process to assess the IROs identified [ESRS2.77c], a double materiality analysis was carried out in accordance with the EFRAG roadmap [ESRS 2.68a; ESRS 2.68a; ESRS 2.77c].

For the actions defined, more details on the financial resources and allocations are provided in the financial section of this document, namely in the Income Statement (Chap. 06) [ESRS 2.69 a; ESRS 2.69 b; ESRS 2.69 c].

II. CYBERSECURITY

Actions

Key actions	Status	Scope of action	Time horizon	Outcomes
[MDR-A_01; ESRS 2.68a]	[MDR-A_02; ESRS 2.68b]	[MDR-A_03; ESRS 2.68c]	[MDR-A_01; MDR-M; ESRS 2.68a]	
Phishing simulation	Concluded	Employees in Portugal	2024	3.865 phishing simulation emails were sent; 23.5% level of engagement (email click rate)
Phishing training for users	Concluded	Employees in Portugal	2024	Approximately 500 people attended the training, which included a phishing quiz at the end
Development of cybersecurity policies	Concluded	Portugal	2024	Policies defined

In 2024, a series of activities were undertaken that aimed to address several actions defined. [ESRS2 68.c]

The use of artificial intelligence, robotics and IoT technologies in industrial processes (cybersecurity), which can result in production losses, was addressed in 2024 through a set of actions aimed for our employees in Portugal, such as the **development of cybersecurity policies**, **phishing training** and a **phishing simulation**. [G1.MDR-A; ESRS 2.68a]

METRICS AND TARGETS

In order to oversee Secil Group's performance in relation to material IROs, metrics and targets were set and monitored, and stakeholders were involved in this target setting. Preparation meetings/workshops were held between the various stakeholders involved, and the targets were approved by the General Management Team - GMT -, comprised of the executive committee, country CEOs and Human Resources department. Oversight of the outcomes and deviations from the targets is undertaken by the sustainability committee. [ESRS2.77c; 2.80h] In terms of the established targets, no changes were made in values, year, calculation method, collection method or assumptions, in the reporting period. [ESRS 80i]

I. CORPORATE Culture

In terms of corporate culture, we used metrics that allow monitoring of the IROs identified. One metric is related to **employee satisfaction**, through the eNPS (employee Net Promoter Score), which aims to monitor the impact of developing a responsible corporate culture that builds employees' sense of belonging, increasing their motivation and the company's capacity to retain talent.

[ESRS2.77c]

Metrics and Targets

Objective and target	Baseline (baseline value and base year)	Associated metric	Performance 2024	Year and Value of target to achieve in 2025
[ESRS2.80]	[ESRS2.80d]	[ESRS2.75]	[[ESRS2.80J]	[ESRS2.80e]
Employee Satisfaction	Baseline value: 35 Base year: 2021	eNPS (Employee Net Promoter Score)	34 points	Between 36 and 40
Communication of Governance structure to all employees	N/A	Communicate our governance structure in a clear and transparent manner.	Communicate our governance structure in a clear and transparent manner.	All employees informed by 2025
Organisational strategy: Sustainability strategy defined and IRO assessment process implemented.	N/A	N/A	Target partially achieved: Defined sustainability strategy and IRO assessment process.	2025 Integration of the risks into the implemented risk management process.
Ethics and compliance: Definition, implementation and communication of a set of policies that contribute to the corporate culture.	N/A	Implement a set of policies that contribute to our corporate culture.	Target achieved: Defined and communicated via sustainability announcements and reports.	2025 Training phase for all employees will begin.
Stakeholder engagement	N/A	Implement a stakeholder engagement plan	Plan set to Portugal, Brasil and corporate level. Waiting for Tunisia and Lebanon's results.	Have a stakeholder engagement plan set.

All of the targets set cover the Secil Group's own operations, in all its geographies. [ESRS 2.80c]

Employee Satisfaction, measured through the eNPS, reflects worker engagement and satisfaction, promoting inclusive working environments [ESRS 2.80f]. The calculation is based on the answer to the question: "How likely are you to recommend the company to relatives and friends as a good place to work?", ranging from -100 to 100. The answers are collected and processed through a platform and an external organisation, and can range from 0 (not at all likely) to 10 (extremely likely). All Secil Group employees in all of our geographies are surveyed [ESRS2.77a; ESRS2.80f] and the performance is analysed and monitored in each site, leading to the development of action plans targeting the opportunities found for improvement, which are overseen locally.

The Secil Group's eNPS value reached 34 points in 2024, 10 points higher than the score in 2023, which was 24 points. This metric is absolute, and internal stakeholders were involved in setting the target. In the other cases, qualitative indicators were used to monitor the targets in these topics. [ESRS 2.80b]

The targets established take into account the broader context of sustainable development where there are impacts by Secil. **Communicating the corporate governance structure** has impact on our corporate culture by promoting integrity and good governance practices. [ESRS 2.80f] The **organisational strategy** target has a significant impact on Secil's corporate culture, as it reinforces the integration of sustainability as a strategic pillar of the company.

Secil's **sustainability management** shapes and formalises the company's approach to sustainability as a key area that cuts across the entire organisation, with impact on our corporate culture. Employees are involved in the sustainability strategy, thus fostering a working environment that is more aligned, transparent and participative. In addition, the commitment undertaken is monitored through constant follow-up and reporting, which encourages organisational behaviour based on responsibility and continuous improvement.

The target set within the scope of **ethics and compliance** generates integrity and responsibility. The implementation of these policies strengthens our corporate culture, as it defines the expected behavioural standards, minimises risks and creates an organisational environment based on trust and integrity. Furthermore, by communicating and reinforcing these policies among employees and partners, Secil is building a culture of collective responsibility and commitment to corporate sustainability. [ESRS2.80f] This target relates to some Secil policies, namely the Anti-Money Laundering and Combating Terrorist Financing Policy; Free Competition Policy; Stakeholder Engagement Policy; Anti-Corruption Policy; Human Rights Policy, as well as the Fiscal Policy. [ESRS 2.80a]

Monitored on a quarterly basis, the Stakeholder Engagement plan highlights the priority given to structured stakeholder engagement. This plan is a key tool to identify and address the company's impacts in the local communities, and not only, promoting dialogue and collaboration that respects the values, needs and expectations of our stakeholders. [S1.46; ESRS2.80f; S1.47]

In terms of this engagement, namely of employees, we maintain a close relationship with workers' representatives, establishing agreements that reflect our commitment to respect for the Human Rights of our workforce. Although there is no indication of global framework agreements, the company has entered into specific agreements that promote the well-being of our employees and reflect the integration of our workers' views in our decisions. [S1.27d]

For the metrics and targets defined in this context, no interim targets were set [ESRS2.80e], and none of the metrics disclosed above are validated by an external body other than the assurance provider. [ESRS2.77b]

In addition, none of the target's set was based on scientific evidence. [ESRS 2.80g]

II. CYBERSECURITY

[ESRS2.77c

Metrics and Targets

Objective and target	Baseline (baseline value and base year)	Associated metric	Performance 2024	Year and Value of target to achieve in 2025
[ESRS2.80]	[ESRS2.80d]	[ESRS2.75]	[[ESRS2.80J]	[ESRS2.80e]
Blocked cyberattacks	N/A	Number of cyberattacks blocked	63,489 Note: Attacks blocked in the last 3 months of 2024	N/A

Within the scope of cybersecurity, a metric was set that counts the number of cyberattacks blocked. This value aims to assess the risk of using artificial intelligence, robotics and IoT technologies in industrial processes.

Concerning the value of cyberattacks blocked, the calculation is performed and taken from the Microsoft Defender system used at Secil, and refers to blocked phishing attempts, Malware and access to malicious websites. However, we only started calculating this metric in the last three months of 2024, and only Portugal is covered. [ESRS2.77a]

This metric - blocked cyberattacks - is absolute, and internal stakeholders were involved in setting the target. [ESRS 2.80b]

3.1.5 ANNEX

3.1.5.1 Correspondence tables [ESRS, WEF]

3.1.5.1.2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE SUSTAINABILITY STATEMENT (IRO-2)

Disclosure requirement	Location
ESRS 2 - General disclosures	
BP-1 - General basis for preparation of sustainability statements	Chap. 3.1.1.1 (BP-1)
BP-2 - Disclosures in relation to specific circumstances	Chap. 3.1.1.1 (BP-2)
GOV-1 - The role of the administrative, management and supervisory bodies	Chap. 3.1.1.2 (GOV-1)
GOV-2 - The role of the administrative, management and supervisory bodies	Chap. 3.1.1.2 (GOV-2)
GOV-3 - Integration of sustainability-related performance in incentive schemes	Chap. 3.1.1.2 (GOV-3)
GOV-4 - Statement on due diligence	Chap. 3.1.1.2 (GOV-4)
GOV-5 - Risk management and internal controls over sustainability reporting	Chap. 3.1.1.2 (GOV-5)
SBM-1 - Strategy, business model and value chain	Chap. 3.1.1.3 (SBM-1)
SBM-2 - Interests and views of stakeholders	Chap. 3.1.1.3 (SBM-2)
SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Chap. 3.1.1.3 (SBM-3)
IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities	Chap. 3.1.1.4 (IRO-1)
IRO-2 - Disclosure requirements in ESRS covered by the undertaking's non-financial information statement	Chap. 3.1.1.4 (IRO-2)
E1 - Climate change	
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	Chap. 3.1.1.2 (GOV-3)
E1-1 - Transition plan for climate change mitigation	Chap. 3.1.2.2 (E1-1)
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Chap. 3.1.2.2 (SBM-3)
ESRS 2 IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Chap. 3.1.1.4 (IRO-1)
E1-2 - Policies related to climate change mitigation and adaptation	Chap. 3.1.2.2 (E1-2)
E1-3 - Actions and resources in relation to climate change policies	Chap. 3.1.2.2 (E1-3)
E1-4 - Targets related to climate change mitigation and adaptation	Chap. 3.1.2.2 (E1-4)
E1-5 - Energy consumption and mix	Chap. 3.1.2.2 (E1-5)
E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions	Chap. 3.1.2.2 (E1-6)
E2 - Pollution	
ESRS 2 IRO-1 — Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Chap. 3.1.1.4 (IRO-1)
E2-1 — Policies related to pollution	Chap. 3.1.2.3 (E2-1)
E2-2 — Actions and resources related to pollution	Chap. 3.1.2.3 (E2-2)
E2-3 — Targets related to pollution	Chap. 3.1.2.3 (E2-3)
E2-4 — Pollution of air, water and soil	Chap. 3.1.2.3 (E2-4)

Disclosure requirement	Location
E3 - Water and marine resources	
ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities related to water and marine resources	Chap. 3.1.1.4 (IRO-1)
E3-1 - Policies related to water and marine resources	Chap. 3.1.2.4 (E3-1)
E3-2 - Actions and resources related to water and marine resources	Chap. 3.1.2.4 (E3-2)
E3-3 - Targets related to water and marine resources	Chap. 3.1.2.4 (E3-3)
E3-4 - Water consumption	Chap. 3.1.2.4 (E3-4)
E4 - Biodiversity and ecosystems	
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Chap. 3.1.2.5 (SBM-3)
ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities related to biodiversity and ecosystems	Chap. 3.1.1.4 (IRO-1)
E4-2 - Policies related to biodiversity and ecosystems	Chap. 3.1.2.5 (E4-2)
E4-3 - Actions and resources related to biodiversity and ecosystems	Chap. 3.1.2.5 (E4-3)
E4-4 - Targets related to biodiversity and ecosystems	Chap. 3.1.2.5 (E4-4)
E4-5 - Impact metrics related to biodiversity and ecosystems change	Chap. 3.1.2.5 (E4-5)
E5 - Resource use and circular economy	
ESRS 2 IRO-1 - Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Chap. 3.1.1.4 (IRO-1)
E5-1 - Policies related to resource use and circular economy	Chap. 3.1.2.6. (E5-1)
E5-2 - Actions and resources related to resource use and circular economy	Chap. 3.1.2.6. (E5-2)
E5-3 - Targets related to resource use and circular economy	Chap. 3.1.2.6. (E5-3)
E5-4 - Resource inflows	Chap. 3.1.2.6. (E5-4)
E5-5 - Resource outflows	Chap. 3.1.2.6. (E5-5)
E5-6 - Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Chap. 3.1.2.6. (E5-6)
S1 - Own workforce	
ESRS 2 SBM-2 - Interests and views of stakeholders	Chap. 3.1.1.3 (SBM-2)
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Chap. 3.1.3.1 (SBM-3)
S1-1 - Policies related to own workforce	Chap. 3.1.3.1 (S1-1)
S1-3 - Processes to remediate negative impacts and channels for own workforce to raise concerns	Chap. 3.1.3.1 (S1-3)
S1-4 - Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Chap. 3.1.3.1 (S1-4)
S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Chap. 3.1.3.1 (S1-5)
S1-6 - Characteristics of the undertaking's employees	Chap. 3.1.3.1 (S1-6)
S1-7 - Characteristics of non-employees in the undertaking's own workforce	Chap. 3.1.3.1 (S1-7)
S1-8 - Collective bargaining coverage and social dialogue	Chap. 3.1.3.1 (S1-8)
S1-9 - Diversity metrics	Chap. 3.1.3.1 (S1-9)
S1-10 - Adequate wages	Chap. 3.1.3.1 (S1-10)
S1-13 - Training and skills development metrics	Chap. 3.1.3.1 (S1-13)

Disclosure requirement	Location
S1-14 - Health and safety metrics	Chap. 3.1.3.1 (S1-14)
S1-15 - Work-life balance metrics	Chap. 3.1.3.1 (S1-15)
S1-16 - Remuneration metrics (pay gap and total remuneration)	Chap. 3.1.3.1 (S1-16)
S1-17 - Incidents, complaints and severe human rights impacts	Chap. 3.1.3.1 (S1-17)
S2 - Workers in the value chain	
ESRS 2 SBM-2 - Interests and views of stakeholders	Chap. 3.1.1.3 (SBM-2)
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Chap. 3.1.3.2 (SBM-3)
S2-1 - Policies related to value chain workers	Chap. 3.1.3.2 (S2-1)
S2-2 - Processes for engaging with value chain workers about impacts	Chap. 3.1.3.2 (S2-2)
S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns	Chap. 3.1.3.2 (S2-3)
S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Chap. 3.1.3.2 (S2-4)
S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Chap. 3.1.3.2 (S2-5)
S3 - Affected communities	
ESRS 2 SBM-2 - Interests and views of stakeholders	Chap. 3.1.1.3 (SBM-2)
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Chap. 3.1.3.3 (SBM-3)
S3-1 - Policies related to affected communities	Chap. 3.1.3.3 (S3-1)
S3-4 - Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Chap. 3.1.3.3 (S3-4)
S3-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Chap. 3.1.3.3 (S3-5)
G1 - Business conduct	
ESRS 2 GOV-1 - The role of the administrative, supervisory and management bodies	Chap. 3.1.1.2 (GOV-1)
ESRS 2 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities	Chap. 3.1.1.4 (IRO-1)
G1-1- Business conduct policies and corporate culture	Chap. 3.1.4.1 (G1-1)
G1-5 - Political influence and lobbying activities	Chap. 3.1.4.1 (G1-5)

3.1.5.1.2 LIST OF DATAPOINTS IN CROSS CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION (IRO-2)

Disclosure requirement	Datapoint	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section	Page	Materiality
ESRS 2 GOV-1	Paragraph 21 (d)	Board's gender diversity	X	-	X	-	Chap. 3.1.1.2 (GOV-1)		
ESRS 2 GOV-1	Paragraph 21 (e)	Percentage of board members who are independent	-	-	X	-	Chap. 3.1.1.2 (GOV-1)		
ESRS 2 GOV-4	Paragraph 30	Statement on due diligence	X	-	-	-	Chap. 3.1.1.2 (GOV-4)		
ESRS 2 SBM-1	Paragraph 40 (d) i	Involvement in activities related to fossil fuel activities	X	X	X	-	Chap. 3.1.1.3 (SBM-1)		
ESRS 2 SBM-1	Paragraph 40 (d) ii	Involvement in activities related to chemical production	X	-	X	-	Chap. 3.1.1.3 (SBM-1)		
ESRS 2 SBM-1	Paragraph 40 (d) iii	Involvement in activities related to controversial weapons	X	-	X	-	Chap. 3.1.1.3 (SBM-1)		
ESRS 2 SBM-1	Paragraph 40 (d) iv	Involvement in activities related to cultivation and production of tobacco	-	-	X	-	Chap. 3.1.1.3 (SBM-1)		
ESRS E1-1	Paragraph 14	Transition plan to reach climate neutrality by 2050	-	-	-	X	Chap. 3.1.2.2 (E1-1)		
ESRS E1-1	Paragraph 16 (g)	Undertakings excluded from Paris-aligned Benchmarks	-	X	X	-	Chap. 3.1.2.2 (E1-1)		
ESRS E1-4	Paragraph 34	GHG emission reduction targets	X	X	X	-	Chap. 3.1.2.2 (E1-4)		
ESRS E1-5	Paragraph 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	X	-	-	-	Chap. 3.1.2.2 (E1-5)		

Disclosure requirement	Datapoint	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section	Page	Materiality
ESRS E1-5	Paragraph 37	Energy consumption and mix	X	-	-	-	Chap. 3.1.2.2 (E1-5)		
ESRS E1-5	Paragraphs 40-43	Energy intensity associated with activities in high climate impact sectors	X	-	-	-	Chap. 3.1.2.2 (E1-5)		
ESRS E1-6	Paragraph 44	Gross Scope 1, 2, 3 and Total GHG emissions	X	X	X	-	Chap. 3.1.2.2 (E1-6)		
ESRS E1-6	Paragraphs 53-55	Gross GHG emissions intensity	X	X	X	-	Chap. 3.1.2.2 (E1-6)		
ESRS E1-7	Paragraph 56	GHG removals and carbon credits	-	-	-	X	--		Not material
ESRS E1-9	Paragraph 66	Exposure of the benchmark portfolio to climate-related physical risks	-	-	X	-	--		Not material
ESRS E1-9	Paragraph 66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk	-	X	-	-	--		Not material
ESRS E1-9	Paragraph 66 (c)	Location of significant assets at material physical	-	X	-	-	--		Not material
ESRS E1-9	Paragraph 67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	-	X	-	-	--		Not material
ESRS E1-9	Paragraph 69	Degree of exposure of the portfolio to climate-related opportunities	-	-	X	-	--		Not material
ESRS E2-4	Paragraph 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	X	-	-	-	Chap. 3.1.2.3 (E2-4)		
ESRS E3-1	Paragraph 9	Water and marine resources	X	-	-	-	Chap. 3.1.2.4 (E3-1)		

Disclosure requirement	Datapoint	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section	Page	Materiality
ESRS E3-1	Paragraph 13	Dedicated policy	X	-	-	-	Chap. 3.1.2.4 (E3-1)		
ESRS E3-1	Paragraph 14	Sustainable oceans and seas	X	-	-	-	--		Not material
ESRS E3-4	Paragraph 28 (c)	Total water recycled and reused	X	-	-	-	--		Not material
ESRS E3-4	Paragraph 29	Total water consumption in m^3 per net revenue on own operations	X	-	-	-	Chap. 3.1.2.4 (E3-4)		
ESRS 2- SBM3 - E4	Paragraph 16 (a) i	Activities negatively affecting biodiversity sensitive areas	X	-	-	-	Chap. 3.1.2.5 (SBM-3)		
ESRS 2- SBM3 - E4	Paragraph 16 (b)	Material negative impacts with regards to land degradation, desertification or soil sealing	X	-	-	-	Chap. 3.1.2.5 (SBM-3)		
ESRS 2- SBM3 - E4	Paragraph 16 (c)	Operations that affect threatened species	X	-	-	-	Chap. 3.1.2.5 (SBM-3)		
ESRS E4-2	Paragraph 24 (b)	Sustainable land / agriculture practices or policies	X	-	-	-	Chap. 3.1.2.5 (E4-2)		
ESRS E4-2	Paragraph 24 (c)	Sustainable oceans / seas practices or policies	X	-	-	-	--		Not material
ESRS E4-2	Paragraph 24 (d)	Policies to address deforestation	X	-	-	-	--		Not material
ESRS E5-5	Paragraph 37 (d)	Non-recycled waste	X	-	-	-	--		Not material
ESRS E5-5	Paragraph 39	Hazardous waste and radioactive waste	X	-	-	-	--		Not material

Disclosure requirement	Datapoint	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section	Page	Materiality
ESRS 2- SBM3 - S1	Paragraph 14 (f)	Risk of incidents of forced labour	X	-	-	-	Chap. 3.1.3.1 (SBM-3)		
ESRS 2- SBM3 - S1	Paragraph 14 (g)	Risk of incidents of child labour	X	-	-	-	Chap. 3.1.3.1 (SBM-3)		
ESRS S1-1	Paragraph 20	Human rights policy commitments	X	-	-	-	Chap. 3.1.3.1 (S1-1)		
ESRS S1-1	Paragraph 21	Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8	-	-	X	-	Chap. 3.1.3.1 (S1-1)		
ESRS S1-1	Paragraph 22	Processes and measures for preventing trafficking in human beings	X	-	-	-	Chap. 3.1.3.1 (S1-1)		
ESRS S1-1	Paragraph 23	Workplace accident prevention policy or management system	X	-	-	-	Chap. 3.1.3.1 (S1-1)		
ESRS S1-3	Paragraph 32 (c)	Grievance/complaints handling mechanisms	X	-	-	-	Chap. 3.1.3.1 (S1-3)		
ESRS S1-14	Paragraph 88 (b) e (c)	Number of fatalities and number and rate of work- related accidents	X	-	X	-	Chap. 3.1.3.1 (S1-14)		
ESRS S1-14	Paragraph 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	X	-	-	-	Chap. 3.1.3.1 (S1-14)		
ESRS S1-16	Paragraph 97 (a)	Unadjusted gender pay gap	X	-	X	-	Chap. 3.1.3.1 (S1-16)		
ESRS S1-16	Paragraph 97 (b)	Excessive CEO pay ratio	X	-	-	-	Chap. 3.1.3.1 (S1-16)		
ESRS S1-17	Paragraph 103 (a)	Incidents of discrimination	X	-	-	-	Chap. 3.1.3.1 (S1-17)		

Disclosure requirement	Datapoint	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section	Page	Materiality
ESRS S1-17	Paragraph 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	X	-	X	-	Chap. 3.1.3.1 (S1-17)		
ESRS 2- SBM3 – S2	Paragraph 11 (b)	Significant risk of child labour or forced labour in the value chain	X	-	-	-	Chap. 3.1.3.1 (SBM-3)		
ESRS S2-1	Paragraph 17	Human rights policy commitments	X	-	-	-	Chap. 3.1.3.1 (S2-1)		
ESRS S2-1	Paragraph 18	Policies related to value chain workers	X	-	-	-	--		Not material
ESRS S2-1	Paragraph 19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	X	-	X	-	Chap. 3.1.3.2 (S2-1)		
ESRS S2-1	Paragraph 19	Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8	-	-	X	-	Chap. 3.1.3.2 (S2-1)		
ESRS S2-4	Paragraph 36	Human rights issues and incidents connected to its upstream and downstream value chain	X	-	-	-	Chap. 3.1.3.2 (S2-4)		
ESRS S3-1	Paragraph 16	Human rights policy commitments	X	-	-	-	Chap. 3.1.3.3 (S3-1)		
ESRS S3-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	X	-	X	-	Chap. 3.1.3.3 (S3-1)		
ESRS S3-4	Paragraph 36	Human rights issues and incidents	X	-	-	-	Chap. 3.1.4.1 (G1)		
ESRS S4-1	Paragraph 16	Policies related to consumers and end-users	X	-	-	-	--		Not material

Disclosure requirement	Datapoint	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section	Page	Materiality
ESRS S4-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X	-	X	-	--		Not material
ESRS S4-4	Paragraph 35	Human rights issues and incidents	X	-	-	-	--		Not material
ESRS G1-1	Paragraph 10 (b)	United Nations Convention against Corruption	X	-	-	-	--		Not material
ESRS G1-1	Paragraph 10 (d)	Protection of whistle-blowers	X	-	-	-	--		Not material
ESRS G1-4	Paragraph 24 (a)	Fines for violation of anti-corruption and anti-bribery laws	X	-	X	-	--		Not material
ESRS G1-4	Paragraph 24 (b)	Standards of anti-corruption and anti-bribery	X	-	-	-	--		Not material

3.1.5.1.3 LIST OF DISCLOSURE REQUIREMENTS /DATAPOINTS INCORPORATED BY REFERENCE (BP-2)

Disclosure requirement	Code	Location	Page
Description of the material impacts resulting from the materiality assessment (ESRS2.48a)	SBM-3	Chap. 3.1.2.2 (SBM-3) Chap. 3.1.2.3 (SBM-3) Chap. 3.1.2.2 (SBM-3) Chap. 3.1.2.3 (SBM-3) Chap. 3.1.2.4 (SBM-3) Chap. 3.1.2.5 (SBM-3) Chap. 3.1.3.1 (SBM-3) Chap. 3.1.3.2 (SBM-3) Chap. 3.1.3.3 (SBM-3) Chap. 3.1.1.4 (SBM-3)	
Description of the material risks and opportunities resulting from the materiality assessment (ESRS2.48a)	SBM-3		
Disclosure of time horizons (ESRS2.48ciii)	SBM-3		
Disclosure of specification of impacts, risks and opportunities that are covered by ESRS Disclosure Requirements as opposed to those covered by additional entity-specific disclosures (ESRS2.48h)	SBM-3		
A description of significant groups of products and/or services offered and significant markets	ESRS 2.40a-i/ii	Chap. 3.1.1.3 (SBM-1)	
Minimum Disclosure Requirements for Policies: - General presentation of the policies	MDR-P	*	
Number of salaried employees by geographical area/country (ESRS 2.40a-iii)	ESRS 2.40a-iii	Chap. 3.1.3.1 - Characteristics of the undertaking's employees (S1-6)	

(*) Considering that Grupo Semapa has several 'hat' corporate policies and that they are mentioned several times throughout the chapters, to avoid redundancy of information, they were referred to via text at the end of the policies section. Given their substantial number, they are not presented in this table.

3.1.5.1.4 STATEMENT ON DUE DILIGENCE (GOV-4)

Core elements of due diligence	Points of the sustainability statement	Location	Page
Integrating due diligence into governance, strategy and the business model	ESRS 2 GOV-2	Chap. 3.1.1.2 (GOV-1)	
	ESRS 2 GOV-3	Chap. 3.1.1.2 (GOV-3)	
	ESRS 2 SBM-3	Chap. 3.1.1.3 (SBM-3) Chap. 3.1.2.2 (SBM-3) Chap. 3.1.2.3 (SBM-3) Chap. 3.1.2.4 (SBM-3) Chap. 3.1.2.5 (SBM-3) Chap. 3.1.2.6 (SBM-3) Chap. 3.1.3.1 (SBM-3) Chap. 3.1.3.2 (SBM-3) Chap. 3.1.3.3 (SBM-3) Chap. 3.1.4.1 (SBM-3)	
"Engage in dialogue with affected stakeholders at all key stages of the due diligence process	ESRS 2 GOV-2	Chap. 3.1.1.2 (GOV-2)	
	ESRS 2 SBM-2	Chap. 3.1.1.3 (SBM-2)	
	ESRS 2 IRO-1	Chap. 3.1.1.4 (IRO-1)	
	ESRS 2 MDR-P	Chap. 3.1.2.2 (E1-2, MDR-P) Chap. 3.1.2.3 (E3-1, MDR-P) Chap. 3.1.2.4 (E4-2, MDR-P) Chap. 3.1.2.5 (E5-1, MDR-P) Chap. 3.1.2.6 (E5-1, MDR-P) Chap. 3.1.3.1 (S1-1, MDR-P) Chap. 3.1.3.2 (S2-1, MDR-P) Chap. 3.1.3.3 (S3-1, MDR-P) Chap. 3.1.4.1 (G1-1, MDR-P)	
Identifying and assessing negative impacts	ESRS 2 IRO-1	Chap. 3.1.1.4 (IRO-1	
	ESRS 2 SBM-3	Chap. 3.1.1.3 (SBM-3) Chap. 3.1.2.2 (SBM-3) Chap. 3.1.2.3 (SBM-3) Chap. 3.1.2.4 (SBM-3) Chap. 3.1.2.5 (SBM-3) Chap. 3.1.2.6 (SBM-3) Chap. 3.1.3.1 (SBM-3) Chap. 3.1.3.2 (SBM-3) Chap. 3.1.3.3 (SBM-3) Chap. 3.1.4.1 (SBM-3)	
Take measures to respond to these negative impacts	ESRS 2 MDR-A	Chap. 3.1.2.2 (E1-3, MDR-A) Chap. 3.1.2.3 (E2-2, MDR-A) Chap. 3.1.2.4 (E3-2, MDR-A) Chap. 3.1.2.4 (E3-2, MDR-A) Chap. 3.1.2.5 (E4-3, MDR-A) Chap. 3.1.2.6 (E5-2, MDR-A) Chap. 3.1.3.1 (S1-4, MDR-A) Chap. 3.1.3.2 (S2-4, MDR-A) Chap. 3.1.3.3 (S3-4, MDR-A) Chap. 3.1.4.1 (G1-5, MDR-A)	

Core elements of due diligence	Points of the sustainability statement	Location	Page
Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M	Chap. 3.1.2.2 (E1-4, MDR-M) Chap. 3.1.2.3 (E2-4, MDR-M) Chap. 3.1.2.4 (E3-4, MDR-M)) Chap. 3.1.2.5 (E4-5, MDR-M) Chap. 3.1.2.6 (E5-4, MDR-M) Chap. 3.1.2.6 (E5-5, MDR-M) Chap. 3.1.2.6 (E5-6, MDR-M) Chap. 3.1.3.1 (S1-5, MDR-M) Chap. 3.1.3.2 (S2-5, MDR-M) Chap. 3.1.3.3 (S3-5, MDR-M)	
	ESRS 2 MDR-T	Chap. 3.1.2.2 (E1-4, MDR-T) Chap. 3.1.2.3 (E2-3, MDR-T) Chap. 3.1.2.4 (E3-3, MDR-T) Chap. 3.1.2.5 (E4-4, MDR-T) Chap. 3.1.2.6 (E5-4, MDR-T) Chap. 3.1.2.6 (E5-3, MDR-T) Chap. 3.1.3.1 (S1-5, MDR-T) Chap. 3.1.3.2 (S2-5, MDR-T) Chap. 3.1.3.3 (S3-5, MDR-T)	

3.1.5.1.5 CORRESPONDENCE TABLE WITH THE WORLD ECONOMIC FORUM'S STAKEHOLDER CAPITALISM CORE METRICS

The table below shows the Secil Group's response to the WEF framework (core metrics), by aligning the metrics established by the WEF, the GRI metrics (which are at the origin of the new framework) and the ESRS Standards.

Although some of these metrics have no correspondence with GRI indicators, Secil responds to them indirectly through the content related to the issues in question presented throughout the current document.

Pillar	Theme	Metrics	Alignment to GRI	Alignment to ESRS
Governance	Purpose of Governance	Setting purpose	GRI 2-12	GOV-1 SBM-1
	Quality of the Governance Body	Governance body composition	GRI 2-9 GRI 405-1	GOV-1
	Stakeholder Engagement	Material issues impacting Stakeholders	GRI 2-12 GRI 2-29 GRI 3-2	SBM-2/3 IRO-1
	Ethical behaviour	Anti-corruption	GRI 205-2/3	G1-1 G1-3 G1-4
		Setting purpose	GRI 2-26	S1-3 S2-3 S3-3 S4-3 G1-1
	Risks and Opportunities	Integrating risk and opportunity into business process	No correspondence with GRI	SBM-3 IRO-1

Pillar	Theme	Metrics	Alignment to GRI	Alignment to ESRS
Planet	Climate Change	Greenhouse Gas (GHG) Emissions	GRI 305-1/2/3	E1-6
		TCFD implementation	No correspondence with GRI	GOV-1/2/3 SBM-3 IRO-1 E1-1/2/3/4/6/9
	Loss of biodiversity	Land use and ecological sensitivity: Land use and ecological sensitivity focused on protected areas or with high biodiversity value	GRI 304-1	E4-5
	Availability of drinking water	Water consumption and withdrawal in water stressed areas	GRI 303-3/5	E3-4
People	Dignity and equality	Diversity and inclusion: Percentage of employees per employee category, by age group, gender, and other indicators of diversity (e.g. ethnicity).	GRI 405-1 e 405-2	S1-9 S1-12[14]
		Pay equality: Wage gap between men and women, ethnic minorities and majorities, and other relevant equality areas.		S1-16
		Wage level: Ratios of standard entry level wage by gender compared to local minimum wage.	GRI 202-1	S1-10
		Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	GRI 2-21	S1-16
		Risk of incidents of child labour forced or compulsory labour	GRI 408-1 e 409-1	SBM-3 S1-17
	Health and well-being	Health and safety: The number and rate of fatalities because of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.	GRI 403-9	S1-14
		An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	GRI 403-6	S1-4/S2-4[15] S1-11[16]
	Skills for the future	Training (no.) hours of training per employee	GRI 404-1	S1-13
		Training (€) investment in training per employee	No correspondence with GRI	No correspondence with ESRS[17]
Prosperity	Employment and wealth generation	Absolute number and rate of employment: Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region and Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region	GRI 401-1	S1-6
		Economic contribution: Direct economic value generated and distributed (EVG&D), on an accrual's basis, covering the basic components for the	GRI 201-1	No correspondence with ESRS

14 Not included in this report (not material)
15 Depending on the material topics.
16 Not included in this report (not material)
17 Not included in this report

Pillar	Theme	Metrics	Alignment to GRI	Alignment to ESRS
		organization's global operations, ideally split out by: Revenues, Operating costs, Employee wages and benefits, Payments to providers of capital and Payments to government.		
		Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	GRI 201-4	No correspondence with ESRS
		Financial investment contribution: Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.	No correspondence with GRI	No correspondence with ESRS [18]
		Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	No correspondence with GRI	No correspondence with ESRS [19]
	Innovation of better products and services	Total R&D expenses	No correspondence with GRI	No correspondence with ESRS
		Total costs related to research and development		
	Community and social vitality	Total tax paid: The total overall tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	GRI 201-1, 207-4	No correspondence with ESRS

18 Não incluído no presente relatório
19 Não incluído no presente relatório

3.2 Additional sustainability disclosure

3.2.1 GRI CONTENT INDEX

Statement of use:	Secil Group has reported with reference to the GRI Standards for the period from January 1st to December 31st, 2024.
GRI 1 used	GRI 1: Fundaments 2021

General disclosures	ESRS	Location	Page
GRI 2: GENERAL DISCLOSURES With reference to the standard published in 2021			
THE ORGANIZATION AND ITS REPORTING PRACTICES			
2-1 Organizational details	--	Chap. 2.1 Identity	
2-2 Entities included in the organization's sustainability reporting	BP-1	Chap. 3.1.1.1 (BP-1)	
2-3 Reporting period, frequency and contact point	--	Chap. 3.1.1.1 (BP-1)	
2-4 Restatements of information	BP-2	Chap. 3.1.1.1 (BP-2)	
2-5 External assurance	--	Chap. 3.1.1.1 (BP-1)	
ACTIVITIES AND WORKERS			
2-6 Activities, value chain and other business relationships	SBM-1	Chap. 2.1 Identity Chap. 3.1.1.3 (SBM-1)	
2-7 Employees	SBM-1 S1-6	Chap. 3.1.1.3 (SBM-1) Chap. 3.1.3.1 (S1-6)	
2-8 Workers who are not employees	S1-7	Chap. 3.1.3.1 (S1-7)	
GOVERNANCE			
2-9 Governance structure and composition	GOV-1	Chap. 3.1.1.2 (GOV-1)	
2-10 Nomination and selection of the highest governance body	--	Chap. 3.1.1.2	
2-11 Chair of the highest governance body	--	Chap. 3.1.1.2	
2-12 Role of the highest governance body in overseeing the management of impacts	GOV-1 GOV-2 SBM-2	Chap. 3.1.1.2 (GOV-1) Chap. 3.1.1.2 (GOV-2) Chap. 3.1.1.3 (SBM-2)	
2-13 Delegation of responsibility for managing impacts	GOV-1 GOV-2	Chap. 3.1.1.2 (GOV-1) Chap. 3.1.1.2 (GOV-2)	
2-14 Role of the highest governance body in sustainability reporting	GOV-1 IRO-1	Chap. 3.1.1.2 (GOV-1) Chap. 3.1.1.4 (IRO-1)	
2-16 Communication of critical concerns	GOV-2	Chap. 3.1.1.2 (GOV-2)	
2-17 Collective knowledge of the highest governance body	GOV-1	Chap. 3.1.1.2 (GOV-1)	
2-18 Evaluation of the performance of the highest governance body	--	Chap. 3.1.1.2	
2-19 Remuneration policies	GOV-3	Chap. 3.1.1.2 (GOV-3)	
2-20 Process to determine remuneration	GOV-3	Chap. 3.1.1.2 (GOV-3)	
2-21 Annual total compensation ratio	S1-16	Chap. 3.1.3.1 (S1-16)	
STRATEGY, POLICIES AND PRACTICES			
2-22 Statement on sustainable development strategy	SBM-1	Chap. 3.1.1.3 (SBM-1)	

General disclosures	ESRS	Location	Page
2-23 Policy commitments	GOV-4 E1-2 E3-1 E4-2 E5-1 S1-1 S2-1 S3-1 G1-1	Chap. 3.1.1.2 (GOV-4) Chap. 3.1.2.2 (E1-2) Chap. 3.1.2.4 (E3-1) Chap. 3.1.2.5 (E4-2) Chap. 3.1.2.6. (E5-1) Chap. 3.1.3.1 (S1-1) Chap. 3.1.3.2 (S2-1) Chap. 3.1.3.3 (S3-1) Chap. 3.1.4.1 (G1-1)	
2-24 Embedding policy commitments	GOV-2 E1-3 E3-2 E4-3 E5-2 S1-4 S2-4 S3-4 G1-1	Chap. 3.1.1.2 (GOV-2) Chap. 3.1.2.2 (E1-3) Chap. 3.1.2.4 (E3-2) Chap. 3.1.2.5 (E4-3) Chap. 3.1.2.6 (E5-2) Chap. 3.1.3.1 (S1-4) Chap. 3.1.3.2 (S2-4) Chap. 3.1.3.3 (S3-4) Chap. 3.1.4.1 (G1-1)	
2-25 Processes to remediate negative impacts	S1-3 S2-3 S3-3	Chap. 3.1.3.1 (S1-3) Chap.34.1.3.2 (S2-3) Chap. 3.1.3.3 (S3-3)	
2-26 Mechanisms for seeking advice and raising concerns	S1-3 S2-3 G1-1	Chap. 3.1.3.1 (S1-3) Chap. 3.1.3.2 (S2-3) Chap. 3.1.4.1 (G1-1)	
2-27 Compliance with laws and regulations	ESRS 2 SMB-3 ESRS E2 ESRS S1 ESRS G1	Chap. 3.1.1.2	
2-28 Membership associations	G1-5	Chap. 3.1.4.1	
STAKEHOLDER ENGAGEMENT			
2-29 Approach to stakeholder engagement	SBM-2 S1-2 S2-2 S3-2	Chap. 3.1.1.3 (SBM-2) Chap. 3.1.3.1 (S1-2) Chap. 3.1.3.2 (S2-2) Chap. 3.1.3.3 (S3-2)	
2-30 Collective bargaining agreements	S1-8	Chap. 3.1.3.1 (S1-8)	
GRI 3: MATERIAL TOPICS 2021 With reference to the standard published in 2021			
3-1 Process to determine material topics	IRO-1	Chap. 3.1.1.4 (IRO-1)	
3-2 List of material topics	SBM-3	Chap. 3.1.1.3 (SBM-3)	
3-3 Management of material topics	SBM-3 E1 E2 E4 E3 E5 S1 S2 S3 G1	Chap. 3.1.1.3 (SBM-3) Chap. 3.1.2.3 (SBM-3) Chap. 3.1.2.2 (SBM-3) Chap. 3.1.2.4 (SBM-3) Chap. 3.1.2.5 (SBM-3) Chap. 3.1.2.6 (SBM-3) Chap. 3.1.3.1 (SBM-3) Chap. 3.1.3.2 (SBM-3) Chap. 3.1.3.3 (SBM-3) Chap. 3.1.4.1 (SBM-3)	
GRI 201: ECONOMIC PERFORMANCE With reference to the standard published in 2016			
201-2 Financial implications and other risks and opportunities due to climate change	SBM-3 SBM-3 (E1)	Chap. 3.1.1.3 (SBM-3) Chap. 3.1.2.2 (SBM-3)	

General disclosures	ESRS	Location	Page
GRI 202: MARKET PRESENCE With reference to the standard published in 2016			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	S1-10	Chap. 3.1.3.1 (S1-10)	
GRI 205: ANTI-CORRUPTION With reference to the standard published in 2016			
205-3 Confirmed incidents of corruption and actions taken	-	Chap. 3.1.3.1 (S1-17)	
GRI 206: ANTI-COMPETITIVE BEHAVIOUR With reference to the standard published in 2016			
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	-	Chap. 3.1.4.1 (G1) Chap. 4.2	
GRI 301: MATERIALS With reference to the standard published in 2016			
301-1 Materials used by weight or volume	E5-4	Chap. 3.1.2.6. (E5-4)	
301-2 Recycled input materials used	E5-4	Chap. 3.1.2.6. (E5-4)	
GRI 302: ENERGY With reference to the standard published in 2016			
302-1 Energy consumption within the organization	E1-5	Chap. 3.1.2.2 (E1-5)	
302-3 Energy intensity	E1-5	Chap. 3.1.2.2 (E1-5)	
GRI 303: Water and Effluents With reference to the standard published in 2016			
303-1 Interactions with water as a shared resource	SBM-3 (E3) E3-1 E3-2 E3-3	Chap. 3.1.1.4 (SBM-3) Chap. 3.1.1.4 (E3-1) Chap. 3.1.1.4 (E3-2) Chap. 3.1.1.4 (E3-3)	
303-2 Management of water discharge-related impacts	E2-3	Chap. 3.1.2.3 (E2-3)	
303-3 Water withdrawal	E3-4	Chap. 3.1.2.4 (E3-4)	
303-4 Water discharge	E3-4	Chap. 3.1.2.4 (E3-4)	
303-5 Water consumption	E3-4	Chap. 3.1.2.4 (E3-4)	
GRI 304: BIODIVERSITY With reference to the standard published in 2016			
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	E4-5	Chap. 3.1.2.5 (E4-5)	
304-2 Significant impacts of activities, products, and services on biodiversity	E4-5	Chap. 3.1.2.5 (E4-5)	
304-3 Habitats protected or restored	E4-3 E4-4	Chap. 3.1.2.5 (E4-3) Chap. 3.1.2.5 (E4-4)	
GRI 305: EMISSIONS With reference to the standard published in 2016			
305-1 Direct (Scope 1) GHG emissions	E1-6	Chap. 3.1.2.2 (E1-6)	
305-2 Energy indirect (Scope 2) GHG emissions	E1-6	Chap. 3.1.2.2 (E1-6)	
305-4 GHG emissions intensity	E1-6	Chap. 3.1.2.2 (E1-6)	
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	ESRS E2-4	Chap. 3.1.2.3 (E2-4)	
GRI 306: WASTE With reference to the standard published in 2016			
306-1 Waste generation and significant waste-related impacts	SBM-3 (E5) E5-4	Chap. 3.1.2.6. (SBM-3) Chap. 3.1.2.6. (E5-4)	

General disclosures	ESRS	Location	Page
306-2 Management of significant waste-related impacts	E5-2 E5-5	Chap. 3.1.2.6. (E5-2) Chap. 3.1.2.6. (E5-5)	
306-3 Waste generated	E5-5	Chap. 3.1.2.6. (E5-5)	
306-4 Waste diverted from disposal	E5-5	Chap. 3.1.2.6. (E5-5)	
306-5 Waste directed to disposal	E5-5	Chap. 3.1.2.6. (E5-5)	
GRI 401: EMPLOYMENT With reference to the standard published in 2016			
401-1 New employee hires and employee turnover	S1-6	Chap. 3.1.3.1 (S1-6)	
401-3 Parental leave	S1-15	Chap. 3.1.3.1 (S1-15)	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY With reference to the standard published in 2016			
403-1 Occupational health and safety management system	S1-1	Chap. 3.1.3.1 (S1-1)	
403-2 Hazard identification, risk assessment, and incident investigation	S1-3	Chap. 3.1.3.1 (S1-3)	
403-3 Occupational health services	S1-4	Chap. 3.1.3.1 (S1-4)	
403-4 Worker participation, consultation, and communication on occupational health and safety	S1-2	Chap. 3.1.3.1 (S1-2)	
403-5 Worker training on occupational health and safety	S1-4	Chap. 3.1.3.1 (S1-4	
403-6 Promotion of worker health	S1-4	Chap. 3.1.3.1 (S1-4)	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	S2-4	Chap. 3.1.3.2 (S2-4)	
403-8 Workers covered by an occupational health and safety management system	S1-14	Chap. 3.1.3.1 (S1-14)	
403-9 Work-related injuries	S1-14	Chap. 3.1.3.1 (S1-14)	
403-10 Work-related ill health	S1-14	Chap. 3.1.3.1 (S1-14)	
GRI 404: TRAINING AND EDUCATION With reference to the standard published in 2016			
404-1 Average hours of training per year per employee	S1-13	Chap. 3.1.3.1 (S1-13)	
404-2 Programs for upgrading employee skills and transition assistance programs	S1-1 S1-5	Chap. 3.1.3.1 (S1-1) Chap. 3.1.3.1 (S1-5)	
404-3 Percentage of employees receiving regular performance and career development reviews	S1-13	Chap. 3.1.3.1 (S1-13)	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY With reference to the standard published in 2016			
405-1 Diversity of governance bodies and employees	GOV-1 S1-6 S1-9	Chap. 3.1.1.2 (GOV-1) Chap. 3.1.3.1 (S1-6) Chap. 3.1.3.1 (S1-9)	
405-2 Ratio of basic salary and remuneration of women to men	S1-16	Chap. 3.1.3.1 (S1-16)	
GRI 406: NON-DISCRIMINATION With reference to the standard published in 2016			
406-1 Incidents of discrimination and corrective actions taken	S1-17	Chap. 3.1.3.1 (S1-17)	
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING With reference to the standard published in 2016			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Chap. 3.1.3.1 (S1-1/8) Chap. 3.1.3.2. (S2-1)	
GRI 408: Child Labour With reference to the standard published in 2016			
408-1 Operations and suppliers at significant risk for incidents of child labour	S1-1	Chap. 3.1.3.1 (S1-1)	

General disclosures	ESRS	Location	Page
GRI 409: FORCED OR COMPULSORY LABOUR With reference to the standard published in 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	S1-1 S2-1	Chap. 3.1.3.1 (S1-1 Chap. 3.1.3.2 (S2-1)	
GRI 410: SECURITY PRACTICES With reference to the standard published in 2016			
410-1 Security personnel trained in human rights policies or procedures	S3	Chap. 3.1.3.3 (S3-1)	
GRI 415: PUBLIC POLICY With reference to the standard published in 2016			
415-1 Political contributions	ESRS G1-5	Chap. 3.1.4.1 (G1-5)	

3.2.2 GCCA INDICATOR TABLE

Pilar	KPI	Unit	2022	2023	2024
H&S	No. of fatal employee accidents	No	0	1	0
	No. of fatal accidents for third party employees (contractors and subcontractors)	No	0	1	0
	No. of fatal off-site accidents	No	0	0	0
	No. of accidents with lost working days	No	24	32	39
	Lost-time accident frequency rate, per 1,000,000 hours worked, for employees	-	5.1	6.6	8
	No. of accidents with lost working days for third party employees (contractors and subcontractors)	No	18	19	23
	Lost-time accident frequency rate, per 1,000,000 hours worked, for third party employees (contracts and sub-contracts)	-	5.5	5.1	5.5
	Total number of accidents (employees, contractors and subcontractors)	No	42	51	62
	Number of lost working days for employees	No	824	975	1,350
	Severity rate for employees, per 1,000,000 hours worked - per days worked	-	174.7	200.8	276.0
CO_2	Global absolute (gross) emissions of CO_2 (million tonnes of CO_2)	Mt CO_2	3.27	3.23	3.25
	Global absolute (net) emissions of CO_2 (million tonnes of CO_2)	Mt CO_2	3.06	3.05	3.05
	Global (gross) specific emissions of CO_2 (kg CO_2/tonne of cement product)	kg CO_2/t	662	671	655
	Global specific (net) emissions of CO_2 (kg CO_2/tonne of cement product)	kg CO_2/t	619	632	615
Co-processing	Alternative fuels use rate (%) - alternative fossil fuels and biomass	%	26.2	21.0	25.0
	Rate of biomass use (%)	%	17.3	5.3	8.8
	Kiln energy efficiency (MJ/ton of clinker)	MJ/t Clk	3,699	3,738	3704
	Alternative raw materials (clinker and cement) (%)	%	8.1	11.5	11.8
	Clinker amount in cement (%)	MJ/t Clk	77.9	79.0	79.0

Pilar	KPI	Unit	2022	2023	2024
Other emissions	Coverage rate - general (%)	%	71	72	74
	Coverage rate - continuous measurement (%)	%	71	72	80
	PM - Total emissions (t/year)	t/year	123	38	32
	PM - Specific emissions (g/t clinker)	g/t clínker	32	13	11
Outras emissões	PM - Coverage rate (%)	%	71	78	80
	NOx - Total emissions (t/year)	t/year	6,207	2,790	3,604
	NOx - Specific emissions (g/t clinker)	g/t clínker	1,616	1,043	1161
	NOx - Coverage rate (%)	%	71	71	80
	SO_2 - Total emissions (t/year)	t/year	1,143	1045	1,335
	SO_2 - Specific emissions (g/t clinker)	g/t clínker	298	356	430
	SO_2 - Coverage rate (%)	%	71	78	80
	VOC/THC - Emissões totais (t/ano)	t/year	153	140	76
	VOC/THC - Total emissions (t/year)	g/t clínker	40	52	27
	VOC/THC - Specific emissions (g/t clinker)	%	71	71	74
	Hg - Total emissions (kg/year	kg/year	32	75	21
	Hg - Specific emissions (mg/t clinker)	mg/t clínker	12	28	7
	Hg - Coverage rate (%)	%	71	72	74
	HM1* - Total emissions (kg/year)	kg/year	35	19	21
	HM1* - Specific emissions (mg/t clinker)	mg/t clínker	9	7	8
	HM1* - Coverage rate (%)	%	71	72	74
	HM2** - Total emissions (kg/year)	kg/year	727	2417	
	HM2** - Specific emissions (mg/t clinker)	mg/t clínker	189	892	293
	HM2** - Coverage rate (%)	%	71	72	74
	PCDD/F - Total emissions (mg/year)	mg/year	47	35	22
	PCDD/F - Specific emissions (mg/t clinker)	ng/t clínker	12	13	8
	PCDD/F - Coverage rate (%)	%	71	72	74
Biodiversity	% of quarries with high ecological value with biodiversity management plans ***	%	33	33	83
	% of quarries with implemented rehabilitation plans ***	%	83	83	90
Water	Water consumption = Water abstraction - total water launched in the receiving medium (m^3/year)	m^3/year	1,184,287	1,394,076	1,212,172
	Amount of water consumption per product unit (l/t cement product)	l/t product	240	290	244

* HM1 (sum of Cd, Tl)
** HM2 (sum of Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V)
*** Active quarries
Note: The data for 2022 and 2023 have been audited. The 2024 data are pending audit

3.2.3 Sustainability-Linked Financing

In 2024, Secil reached a significant milestone in its sustainable financing strategy. Starting from a base of zero percent in 2022, and with the goal of achieving 50 per cent sustainable financing lines by 2025, the company surpassed this target a year early. At the end of 2024, 57 percent of the financing lines contracted were sustainable, reflecting Secil's commitment to integrating ESG factors into financial management and aligning with responsible practices that contribute to a more sustainable transition.

The information presented in this chapter was published independently on Secil's website and subjected to independent verification, resulting in the issuance of a limited assurance report on reliability, dated 30 April 2025.

Sustainability-Linked Financing Progress Report 2024
Progress Report on the 2024 Sustainability-Linked Financing

Secil is deeply engaged in developing its activity by applying Environmental, Social and Governance (ESG) principles and best practices and has established its Sustainability-Linked Financing Framework (SLFF) to support the general finance and/or refinance of its activity through the emission of Loans or Bonds linked to sustainability.

In 2023, Secil published its SLFF (Sustainability-Linked Financing | Secil Group) with the purpose of associating the Key Performance Indicators (KPI) defined for new financing or restructuring existing financing by linking them to these same KPI's. KPI's were established for three of the geographies where Secil operates (Portugal, Brazil and Tunisia), one in the environmental field and the other in the social sphere. The Environmental KPI's defined in the SLFF as their first Observation Date the 31st of December 2025. For that reason, they will not be addressed on this report.

In order to provide investors and lenders with adequate information about the progress made on the KPI's and the achievement or not of the Sustainability Performance Targets (SPT) set out in the SLFF and in the legal documentation of the Sustainability-Linked Financing Instruments and any impact on the Sustainability-Linked Financing pricing, Secil committed to report at least annually, on the following:

- Up-to-date information on the performance of the selected KPI, as per the relevant reporting period and when applicable, as per the Target Observation Date including the calculation methodology and baselines where relevant.

- Any relevant information enabling investors/lenders to monitor the ambition of the SPT's including any update in Secil's sustainability strategy and/or on the related KPI/ESG governance, and more generally any information relevant to the analysis of the KPI's and SPT's.

- When relevant, any re-assessments of KPI's and/or restatement of the SPT's and/or pro-forma adjustments of KPI's.

Secil has committed, through its SLFF, to have this progress reported in its Annual Report, in a specific publication regarding the SPTs or in its annual sustainability reporting that should be kept readily available and easily accessible on the Company's website at www.secil-group.com.

There was no need for recalculation of KPI's baseline and/or SPT's, since no Recalculation Event nor update of SPT's following validation of targets by SBTi has occurred.

According to the SLFF, December 2024 stands as the first Observation Date for the Social KPI's. Therefore, the table below shows the KPI's, baseline, target and values observed as of December 31, 2024:

Country	KPI	Baseline 2022	Target 2024	2024
Portugal	Lost Time Injury Frequency Rate (cement)	9.3	5.0	5.1
Brazil	% Total Women in Total End Year Headcount	16.8%	18.2%	14.8%
Tunisia	% Total Women in Total End Year Headcount	8.11%	8.42%	9.7%

Calculation Methodology and Performance

1) Portugal - KPI #2: Lost Time Injury Frequency Rate (LTIFR)

$$\frac{No. of\ accidents\ with\ sick\ leave}{No. of\ hours\ worked} \times 1{,}000{,}000$$

The KPI refers to direct and indirect employees of the cement business (cement and bags plants, commercial, headquarters, storage facilities), and the value 1,000,000 used in the calculation is a normalization factor of the number of hours worked, being used as an indicator by the ILO, International Labour Organization.

Secil cement plants in Portugal have made commendable progress in improving their safety performance, having achieved a Lost Time Injuries Frequency Rate (LTIFR) of 5.1—just short of their ambitious target of 5.0. This close attainment reflects a strong commitment to occupational health and safety, driven by a range of impactful initiatives. Key actions included the consistent execution of Safety Talks and Safety Walks, which fostered daily awareness and leadership visibility on the ground. The implementation of standardized corporate procedures for managing critical activities further strengthened operational safety. Additionally, the proactive sharing of good practices and lessons learned from occupational incidents across all Secil geographies led to the rollout of corrective and preventive measures, reinforcing a culture of continuous improvement. This progress was underpinned by targeted Safety Leadership Training and the structured implementation of a detailed safety roadmap spanning 2021 to 2025, providing clear guidance and accountability in achieving long-term Occupational Health and Safety (OHS) objectives.

In 2024, Secil launched its Safety Framework as a strategic initiative to sustain and strengthen its positive safety culture while driving continuous improvement in reducing Lost Time Injuries (LTIs). The Secil Safety Framework is a customized OHS management system designed to meet Secil's industrial safety needs. It consists of 37 elements organized into three main pillars—People, Operational Excellence, and Management Excellence, divided further into five sub-pillars: Leadership, Training, Operational Safety, Key Issue Management Systems, and Communication & Reporting. These components collectively support Secil in embedding best OHS practices into its operations. The Leadership and Training sub-pillars emphasize cultivating a proactive safety culture through leadership engagement, safety programs, and comprehensive technical and behavioral training to foster risk awareness and safe conduct among employees. The sub-pillars Operational Safety and Key Issue Management Systems ensure robust safety procedures are in place for managing high-risk activities, including protocols for equipment, PPE, confined spaces, and legal compliance. These procedures are supported by strong documentation, audits, and consequence management to ensure accountability and consistency. At last, the Communication & Reporting sub-pillar promotes open dialogue on safety, regular updates, and the sharing of incident insights to drive continuous improvement.

People		Operational Excellence		Management Excellence	
Leadership	Training	Operational Safety & Key Issue		Management Systems	Communication & Reporting
Safety Leadership Programmes	Technical Safety Training include Key Issues Training Contractors training Drivers training	Internal Circulation Plan	Works at Height	Legal Framework	Safety Moments
Safety Talks		Safety Signs	LOTOTO	Associative requirements	Lagging & Leading Indicators
Safety Walks	Behavioural 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 Practices
		ELOS	Work Equipment Inspection	Consequence Management	Thematic Campaigns
		STOP/GO Card	Lifting Operations		Safety Observations (Near misses + unsafe situations)
		PRA Preliminary Risk Analysis	Preheaters		Conversation Circles
		Psychosocial Risk Assessment	Contractors Rules & Initiatives		
			Driver Rules & Initiatives		

Secil is committed to continuous improvement in safety by learning from the past through the systematic application of lessons learned, actively addressing present challenges through targeted initiatives, and strategically preparing for the future. This forward-looking approach is embodied in the Safety Roadmap 2026–2030, which sets a clear ambition of achieving lower and lower Lost Time Injuries across all its premises.

2) Brazil - KPI #2: % total women in Total End Year Headcount

Number of women in total end year headcount (excluding trainees).

In 2024 Brazil reached 14.8% against the target of 18.2%. Although most of the Roadmap actions below have been implemented or are being executed, the number is below target due to a higher than expected turnover, that focused more on the female gender.

KPI (% woman)

Commitments/Initiatives	When	Who	How
Adjust the recruitment process (internal and external processes)	2023	HR	% of women among the shortlisted candidates
Profit sharing payment policy	2023	HR	Pay the full amount of profit sharing to employees who have been in the maternity leave
Chatting circle	2024	HR	Continuing the word through conversations and debates on women's participation in the labor market, its benefits and importance
Work from home period after maternity leave	2024	HR	Design a policy to enable women, after maternity leave, work from home full time for a period of time
More women at Concrete business	2025	HR	Training and hiring women to work at Concrete business (drives of example)

3) Tunisia - KPI #2: % total women in Total End Year Headcount

Number of women in total end year headcount (excluding trainees).

In 2024 Tunisia reached 9.7% against the target of 8.4%. This improvement resulted naturally from completion of the Roadmap action below, by having more female candidates on the shortlist of recruitment processes.

KPI (% woman)

Commitments/Initiatives	When	Who	How
Adjust the recruitment process (internal and external process)	2023	HR	% of women among the shortlisted candidates

Carlos Manuel Guimarães Correia de Barros
CFO

Otmar Hubscher
CEO

3.3 Limited assurance report

KPMG

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON SUSTAINABILITY REPORTING

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

To the Board of Directors of
Secil - Companhia Geral de Cal e Cimento, S.A.

Conclusion of limited assurance

We performed a limited assurance engagement on the Consolidated Sustainability Report of Secil - Companhia Geral de Cal e Cimento, S.A. ("Group") included in the "Non-Financial Statement" section of the Management Report (the "Consolidated Sustainability Report") as at 31 December 2024 and for the period from 1 January to 31 December 2024.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Report of Secil - Companhia Geral de Cal e Cimento, S.A. as at 31 December 2024 and for the period from 1 January to 31 December 2024 has not been prepared, in all material respects, in accordance with:

- the European Sustainability Reporting Standards (ESRS), including that the process performed by the Group to identify the information reported in the Sustainability Report (the "Process") is in accordance with the description made in chapter 3.1.1.4 – Management of Impacts, Risks, and Opportunities (IRO); and,
- the disclosures provided for in Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation"), included in chapter 3.1.2.1 – European Taxonomy.

Basis for conclusion

Our work was performed in accordance with the 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 guidelines of the Portuguese Institute of Statutory Auditors (*Ordem dos Revisores Oficiais de Contas*).

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. 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.

Our responsibilities under these standards are described in the "Auditor's responsibilities" section below.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Quality and Independence

We have applied the International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires that a comprehensive quality management system be designed, implemented, and maintained including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the *Ordem dos Revisores Oficiais de Contas'* code of ethics.

Other matters

The comparative information included in the Group's Consolidated Sustainability Report as at 31 December 2023 has not been subject to any assurance engagement. Our opinion is not modified with respect to this matter.

Responsibilities of the Management and the Supervisory body for Sustainability Reporting

It is the responsibility of Management to design, implement and maintain a process for identifying the information to be presented in the Consolidated Sustainability Report, in accordance with the ESRS, and to disclose this process in chapter 3.1.1.4 – Management of Impacts, Risks, and Opportunities (IRO) of the Consolidated Sustainability Report. This responsibility includes:

- an understanding of the context in which the Group's activities and business relationships take place and how stakeholders may be affected;
- the identification of actual and potential impacts (negative and positive) related to sustainability issues, as well as the risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing or cost of capital in the short, medium or long term;
- assessing the materiality of identified impacts, risks and opportunities related to sustainability matters, by selecting and applying appropriate thresholds; and
- the selection and application of methodologies and the definition of assumptions that are reasonable in the circumstances.
- It is also the responsibility of Management:
- preparing the Consolidated Sustainability Report in accordance with the ESRS;
- preparing the disclosures in chapter 3.1.2.1 – European Taxonomy of the Consolidated Sustainability Report in accordance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining an appropriate information and internal control system that enables the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error; and,

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- selecting and applying appropriate methods for preparing the Consolidated Sustainability Report and defining assumptions and estimates about sustainability disclosures that are reasonable in the circumstances.

The Supervisory body is responsible for overseeing the Group's Consolidated Sustainability Reporting process.

Limitations inherent in the preparation of the Consolidated Sustainability Report

When reporting forward-looking information in accordance with ESRS, Management is required to prepare forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions of the Group. Often, future events don't turn out as expected, so the actual results will probably be different from those predicted.

In determining the disclosures in the Consolidated Sustainability Report, Management makes certain interpretations of legislation or other undefined matters. This type of legislation or other undefined matters can be interpreted differently, including the legal compliance of their interpretation, and are therefore subject to uncertainty.

Auditor's responsibilities

Our goals are to plan and perform the limited assurance engagement on whether the Consolidated Sustainability Report is free from material misstatement, whether due to fraud or error, and to report our limited assurance conclusion to Management. 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 the Sustainability Report as a whole.

As part of a limited assurance engagement performed in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the work.

Our responsibilities regarding the Consolidated Sustainability Report, as far as the Process is concerned, include:

- Obtain an understanding of the Process, but not for the purpose of expressing a conclusion about the effectiveness of the Process, including the outcome of the Process; and
- Design and execute procedures to assess whether the Process is consistent with the Group's description of it, as disclosed in chapter 3.1.1.4 – Management of Impacts, Risks, and Opportunities (IRO).

Our other responsibilities regarding the Consolidated Sustainability Report include:

- Obtaining an understanding of the control environment, processes and information systems relevant to the Consolidated Sustainability Report, but not to assess the design of particular control activities, obtain evidence of their implementation or test their operational effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Design and execute procedures aimed at disclosures in the Consolidated Sustainability Report where material misstatements are likely to arise. 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.

Summary of the work we did to base our conclusion

A limited assurance engagement involves performing procedures to obtain evidence on the Consolidated Sustainability Report.

We design and execute our procedures to provide a basis for our conclusion. The nature, timing and extent of our procedures depend on our understanding of the Consolidated Sustainability Report and other circumstances of the work, including the identification of disclosures where material misstatements, due to fraud or error, may occur in the Consolidated Sustainability Report.

In performing our limited assurance engagement regarding the Process:

- We obtained an understanding of the Process through:
  i. Interviews with senior management and relevant staff, at corporate and operational level, regarding the sustainability strategy and policies for materially relevant aspects, and their implementation across the different business areas; and
  ii. Analysis of the internal documentation produced by the Group on the Process; and
- We assessed whether the evidence obtained based on our procedures on the Process was consistent with the description of the Process, disclosed in chapter 3.1.1.4 – Management of Impacts, Risks, and Opportunities (IRO).

In performing our limited assurance engagement regarding the Consolidated Sustainability Report:

- We obtained an understanding of the Group's reporting processes relevant to the preparation of the Sustainability Report by understanding the Group's control environment, processes and information system relevant to the preparation of the Consolidated Sustainability Report, but not for the purpose of expressing a conclusion on the effectiveness of the Group's internal control;
- We assessed whether the material information identified by the Process is included in the Consolidated Sustainability Report;
- We assessed whether the structure and presentation of the Consolidated Sustainability Report complies with the ESRS;
- We performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Report;
- We performed substantive procedures, on a sample basis, on selected disclosures from the Consolidated Sustainability Report;
- We obtained evidence on the methods, assumptions and data used in the development of material estimates and forward-looking information and on how these methods were applied;
- We gained an understanding of the process for identifying eligible economic activities aligned with the taxonomy, and the corresponding disclosures in the Consolidated Sustainability Report.

SECIL

KPMG

29 May 2025

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KPMG & Associados -
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with no. 20161489)
represented by
Pedro Jorge Quental e Cruz
(ROC no. 1765 and registered at CMVM with no. 20161607)

SECIL

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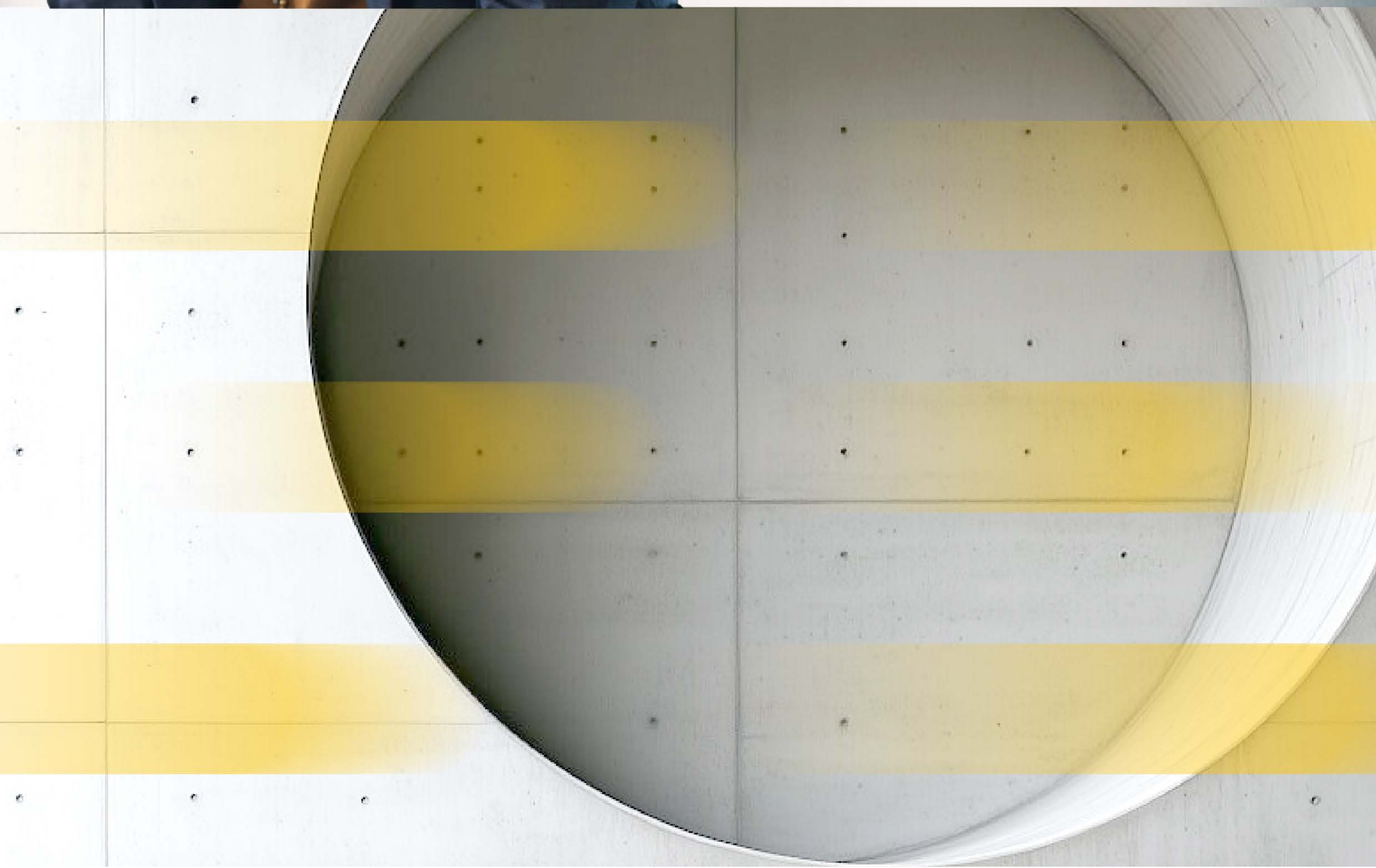

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04 B

usiness Performance

4.1 Context in 2024

KEY ECONOMIC AND FINANCIAL INDICATORS

Millions of Euros	2024	2023	Variation
Income Statement			
Turnover	701.8	693.3	1%
EBITDA	161.6	155.7	4%
EBITDA margin (%)	23.0%	22.5%	1 p.p
EBIT	97.3	97.2	0%
EBIT margin (%)	13.9%	14.0%	0 p.p
Net monetary position	0	14.5	-100%
Gains/(losses) of associates and joint ventures	-28.8	-27.0	7%
Profit/loss for the period	50.4	65.7	-23%
Attributable to Shareholders	55.5	53.4	4%
Cash Flow			
Cash-flow	114.7	124.2	-8%
Investments			
Acquisitions of property, plant and equipment and intangible assets	75.5	53.1	42%
Balance Sheet			
Total Equity before NCI	259.6	276.1	-6%
Total Equity	269.6	290.8	-7%
Interest-bearing net debt	305.7	288.1	6%
Interest-bearing net debt + IFRS 16	343.8	320.5	7%

EBITDA: Operating results before depreciation, amortisation, and impairment losses on non-financial assets, grants related to greenhouse gas emissions allocated free of charge, and net provisions.

EBIT: Operating result

Cash flow: Net result + depreciation, amortisation, and impairment losses on non-financial assets, grants related to greenhouse gas emissions allocated free of charge, and net provisions.

Investimentos: Acquisitions of intangible fixed assets exclude CO_2 emission licenses.

KEY OPERATIONAL INDICATORS

In 1,000 ton	2024	2023	Variation
Production capacity	10,279	9,750	5%
Clinker production	3,857	3,758	3%
Cement production	5,325	5,061	5%
Sales			
Cement and clinker	5,259	5,133	2%
Aggregates	4,883	4,662	5%
Mortar	330	297	11%
Precast	17	13	31%
In 1,000 m³			
Ready-mix concrete	1,957	1.977	-1%

Note: Not net of inter-segment sales

In 2024, the global geopolitical landscape continued to be shaped by significant events influencing international relations. The conflict between Russia and Ukraine intensified, with no clear resolution in sight. In the Middle East, Israel's military offensive against Hamas in the Gaza Strip, which began in October 2023, escalated throughout 2024 across the region, involving Iran and Lebanon — the latter through Hezbollah. The ceasefire signed in January 2025, after 15 months of conflict, offers some hope for a reduction in hostilities, but the fragility of the agreement simultaneously raises many uncertainties regarding its enforcement.

In this context of international tensions, the global economy showed signs of stabilisation after three years of volatility. According to the latest IMF forecasts (January 2025), the global economy grew by 3.2% in 2024. Growth patterns continued to vary significantly between regions and sectors. The dynamism of the US economy (+2.8%) and emerging markets (excluding China) contrasts with the weakness of the major European economies (+0.8% in the euro area) and the slowdown in China.

Interest rates and inflation followed different trends across the world's main economies, reflecting the monetary policies adopted by their respective central banks. In the euro area, inflation followed a downward trend and is projected to reach 2.4%, gradually approaching the 2% target set by the European Central Bank (ECB). This development enabled the ECB to implement a series of cuts in the key interest rate to stimulate the economy.

For the Secil Group, 2024 brought different challenges in each geography. In addition to the shared challenge of implementing the projects under the "Ambition 2025" strategy and achieving the expected gains (notably the "CCL" project at the Outão plant and the "kiln revamp" in Adrianópolis), other challenges arose that affected the year's operations. In Tunisia, the accident that occurred in October 2023 at the cement plant affected activity during the first quarter at that facility, adding to the market challenges stemming from a very fragile economy. In Lebanon, the power cuts throughout the year and the country's involvement in the Middle East conflict had a negative impact on business performance in that geography.

The turnover by country evolved as follows in 2024 compared to 2023:

Turnover (million euro)	2024	2023	Variation
Portugal	463.2	427.7	8%
Tunisia	65.0	67.8	-4%
Lebanon	45.6	67.6	-33%
Brazil	118.5	123.5	-4%
Other	9.6	6.8	42%
Consolidated total	**701.8**	**693.3**	**1%**

Secil Group's turnover in 2024 reached €701.8 million, representing an increase of 1.2% compared to the same period in the previous year, which corresponds to a rise of €8.5 million.

This increase resulted from the positive performance of the Portuguese market, which more than offset the less favourable developments in the other markets. Exchange rate variations of the different countries' currencies had a negative impact of €11.2 million on the Group's turnover, mainly due to the depreciation of the Brazilian real and the kwanza.

In **Portugal**, turnover grew by €35.5 million compared to the previous year, driven by the positive performance in cement and, more broadly, in most construction materials segments.

In **Tunisia**, the decrease of €2.8 million in turnover was mainly due to a lower volume of cement exports. The negative impact of the incident (fire at the substation) that occurred in October 2023 directly affected production operations in the last quarter of 2023 and the first quarter of 2024. Due to the incident, operations were constrained between October 2023 and February 2024, resuming normal activity in March.

In **Lebanon**, turnover decreased by €22.0 million. It should be noted that the 2023 turnover was strongly influenced by €22.5 million due to the application of IAS 29, as a result of the high inflation rate in the local economy, caused by the ongoing economic, political, and social crisis in the country. In 2024, there was no significant impact, as the inflation rate remained stable.
Regarding exchange rates, 2024 saw stability/parity of the Lebanese pound against the US dollar.
In terms of quantities sold, there was a slight increase of 0.4%, while prices rose by 6.1%.

In **Brazil**, turnover decreased by €5.0 million. Excluding the negative impact of the depreciation of the Brazilian real (€9.5 million), turnover would have shown a positive variation of €4.5 million, resulting from a 9.1% increase in cement volumes sold, combined with a reduction in the average sales price in euros (-7.3%).

In **Angola**, turnover grew by €1.5 million. Excluding the negative effect of the depreciation of the kwanza (€2.5 million), turnover would have shown a positive variation of €4.0 million, due to an increase in quantities sold (+5.8%) and a rise in prices (+4.8%).

Consolidated EBITDA reached €161.6 million, an increase of €5.9 million (+3.8%) compared to the same period of the previous year. This performance was driven by the positive contribution from operations in Portugal, Tunisia and Brazil, which offset the negative performance of the business in Lebanon.

The negative effects caused by rising production costs — especially energy-related — resulting from higher fuel prices and the inflationary trend observed in almost all economies due to the continuation of the war in Ukraine and in the Middle East, were mitigated in many geographies by the average increase in selling prices and market growth.

EBITDA (million Euro)	2024	2023	Variation
Portugal	115.6	110.6	5%
Lebanon	-1.2	8.8	-114%
Tunisia	14.0	7.6	84%
Brazil	32.0	27.4	17%
Other	1.2	1.3	-8%
	161.6	**155.7**	**4%**

EBITDA from activities carried out in **Portugal** increased by €5.0 million compared to the same period of the previous year. The positive impact resulting from the increase in turnover was sufficient to outweigh the negative effects associated with rising production costs, mainly due to inflation.

EBITDA generated by operations in **Tunisia** increased by €6.4 million compared to the previous year. It should be noted that the 2024 EBITDA was positively impacted by approximately €7.6 million relating to the insurance compensation received for the incident that occurred in October 2023, compared with €0.9 million recorded in 2023. This effect offset the weak performance caused by production constraints during the first quarter.

Operations in **Lebanon** recorded a negative EBITDA of €1.2 million in 2024. The negative impact of increased production input costs — particularly fuels — and production constraints caused by electricity supply cuts, which forced the purchase of clinker, outweighed the increase in sales.

In **Brazil**, EBITDA rose by €4.6 million compared to the same period of the previous year. Excluding the negative impact of the Brazilian real's depreciation of €2.6 million, EBITDA would have increased by €7.2 million, mainly as a result of strong performance in cement, supported by higher volumes sold and lower production costs.

In **Angola**, EBITDA fell by €728 thousand compared to the same period of the previous year. In addition to the negative impact of the kwanza's depreciation (€237 thousand), the increase in turnover was not sufficient to offset the rise in variable and fixed costs.

4.2 Evolution of business by segment

PORTUGAL
KEY INDICATORS

	Unit	2024	2023	Var.
Turnover	millions of Euros	463.2	427.7	8%
EBITDA	millions of Euros	115.6	110.6	5%
EBITDA margin	%	25.0%	25.9%	-1 p.p
Clinker production	1,000 t	1,718	1,645	4%
Cement production	1,000 t	2,181	2,072	5%
Clinker and cement sales				
Domestic Market	1,000 t	1,686	1,602	5%
External Market	1,000 t	426	417	2%
Total	**1,000 t**	**2,113**	**2,018**	**5%**
Concrete Sales	1,000 m^3	1,635	1,626	1%
Aggregate Sales	1,000 t	4,883	4,662	5%
Mortars Sales	1,000 t	330	297	11%
Precast concrete sales	1,000 t	0	0	-

The *Banco de Portugal* (Economic Bulletin, December 2024) projected a 1.7% growth for the Portuguese economy in 2024, an upward revision from the previous forecast, reflecting an acceleration observed in the final quarter due to increased momentum in private consumption and higher exports.

According to the publication by INE, *"Production, Employment and Wage Indices in Construction"* (December 2024), the construction production index recorded year-on-year growth of 4.7%, with the Building Construction segment increasing by 6.3% and Civil Engineering by 2.2%.

It is estimated that cement consumption in Portugal rose by around 4% compared with the same period last year.

The indicator for the number of licensed housing units, which began the year with negative year-on-year variations, ended the year with a 4.9% increase.

The turnover of the operations carried out in Portugal totalled €463.2 million in 2024, representing an 8.3% increase compared to the same period in 2023.

In the **Cement** business unit in Portugal, turnover rose by 8.7% compared to the same period (+€21.1 million), due to favourable growth in volumes sold (+5.2%) combined with a positive trend in average prices.

Turnover from exports, including to Group terminals, also increased year-on-year (+12.1%), driven by higher volumes sold (+5.1%) and a rise in average prices.

In the other business segments based in Portugal (Ready-mix Concrete, Aggregates and Mortars), turnover reached €222.8 million in 2024, a year-on-year increase of 8.7%, mainly due to higher sales volumes in Aggregates and Mortars, as well as favourable average pricing across all segments, including Concrete.

EBITDA from all operations in Portugal amounted to €115.6 million, representing a 4.5% increase year-on-year.

The Cement business unit recorded EBITDA of €112.4 million, an increase of €10.4 million (+10.2%) compared to the same period last year, positively impacted by the increase in turnover, which outweighed the rise in production costs.

Terminal activities generated EBITDA of €13.8 million, representing a 14.7% increase compared to the same period in 2023.

Overall performance in the construction **materials businesses** was stronger than in the previous year across all segments except Concrete. Competitive pressure in the sector continues to weigh on operating margins. In total, the construction materials business generated EBITDA of €27.3 million in 2024, an increase of €1.1 million (+4.1%) year-on-year.

Additionally, EBITDA in Portugal was positively impacted by the sale of assets in Spain (Asturias), which generated a capital gain.

LEBANON
KEY INDICATORS

	Unit	2024	2023	Var.
Turnover	millions of Euros	45.6	67.6	-33%
EBITDA	millions of Euros	-1.2	8.8	-114%
EBITDA margin	%	-2.6%	13.1%	-16 p.p
Clinker production	1,000 t	261	304	-14%
Cement production	1,000 t	614	581	6%
Clinker and cement sales				
Domestic Market	1,000 t	588	586	0%
External Market	1,000 t	0	0	-
Total	**1,000 t**	**588**	**586**	**0%**
Concrete Sales	1,000 m^3	32	46	-30%
Pre-cast Concrete sales	1,000 t	17	13	28%

Lebanon is facing a severe economic, financial, and social crisis. Despite efforts made by political forces to stabilize the situation, the emergence of the COVID-19 pandemic, the ongoing conflict in Ukraine, and the most recent conflict in the Gaza Strip region have further contributed to its deterioration.

Additionally, the constant electricity supply cuts since the last quarter of 2021 have negatively impacted Secil's operations in that country.

The turnover decreased by €22.0 million. It should be noted that the 2023 turnover was strongly influenced by €22.5 million due to the application of IAS 29, as a result of the high inflation rate observed in the local economy, a consequence of the economic, political, and social crisis experienced in the country. In 2024, there is no significant impact since the inflation rate remained stable.

The **Cement** segment showed growth of 5.9%, a combined effect of a 0.4% increase in quantities sold and a 5.5% rise in sales prices.

In the **Concrete** segment, there was a decrease in turnover compared to the same period last year (33.3%), resulting from a decline in quantities sold (-29.1%) and a fall in sales prices by 2.9%.

EBITDA generated by all operations in Lebanon totaled -€1.2 million, representing a contraction of €10.0 million compared to the same period last year. It should be noted that the 2023 EBITDA was strongly influenced by €2.1 million due to the application of IAS 29, because of the high inflation rate observed in the local economy. In 2024, there is no significant impact since the inflation rate remained stable.

The favorable evolution of the average cement price was not sufficient to offset the increase in production costs, mainly due to production constraints caused by electricity supply cuts, which necessitated the purchase of clinker.

TUNISIA
KEY INDICATORS

	Unit	2024	2023	Var.
Turnover	millions of Euros	65.0	67.8	-4%
EBITDA	millions of Euros	14.0	7.6	84%
EBITDA margin	%	21.5%	11.2%	10 p.p
Clinker production	1,000 t	752	743	1%
Cement production	1,000 t	880	885	-1%
Clinker and cement sales				
Domestic Market	1,000 t	582	547	6%
External Market	1,000 t	320	453	-29%
Total	**1,000 t**	**902**	**1,000**	**-10%**
Concrete Sales	1,000 m^3	94	96	-2%
Pre-cast Concrete sales	1,000 t	0	0	-

Tunisia continues to face significant challenges, including high external and fiscal deficits, increasing debt, and insufficient growth to reduce unemployment. Social instability persists, with a risk of worsening, alongside pressure from trade union demands. The state deficit is reflected in public works, and the real estate sector faces difficulties due to financing challenges (owing to the fragility of the banking sector), impacting construction volume. The side effects of the Ukraine war and political instability have further aggravated the situation.

Despite this difficult context, the domestic cement market managed to recover the decline observed in the first quarter and, on a cumulative basis, is estimated to have recorded a 2% increase compared to the previous year, continuing to be characterised by very intense competition due to excess installed capacity.

The accident that occurred in October 2023 affected the operations of the “Cement” segment during almost the entire first quarter of 2024, with operations returning to normal during March, which was reflected in the performance of this geography.

The turnover of the "**Tunisia Cement**" segment recorded a reduction of 4.8%, amounting to €61.9 million, versus €65.0 million recorded in 2023. Quantities sold to the domestic market were 6.5% higher than the previous year, with average prices in euros increasing by approximately 1.3%. In the external market, quantities sold were 29.5% below the previous year, with the average price rising by 1.7%, as a result of replacing clinker sales with cement.

In the **Concrete** segment, turnover decreased by 2.7% compared to the same period last year, due to a 2.7% decline in quantities sold and prices remaining at 2023 levels, which consequently worsened the operational margin.

Despite the weak turnover performance, the reduction in production costs, but especially the gain of approximately €7.6 million related to insurance compensation (versus €0.9 million recorded in 2023), allowed Tunisia to generate an EBITDA of €6.4 million above that of the previous year.

BRAZIL
KEY INDICATORS

	Unit	2024	2023	Var.
Turnover	millions of Euros	118.5	123.5	-4%
EBITDA	millions of Euros	32.0	27.4	17%
EBITDA margin	%	27.0%	22.2%	5 p.p
Clinker production	1,000 t	1,126	1,066	6%
Cement production	1,000 t	1,559	1,434	9%
Clinker and cement sales				
Domestic Market	1,000 t	1,560	1,430	9%
External Market	1,000 t	0	0	-
Total	**1,000 t**	**1,560**	**1,430**	**9%**
Concrete Sales	1,000 m^3	195	209	-7%

According to estimates from SNIC (December 2024 sector report), cement consumption in Brazil in 2024 is expected to have grown by 3.9% compared to the same period last year, equivalent to an additional 2.4 million tonnes above the previous year.

Activity resumed growth after registering consecutive annual declines of -2.8% in 2022 and -2.8% in 2023. Despite the recovery, 2024 consumption (64.7 million tonnes) is still far from the record consumption of 2014, which was 73 million tonnes.

The positive performance is a consequence of rising household income and the positive evolution of the real estate market.
In line with market trends, sales in the "Brazil Cement" segment, in quantities, recorded growth of 9.1% compared to the same period last year. However, due to the sharp depreciation of the Brazilian real, the average price in euros fell by 7.3%.

In contrast to cement, the Concrete business registered a 6.5% decrease in quantities sold, as a result of the restructuring started in 2023.

Consequently, the turnover of Secil's operations in this country decreased by €5.0 million, heavily impacted by the depreciation of the Brazilian real amounting to €9.5 million.

EBITDA from activities in Brazil reached €32.0 million in 2024, which, compared to €27.4 million in the same period last year, represents growth of 16.8%. Besides the increase in cement quantities sold, the result reflects the positive impact of lower variable production costs, mainly energy costs, as well as a reduction in raw material costs.

ANGOLA
KEY INDICATORS

	Unit	2024	2023	Var.
Turnover	millions of Euros	9.3	7.9	18%
EBITDA	millions of Euros	0.9	1.6	-44%
EBITDA margin	%	9.7%	20.3%	-11 p.p
Cement production	1,000 t	92	88	5%
Turnover	1,000 t	92	87	6%

In 2024, the Angolan cement market, according to available data, is expected to have recorded a positive variation of 9% compared to the same period last year

Following the market trend, quantities of cement sold by Secil grew by 5.8%. Despite the average price in local currency showing a very positive increase (+33.4%), in euros the rise stood at 4.8%

Consequently, turnover amounted to €9.3 million, that is, 10.9% above the value recorded in 2023, including a negative exchange rate impact of €2.5 million.

EBITDA for 2024 reached €865 thousand, which, compared to €1.6 million recorded in the same period last year, represents a decrease of 45.7%, justified by the increase in production costs and the depreciation of the AOA currency.

4.3 Financial Performance

The Secil Group's net financial results showed a reduction of €1.9 million compared to the same period last year, decreasing from -€27.0 million in 2023 to -€28.8 million in 2024. This negative differential results from the combined effect of several factors: a reduction in results from associates (-€0.5 million), lower financial costs (+€1.9 million), mainly in Brazil, due to the effect of interest rate reductions, a decrease in impairment on deposits in Lebanon (+€2.5 million) and, conversely, a reduction in foreign exchange gains in Lebanon (-€5.7 million).

As a result of impairment tests carried out during 2024, an impairment loss was recognized on goodwill and tangible fixed assets of the Cash Generating Unit (CGU) in Lebanon amounting to €7.2 million. Consequently, there were no gains to recognize on the net monetary position in 2024 (€14.5 million in 2023) in the Lebanon geography.

Additionally, an impairment loss of €1.1 million was recognized on goodwill allocated to the CGU in Tunisia.

The consolidated net profit reached €50.4 million, which is €15.3 million below the amount recorded in the same period of 2023. This variance results from the combined effect of several factors: an increase in EBITDA, a decrease in net financial results, a decline in the net monetary position, and the recognition of impairments in the Cash Generating Units of Lebanon and Tunisia, as mentioned above.

Net debt at 31 December 2024 amounted to €343.8 million, representing an increase of €23.4 million compared to December 2023. This increase in the Group's net debt was driven by: substantial CAPEX investment amounting to €92.5 million, dividend payments to Semapa (€51.6 million), a foreign exchange variation on debt of €5.1 million, and, conversely, a reduction in investment in Trade Working Capital (€1.3 million).

The Secil Group maintains very high liquidity, with contracted credit lines totaling over €717 million. Financing lines are distributed across various geographies according to the Group's needs, with Portugal showing the largest liquidity cushion.

It should also be noted that, as of 31 December 2024, sustainable financing within the Secil Group exceeded 57% of the total contracted credit lines. Specifically, the Group had several sustainable financing lines contracted in Portugal, Brazil, and Tunisia, amounting to a total equivalent of €408 million.

As of 31 December 2024, the Secil Group held cash and cash equivalents amounting to €139.9 million, reflecting a strong liquidity position.

4.4 Risk Management

This chapter is detailed in the Annex to the Secil Group Consolidated Financial Statements.

05.
OUTLOOK FOR 2025

05 Outlook for 2025

The macroeconomic and global geopolitical outlook for 2025 reveals a whole new framework following the US elections and the inauguration of the new president in January 2025. Greater protectionism in the American economy, with increased tariffs in trade relations between the United States and the rest of the world, could lead us into a scenario full of challenges and opportunities. The implementation of these protectionist policies constitutes an adverse risk for exports from the euro area.

The IMF projections published in January 2025 (World Economic Outlook Update) are somewhat more optimistic compared to those of October, forecasting global economic growth of 3.2% in 2024 and 3.3% in 2025.

In the context of escalating trade tensions and rising political uncertainty, the risks of higher inflation and interest rates increase, potentially lasting for an even longer period.

For the Eurozone, GDP growth of 0.8% is forecast for 2024 (the same as the October projection) and 1.03% for 2025 (a downward revision of 0.3 percentage points). This evolution is associated with the recovery of real disposable income, increased external demand, and the easing of financial conditions due to the reduction of interest rates.

Cement and Other Construction Materials

Faced with all the complexities that 2025 presents, Secil will seek to respond to the evolving macroeconomic and geopolitical dynamics in order to mitigate potential impacts.

For **Portugal**, the Bank of Portugal (Economic Bulletin of December 2024) projects economic growth of 1.7% in 2024, 2.2% in 2025 and 2026, and 1.7% in 2027. The greater dynamism of activity over the next two years reflects a more favourable environment, with improved financial conditions, the expected acceleration of external demand, and increased inflows of European Union funds. The labour market is expected to remain robust, with increases in employment and real wages, keeping unemployment at low levels. The GDP slowdown in 2027 largely results from the end of the execution of the Recovery and Resilience Plan (PRR).

Inflation is expected to continue its downward trajectory, decreasing to 2.6% in 2024, 2.1% in 2025, and stabilising at 2% in 2026 and 2027. This evolution reflects the gradual moderation of labour costs and the containment of external inflationary pressures. The inflation differential compared to the euro area is expected to gradually approach zero by 2027.

According to the Association of Civil Construction and Public Works Industrialists (AICCOPN), the construction sector in Portugal registered a 3% growth in Gross Value of Production (GVP) in 2024. Among the construction sector segments, civil engineering stood out, driven by public investment financed by European funds (PRR and Portugal 2030). The residential and non-residential building segments showed more moderate positive developments.

For 2025, an acceleration in the growth of the construction sector is projected, estimating a 4% increase in Gross Value of Production.

The Secil Group is evaluating potential investment opportunities, with emphasis on the decarbonisation of its industrial processes and R&D in products and solutions in the sectors in which it operates, analysing its framework within the scope of the Recovery and Resilience Plan (PRR).

As a result of this process, Secil obtained approval in 2024 for the ProFuture - CCL Maceira project under the PRR. This project includes key measures to increase energy efficiency and reinforce the use of alternative fuels. Together with initiatives already implemented, these measures will allow a reduction in greenhouse gas emissions. By the end of the project, emission intensity is expected to be approximately 20% below the sector reference value per tonne of clinker. Additionally, an overall reduction in energy consumption of about 20% is foreseen.

Additionally, the investment in Secil's industrial facility in Outão, the CCL - Clean Cement Line, was completed in all its phases in the first half of 2024, and operations are currently in the stabilization phase. This project pioneeringly combines a set of mature and innovative technologies that will enable a 20% reduction in CO_2 emissions, a 20% increase in energy efficiency, and the production of 30% of the electric energy through heat recovery from the process itself. The low-carbon clinker resulting from this process will allow a competitive response to "green procurement" demands in the market.

These two projects represent crucial steps in the path to decarbonisation for the SECIL Group, reinforcing its commitment to industrial sustainability and alignment with national and European carbon neutrality goals by 2050. In line with these commitments, they will significantly contribute to reducing CO_2 emissions from our activities.

For **Brazil**, after the 3.9% growth in 2024, SNIC forecasts a lower growth rate for 2025. Several factors explain this outlook: an economic scenario marked by fiscal uncertainties from the government, inflation above expectations, and an upward trajectory of interest rates.

The IMF, in its World Economic Outlook Update published in October 2024, forecasts Brazilian economic growth of 3.5% for 2024 and 2.2% for 2025. Inflation forecast in the October update stands at 4.3% for 2024, decreasing to 3.6% in 2025.

Lebanon faces a challenging geopolitical and economic scenario, marked by political instability, slow economic recovery, and regional tensions. The recent presidential election brought hope for institutional normalisation, but governance remains fragile due to political fragmentation. However, regional tensions, particularly the conflict between Israel and Hezbollah, represent a continuous risk to internal stability and may hinder economic and social progress. The new government's capacity to promote political stability and reforms will be decisive for Lebanon's future in 2025.

The Secil Group is closely monitoring developments in the country, with expectations that the new leadership may guide Lebanon towards sustainable stability and growth. To mitigate power supply cuts, the Group is investing in energy generation projects aimed at restoring operational normality. These projects are expected to become operational throughout 2025.

For **Tunisia**, the IMF's World Economic Outlook (WEO), published in October 2024, forecasts GDP growth of 1.6% for both 2024 and 2025. Inflation is expected to be 7.1% in 2024 (down from 9.3% in 2023), decreasing to 6.7% in 2025.

Tunisia's economy faces significant challenges in 2025, with modest growth projections and ongoing efforts to stabilise public finances. Additionally, the sizeable informal economy and high unemployment, particularly among youth, continue to be obstacles to sustainable economic development.

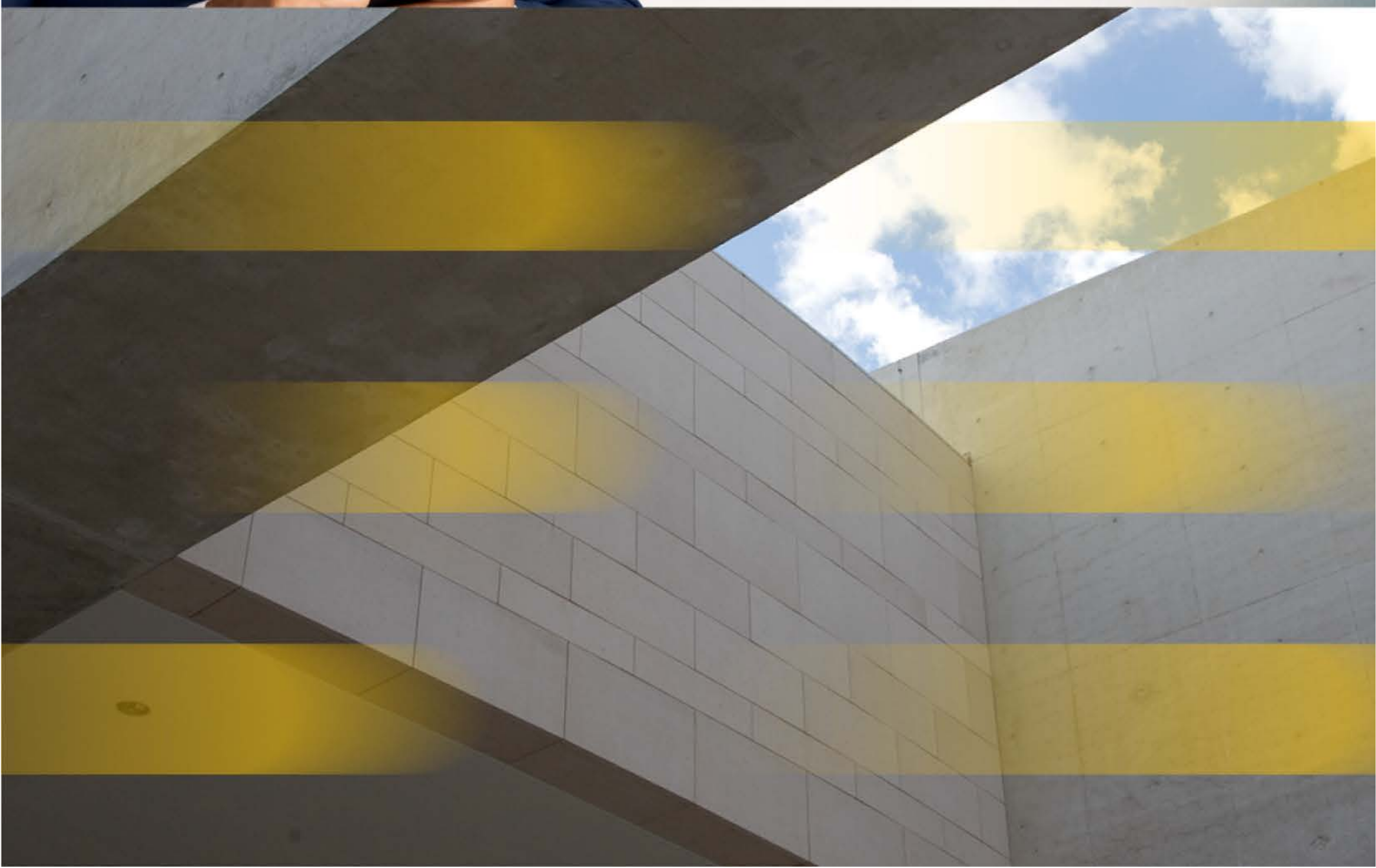
The outlook for **Angola** (IMF World Economic Outlook, October 2024) is GDP growth of 2.4% in 2024 and 2.8% in 2025. Inflation is forecast at 28.4% in 2024 (after 13.6% recorded in 2023) and 21.3% in 2025.

Subsequent events

This matter is detailed in the Annex to the Consolidated Financial Statements of the Secil Group.

06.

PROPOSAL FOR THE APPROPRIATION OF RESULTS AND OTHER LEGAL



SECIL

06 Proposal for the Appropriation of Results and Other Legal Mentions

PROPOSAL FOR THE APPROPRIATION OF RESULTS

The positive net results for the period of Secil – Companhia Geral de Cal e Cimento, S.A. amount to 55,533,930 euros. The Board of Directors proposes the following appropriation:

- - Other Reserves: 14,297,675.70 euros
- - Retained Earnings: 41,236,254.30 euros

The Board of Directors, 7 May 2025

BOARD OF DIRECTORS

Chairman

Ricardo Miguel dos Santos Pacheco Pires

Vice-Chairman

Otmar Hübscher

Board Members

Carlos Alberto Medeiros Abreu

Carlos Eduardo Coelho Alves

Carlos Manuel Guimarães Correia de Barros

Gian Lorenz Raffainer

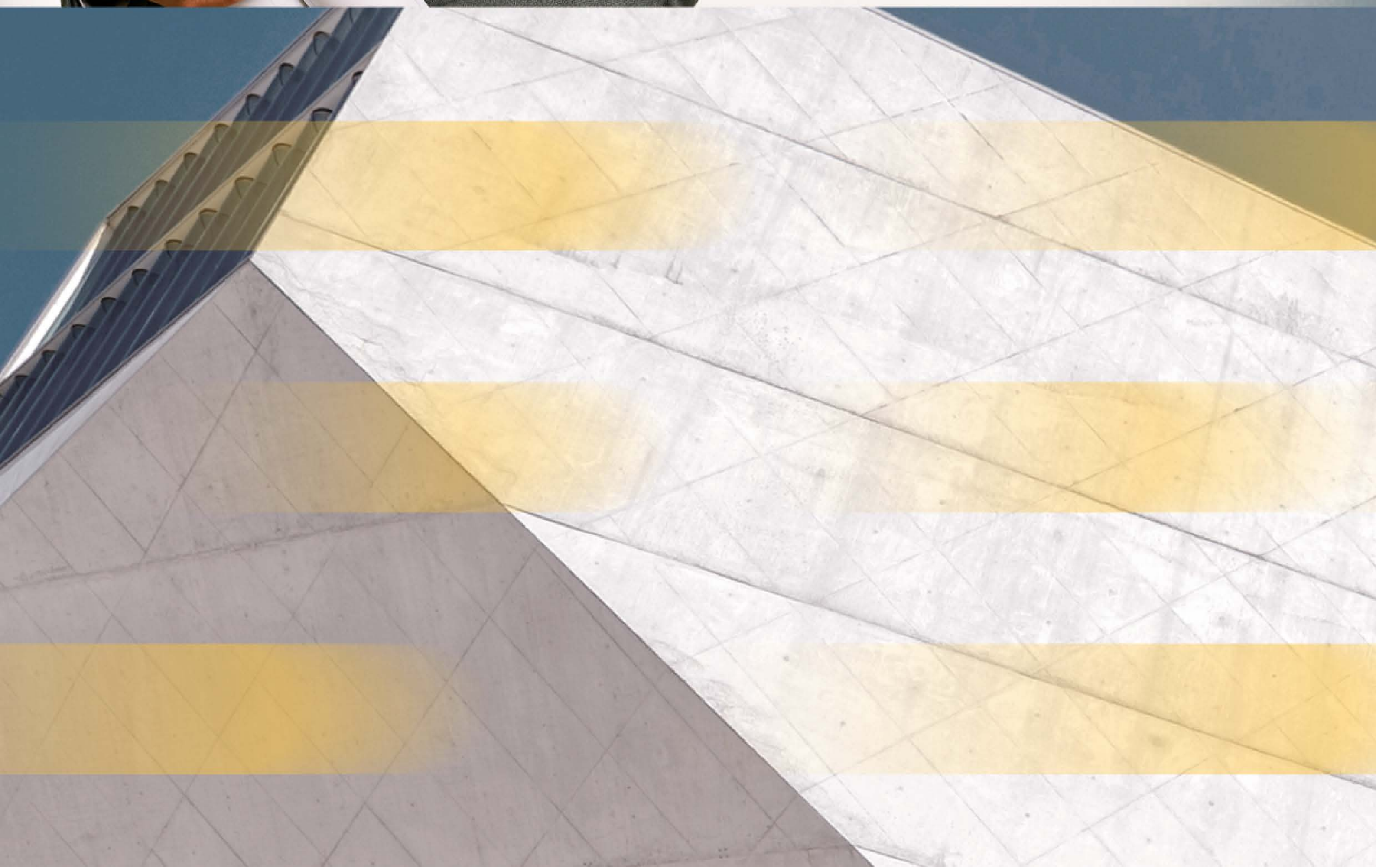
Hugo Alexandre Lopes Pinto

Maria Isabel da Silva Marques Abranches Viegas

Sérgio António Alves Martins

Vítor Paulo Paranhos Pereira

07. CONSOLIDATED FINANCIAL STATEMENTS AND ANNEX



07. Consolidated Income Statement and Annex

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED 2024 AND 2023

Amounts in Euro	Note	2024	2023
Revenue	2.1	701,836,376	693,348,710
Other operating income	2.2	131,282,871	127,747,613
Costs of goods sold and materials consumed	4.1	(225,432,384)	(243,549,201)
Variation in production	4.1	11,368,398	7,494,798
Supplies and services	2.3	(247,254,567)	(220,791,290)
Payroll costs	7.1	(100,078,807)	(87,638,580)
Other operating expenses	2.4	(8,537,976)	(8,333,510)
Net provisions	9.1	(111,551,557)	(121,649,261)
Depreciation, amortisation and impairment losses on non-financial assets	3.7	(54,373,715)	(49,438,618)
Operating profitg		**97,258,638**	**97,190,663**
Gains/(losses) of associates and joint ventures	10.3	(411,371)	65,713
Financial income and gains	5.10	28,000,847	70,650,845
Other financial expenses and losses	5.10	(56,429,427)	(97,684,313)
Net monetary position (gains / (losses))	5.11	-	14,455,321
Profit before tax		**68,418,687**	**84,678,229**
Income tax	6.1	(18,068,325)	(19,004,807)
Net profit for the period		**50,350,362**	**65,673,422**
Attributable to Secil's Shareholders		55,533,930	53,373,941
Attributable to non-controlling interests	10.1	(5,183,568)	12,299,481
Earnings per share			
Basic earnings per share	5.5	1.139	1.095
Diluted earnings per share	5.5	1.139	1.095

The Notes in the Annex form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 2024 AND 2023

Amounts in Euro	Note	2024	2023
Net profit for the period without non-controlling interests		**50,350,362**	**65,673,422**
Items that may be reclassified to the income statement			
Hedging derivative financial instruments			
Changes in fair value	8.2.1	(3,107,376)	(2,402,066)
Tax on items above		971,673	660,568
Currency translation differences		(18,512,857)	221,719
Items that may not be reclassified to the income statement			
Remeasurements of post-employment benefits			
Remeasurements	7.2.5	229,733	933,921
Tax on items above	7.2.5	(61,596)	(254,239)
Hyperinflationary economies			
Lebanon	5.11	-	(2,160,137)
Tax on items above	5.11	-	(84,246)
Other comprehensive income		(170,847)	-
Total other comprehensive income (net of taxes)		**(20,651,271)**	**(3,084,479)**
Total comprehensive income		**29,699,091**	**62,588,943**
Attributable to:			
Secil's shareholders		34,187,122	54,977,097
Non-controlling interests		(4,488,031)	7,611,846
		29,699,091	**62,588,943**

The Notes in the Annex form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 AND 2023

Amounts in Euro	Note	31-12-2024	31-12-2023
ASSETS			
Non-current assets			
Goodwill	3.1	115,303,665	123,085,894
Intangible assets	3.2	206,476,230	234,832,486
Property, plant and equipment	3.3	456,332,247	457,577,511
Right-of-use assets	3.4	41,884,810	35,731,773
Investment properties	3.5	39,581	40,347
Investments in associates and joint ventures	10.3	3,104,569	1,699,538
Other financial investments	8.3	414,263	406,207
Receivables and other non-current assets	4.2	6,093,243	2,845,745
Deferred tax assets	6.2	53,279,899	50,308,964
		882,928,507	**906,528,465**
Current assets			
Inventories	4.1	114,866,816	101,882,425
Receivables and other current assets	4.2	128,142,677	126,327,916
Income tax	6.1	4,587,887	4,918,844
Cash and cash equivalents	5.8	139,873,264	60,614,596
Non-current assets held for sale	3.6	1,008,000	1,008,000
		388,478,644	**294,751,781**
Total Assets		**1,271,407,151**	**1,201,280,246**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	5.2	100,395,212	100,395,212
Currency exchange reserve	5.4	(263,233,555)	(244,025,115)
Fair value reserves	5.4	660,551	2,796,254
Legal reserve	5.4	20,079,044	20,079,044
Other reserves	5.4	178,524,386	319,441,859
Retained earnings	5.4	167,600,925	23,997,137
Net profit for the period	5.5	55,533,930	53,373,941
Equity attributable to Secil's shareholders		**259,560,493**	**276,058,332**
Non-controlling interests	10.1	9,994,820	14,776,101
Total Equity		**269,555,313**	**290,834,432**
Non-current liabilities			
Deferred tax liabilities	6.2	64,867,482	61,267,020
Liabilities for long-term employee benefits	7.2	463,069	888,568
Provisions	9.1	147,653,998	145,726,059
Interest-bearing liabilities	5.6	335,966,472	278,778,400
Lease liabilities	5.7	28,164,005	24,013,596
Payables and other non-current liabilities	4.3	-	10,091,069
		577,115,026	**520,764,712**
Current liabilities			
Interest-bearing liabilities	5.6	109,584,248	69,918,972
Lease liabilities	5.7	9,998,526	8,371,883
Payables and other current liabilities	4.3	277,243,784	282,108,359
Income tax	6.1	27,910,254	29,281,888
		424,736,812	**389,681,102**
Total liabilities		**1,001,851,838**	**910,445,814**
Total Equity and Liabilities		**1,271,407,151**	**1,201,280,246**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 DECEMBER 2024

Amounts in Euro	Note	Share capital	Other equity instruments	Currency translation reserve	Fair value reserves	Legal reserve	Other reserves	Retained earnings	Net profit for the period	Total	Non-controlling interests	Total
Equity as at 1 January 2024		**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**
Net profit for the period		-	-	-	-	-	-	-	55,533,930	55,533,930	(5,183,568)	50,350,362
Other comprehensive income (net of taxes)		-	-	(19,208,440)	(2,135,703)	-	(158,562,766)	158,560,101	-	(21,346,808)	695,537	(20,651,271)
Outras operações - Economias hiperinflácionárias		-	-	-	-	-	-	-	-	-	-	-
Realisation of the revaluation surplus (net of tax)		-	-	-	-	-	(157,978)	157,978	-	-	-	-
Total comprehensive income for the period		**-**	**-**	**(19,208,440)**	**(2,135,703)**	**-**	**(158,720,743)**	**158,718,079**	**55,533,930**	**34,187,122**	**(4,488,031)**	**29,699,092**
Appropriation of 2023 profit:												
- Transfer to retained earnings and reserves	5.4	-	-	-	-	-	68,488,232	(15,114,291)	(53,373,941)	-	-	-
Reembolso de prestações acessórias		-	-	-	-	-	-	-	-	-	-	-
Reduções de capital e de outros instrumentos de capital próprio	5.3	-	-	-	-	-	-	-	-	-	-	-
Aquisição de ações próprias	5.2	-	-	-	-	-	-	-	-	-	-	-
Dividends paid		-	-	-	-	-	(50,684,962)	-	-	(50,684,962)	-	(50,684,962)
Dividends paid by subsidiaries to non-controlling interests	10.1	-	-	-	-	-	-	-	-	-	(293,250)	(293,250)
Aquisições/Alienações a interesses que não controlam	10.1	-	-	-	-	-	-	-	-	-	-	-
Variação de Perímetro		-	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders		**-**	**-**	**-**	**-**	**-**	**17,803,270**	**(15,114,291)**	**(53,373,941)**	**(50,684,962)**	**(293,250)**	**(50,978,212)**
Equity as at 31 December 2024		**100,395,212**	**-**	**(263,233,555)**	**660,551**	**20,079,044**	**178,524,386**	**167,600,925**	**55,533,930**	**259,560,493**	**9,994,820**	**269,555,313**

FOR THE PERIOD FROM 1 JANUARY 2023 TO 31 DECEMBER 2023

Amounts in Euro	Note	Share capital	Other equity instruments	Currency translation reserve	Fair value reserves	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 operations – Hyperinflationary economies		-	-	-	-	-	-	(1,145,758)	-	(1,145,758)	(1,098,626)	(2,244,383)
Realization of 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	5.3	-	(32,300,000)	-	-	-	-	-	-	(32,300,000)	-	(32,300,000)
Reduções de capital e de outros instrumentos de capital próprio	5.2	-	-	-	-	-	-	-	-	-	-	-
Aquisição de ações próprias	5.2	-	-	-	-	-	-	-	-	-	-	-
Dividends paid		-	-	-	-	-	(8,772,397)	-	-	(8,772,397)	-	(8,772,397)
Dividends paid by subsidiaries to non-controlling interests	10.1	-	-	-	-	-	-	-	-	-	(306,023)	(306,023)
Acquisition of non-controlling interests	10.1	-	-	(685,416)	-	-	2,799	(4,036,291)	-	(4,718,908)	4,149,949	(568,959)
Variação de Perímetro		-	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders		**-**	**(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**

The Notes in the Annex form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 2024 AND 2023

Amounts in Euro	Note	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		858,720,312	819,642,763
Payments to suppliers		(601,534,560)	(552,695,881)
Payments to employees		(62,834,859)	(52,015,447)
Cash flows from operations		**194,350,893**	**214,931,435**
Income tax received/ (paid)		(13,617,984)	2,404,492
Other receipts / (payments) relating to operating activities		(53,399,370)	(56,568,844)
Cash flows from operating activities (1)		**127,333,540**	**160,767,083**
INVESTING ACTIVITIES			
Inflows:			
Property, plant and equipment		7,476,441	842,439
Financial investments		-	19,157
Dividends from associates and joint ventures		177,786	166,146
Other assets		118,930	271,189
		7,773,157	**1,298,931**
Outflows:			
Financial investments		(2,000,000)	(1,818,956)
Property, plant and equipment		(61,446,667)	(46,501,734)
		(63,446,667)	**(48,320,691)**
Cash flows from investing activities (2)		**(55,673,510)**	**(47,021,760)**
FINANCING ACTIVITIES			
Inflows:			
Interest-bearing liabilities	5.9	507,921,017	876,245,084
Other financing activities		4,528,648	4,280,242
		512,449,665	**880,525,326**
Outflows:			
Interest-bearing liabilities	5.9	(405,264,088)	(901,556,252)
Amortisation of lease agreements	5.9	(13,657,714)	(14,855,552)
Interest and similar expenses		(20,800,254)	(19,350,373)
Dividends		(51,036,574)	(9,054,824)
Decreases in capital and other equity instruments		-	(32,300,000)
Other financing activities		(4,899,440)	(12,894,123)
		(495,658,069)	**(990,011,124)**
Cash flows from financing activities (3)		**16,791,596**	**(109,485,798)**
CHANGE IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)		**88,451,626**	**4,259,525**
Effect of exchange rate differences		(9,192,958)	280,612
Effect of Hyperinflation on Cash and cash equivalents		-	(13,178,646)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5.8	**60,614,596**	**69,001,851**
Impairment losses from the application of IFRS 9		-	251,255
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5.8	**139,873,264**	**60,614,596**

The Notes in the Annex form an integral part of these consolidated financial statements.

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1. INTRODUCTION

The Notes to the financial statements are organised into 11 sections, grouped according to the relevance of their joint reading for the understanding of the Company's performance, financial position, and cash flow movements for the periods presented.

The relevant accounting policies and the key judgements and estimates related to each line item of the financial statements are disclosed at the beginning of each respective Note.

The following symbols are used in the presentation of the Notes to the financial statements:

!!	Ξ	ϒ	»
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.

1.1. PRESENTATION OF THE GROUP

The SECIL Group (the Group) comprises Secil – Companhia Geral de Cal e Cimento, S.A. (the Company, Secil or the Entity) and its subsidiaries. Secil, headquartered in Outão, Setúbal, was incorporated on 27 June 1918, and its core business is the production and sale of cement, manufactured at its plants in Outão, Maceira and Pataias, and distributed through various commercial depots across the country.

Secil leads a corporate Group with operations in Portugal, Spain, the Netherlands, Cape Verde, Tunisia, Angola, Lebanon and Brazil, notably in: (i) the production of cement, directly and through its subsidiaries, at the plants located in Gabès (Tunisia), Lobito (Angola), Beirut (Lebanon), Pomerode (Brazil) and Adrianópolis (Brazil); (ii) the production and sale of ready-mix concrete in Portugal, Spain, Tunisia, Lebanon and Brazil; and (iii) the extraction of aggregates and quarry operations in Portugal and Cape Verde.

» A more detailed description of the Group's business segments is disclosed in **Note 2.1** – Revenue.

Secil is included in the consolidation perimeter of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A., its parent company, and Sodim – SGPS, S.A., its ultimate controlling entity.

1.2. SIGNIFICANT EVENTS DURING THE PERIOD

Russia–Ukraine War and Middle East Conflict

The year 2024 was marked by the continuation of the Russia–Ukraine war and the conflict in the Middle East.

In the last quarter of the year, Israel launched an invasion of Lebanon, further exacerbating the crisis in the region. However, at the end of November 2024, a ceasefire agreement between the Lebanese government and Israel, including Hezbollah, came into effect, paving the way for the implementation of UN Resolution 1701.

This entire context heightened uncertainty within the international geopolitical landscape, with significant destabilising potential, particularly affecting energy prices and the confidence of economic agents. The economies of the countries where the Secil Group operates were impacted by this context of instability, albeit to varying degrees.

The negative effects resulting from increased production costs, especially in terms of energy, due to the sharp rise in fuel prices and the inflationary trends observed in most economies, continued to be mitigated, in many regions, by average sales price increases and market growth in several countries.

The Secil Group continues to monitor and assess the potential impacts of these conflicts on its financial position, performance and cash flows, particularly in terms of the key accounting estimates and judgements.

1.3. SUBSEQUENT EVENTS

Between 1 January 2025 and 7 May 2025, no events occurred – other than those mentioned below – that provide additional information about conditions existing at the balance sheet date, or that provide information about conditions arising after the balance sheet date.

The subsidiary Cementos Secil, SLU, became aware that the entity Cal Gov, SAL, the purchaser of the Oviedo quarry previously owned by Cementos Secil, has initiated proceedings with a view to seeking compensation for alleged breaches of contractual warranties provided in the context of the sale of those assets.

Cementos Secil, SLU is unaware of the exact terms of this claim and is therefore not in a position to assess its validity or estimate any potential impacts.

1.4. BASIS OF PREPARATION

Authorisation for Issue of the Financial Statements

These consolidated financial statements were approved by the Board of Directors and authorized for issue on 7 May 2025. However, they remain subject to approval by the General Shareholders' Meeting, in accordance with the commercial law in force in Portugal.

The Group's officers – 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 framework and gives a true and fair view of the assets and liabilities, financial position and results of the companies included within the Group's consolidation perimeter.

Accounting Framework

The consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and their respective predecessor bodies, as effective on 1 January 2024 and as adopted by the European Union.

Comparability

These financial statements are comparable in all material respects with those for the previous year, 2023.

Measurement Bases

The accompanying consolidated financial statements were prepared on a going concern basis, using the accounting records of the companies included in the consolidation (**Note 10.1**), and based on the historical cost principle, 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**).

Basis of Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed, or has rights, to variable returns arising from its involvement with the entity and has the ability to affect those returns through its power over the entity's relevant activities.

The equity and net income attributable to non-controlling interests in these companies are presented under the headings Non-controlling interests in the consolidated statement of financial position (as a separate component of equity) and in the consolidated income statement, respectively. The companies included in the consolidated financial statements are detailed in **Note 10.1**.

The acquisition of subsidiaries is accounted for using the purchase method. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued, and liabilities incurred or assumed at 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. Any excess of the acquisition cost over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill, in cases where control is obtained, as detailed in **Note 3.1**.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. When additional interests are acquired in companies already controlled by the Group, the difference between the proportion of equity acquired and the respective purchase price is recognised directly in equity under Retained earnings (**Note 5.4**).

Where the Group already holds an existing interest in an entity at the acquisition date of control, the fair value of that previously held interest is included in the calculation of goodwill or negative goodwill.

When control is acquired with a shareholding of less than 100%, in applying the purchase method, non-controlling interests may be measured either at fair value or at the proportionate share of the fair value of the acquiree's net assets, with the choice being made on a transaction-by-transaction basis.

In cases where a disposal of interests results in the loss of control over a subsidiary, any retained interest is remeasured at market value at the disposal date, and any resulting gain or loss from that remeasurement is recognised in profit or loss, together with any gain or loss arising from the disposal itself.

Subsequent transactions involving the disposal or acquisition of interests in non-controlling interests that do not result in a change in control do not give rise to the recognition of gains, losses, or goodwill; any difference between the transaction price and the carrying amount of the interest sold or acquired is recognised directly in equity under Other equity instruments.

The acquisition cost is subsequently adjusted when the purchase price/allocation is contingent upon the occurrence of specific events agreed with the seller/shareholder (e.g., realisation of 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 is classified as a financial liability, subsequent changes in fair value are recognised in profit or loss. If the obligation is classified as an equity instrument, no subsequent change in fair value is recognised.

Losses incurred by subsidiaries with non-controlling interests are allocated to non-controlling interests based on their percentage ownership, even if this results in a negative balance.

If the acquisition cost is lower than the fair value of the net assets of the acquired subsidiary (negative goodwill), the difference is recognised directly in the income statement under Other operating income. Directly attributable transaction costs are recognised immediately in profit or loss.

Intragroup transactions, balances, unrealised gains on transactions and dividends distributed among group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset.

The accounting policies of subsidiaries have been adjusted, where necessary, to ensure consistency with the policies adopted by the Group.

Associates

Associates are all entities over which the Group has significant influence but does not have control, generally through an investment representing between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

Under the equity method, investments are initially recognised at acquisition cost, adjusted for the Group's share in the changes in the associates' equity (including net profit or loss) and for dividends received.

Differences between the acquisition cost and the fair value of the identifiable assets, liabilities and contingent liabilities of the associate at the acquisition date are, if positive, recognised as goodwill and maintained under Investments in associates. If negative, they are recognised as income for the period under Share of results of associates. Directly attributable transaction costs are recognised immediately in profit or loss.

Investments in associates are assessed for impairment when there are indications that the asset may be impaired. Any impairment losses identified are recognised in profit or loss under the same heading. If previously recognised impairment losses cease to exist, they are reversed.

When the Group's share of an associate's losses equals or exceeds its interest in the associate, the Group discontinues recognising additional losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions with associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset.

The accounting policies of associates are adjusted, when necessary, to ensure consistency with those adopted by the Group. Investments in associates are detailed in **Note 10.3**.

Joint Arrangements

Joint arrangements are classified as joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method.

Joint operations are accounted for in the Group's consolidated financial statements based on the Group's share of jointly held assets and jointly assumed liabilities, as well as the revenues from the joint operation's output and the expenses jointly incurred. The assets, liabilities, revenues and expenses are recognised in accordance with the applicable IFRSs.

A jointly controlled entity is a joint venture that involves 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, whereby investments are initially recognised at acquisition cost, adjusted for the Group's share in changes in the investees' equity (including net income) and for dividends received.

When the Group's share of attributable losses equals or exceeds its investment in the joint ventures, the Group recognises additional losses only if it has assumed obligations or made payments on behalf of the joint ventures.

Unrealised gains and losses on transactions 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 of the transferred asset.

The accounting policies of joint ventures are adjusted, where necessary, to ensure they are applied consistently with those of the Group.

Presentation Currency, Transactions in Currencies Other than the Presentation Currency and Hyperinflationary Economies

The financial statements of each of the Group's entities are measured using the currency of the primary 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 currencies other than the presentation currency were translated into Euros using the exchange rates prevailing at the consolidated financial position date (**Note 8.1.1**).

Exchange differences resulting from the difference between the exchange rates in effect at the transaction date and those prevailing at the date of collection, payment or financial position are recognised as income or expense for the period (**Note 5.10**).

The income statement items of foreign operations were translated at the average exchange rate for the period. The differences arising from the application of these rates compared with the previously reported amounts are reflected in the Currency translation reserve within equity (**Note 5.4**). Whenever a foreign entity is disposed of, the accumulated exchange difference is recognised in the consolidated income statement as part of the gain or loss on disposal.

For foreign operations in hyperinflationary economies, financial statements in local currency are restated in terms of the current measuring unit at the financial position date in order to reflect the effects of inflation before translating them into the Group's presentation currency. IAS 29 – Financial Reporting in Hyperinflationary Economies requires that amounts not yet expressed in the current measuring unit at the financial position date be restated by applying a general price index, which may lead to a potential monetary gain or loss. The standard also requires all items in the statement of cash flows to be expressed in the measuring unit current 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 that comparative figures be those presented in the prior financial statements, and that any gain or loss on the net monetary position related to price changes in prior periods be recognised directly in equity.

In addition, the Group assesses the carrying amount of non-current assets in accordance with IAS 36 – Impairment of Assets, meaning that the restated amount is reduced to its 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 exchange rate at the financial position date. In the case of Lebanon, the Group uses the exchange rate applicable to dividends and capital repatriation, as it is the rate at which, at the reporting date, the investment in the foreign operation is expected to be recovered.

The exchange rates used to translate assets and liabilities denominated in currencies other than the Euro as at 31 December 2024 and 2023 are as follows:

	31-12-2024	31-12-2023	Valuation/ (Devaluation)
TND (Tunisian dinar)			
Average exchange rate for the period	3.3662	3.3548	(0.34%)
Exchange rate for the end of the period	3.3016	3.3897	2.60%
LBP (Lebanese pound)			
Average exchange rate for the period	96,847.00	99,118.50	2.29%
Exchange rate for the end of the period	92,981.60	99,118.50	6.19%
USD (American dollar)			
Average exchange rate for the period	1.0821	1.0816	(0.05%)
Exchange rate for the end of the period	1.0389	1.1050	5.98%
BRL (Brazilian real)			
Average exchange rate for the period	5.8331	5.4011	(8.00%)
Exchange rate for the end of the period	6.4354	5.3503	(20.28%)
AOA (Angolan kwanza)			
Average exchange rate for the period	952.3159	747.8882	(27.33%)
Exchange rate for the end of the period	955.1715	925.3583	(3.22%)
CVE (Cape Verdean escudo)			
Average exchange rate for the period	110.2650	110.2650	0.00%
Exchange rate for the end of the period	110.2650	110.2650	0.00%

1.5. NEW IFRS STANDARDS ADOPTED AND TO BE ADOPTED

Standards, amendments and interpretations adopted in 2024

No impact on the financial statements	
Clarification of the requirements for classifying liabilities as current or non-current (amendments to IAS 1 – Presentation of Financial Statements)	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 or non-current. The amendments clarify one of IAS 1's criteria for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments aim to: a. specify that the entity's right to defer settlement must exist at the end of the reporting period and must be substantive; b. clarify that ratios the entity must comply with after the reporting date (i.e. future covenants) do not affect the classification of a liability at the reporting date. However, when non-current liabilities are subject to future covenants, entities must disclose information that enables users to understand the risk that such liabilities may become repayable within 12 months after the reporting date; and c. clarify the requirements for classifying liabilities that an entity will settle, or may settle, by issuing its own equity instruments (e.g. convertible debt). This amendment is effective for periods after 1 January 2024.
Lease liability in a sale and leaseback transaction (amendments to IFRS 16 – Leases)	In September 2022, the IASB issued amendments to IFRS 16 – Leases introducing a new accounting model for variable lease payments in a sale and leaseback transaction. The amendments 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, meaning that it does not recognise any gain or loss related to the retained right-of-use asset. A seller-lessee may adopt different approaches that satisfy the new requirements for subsequent measurement. Under IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee must apply the amendments retrospectively to sale and leaseback transactions entered into since the date of initial application of IFRS 16. This means it must identify and reassess sale and leaseback transactions entered into since the implementation of IFRS 16 in 2019 and, potentially, restate those involving variable lease payments.
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements	On 25 May 2023, the International Accounting Standards Board (IASB) published Supplier Finance Arrangements with amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures. The amendments relate to disclosure requirements concerning supplier finance arrangements – also known as supply chain finance, payables finance or reverse factoring arrangements. The new requirements complement those already included in IFRS standards and require disclosures about: • Terms and conditions of supplier finance arrangements; • The amounts of liabilities subject to such arrangements, to what extent suppliers have already received payments from the finance providers, and under which line item those liabilities are presented in the balance sheet; • The range of payment due dates; and • Information on liquidity risk.

The above standards, amendments and interpretations had no impact on the financial statements.

Standards, amendments and interpretations mandatory for application on or after 1 January 2025

<table>
<tr><th>Standard</th><th>Amendment</th><th>Effective Date</th></tr>
<tr><td colspan="3">No expected impacts on the financial statements</td></tr>
<tr><td colspan="3">Standards and amendments endorsed by the European Union that the Company has opted not to apply early</td></tr>
<tr><td>Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</td><td>On 15 August 2023, the International Accounting Standards Board (IASB) issued Lack of Exchangeability (Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates) (the amendments).

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate in situations of lack of exchangeability.

A currency is exchangeable for another currency when an entity is able to exchange that currency for another at the measurement date and for a particular purpose. When a currency is not exchangeable, the entity must estimate a spot exchange rate.

According to the amendments, entities will be required to provide new disclosures to help users assess the effects of using an estimated exchange rate in the financial statements. These disclosures may include:
• a natureza e os impactos financeiros da moeda não ser convertível;
• the nature and financial effects of the currency being non-exchangeable;
• the spot exchange rate used;
the estimation process; and
• the risks to the company arising from the lack of exchangeability.</td><td>1 January 2025</td></tr>
</table>

Standards and amendments not yet endorsed by the European Union		
IFRS 18 Presentation and Disclosure in Financial Statements	On 9 April 2024, the International Accounting Standards Board (IASB or the Board) issued the new standard, IFRS 18 Presentation and Disclosure in Financial Statements. The main changes introduced by this standard are: ▪ Promoting a more structured income statement. In particular, it introduces a new subtotal "operating profit" (as well as its definition) and requires that all income and expenses be classified into three new distinct categories based on a company's main business activities: Operating, Investing and Financing. • Requiring companies to disaggregate their operating expenses directly on the face of the income statement – whether by nature, by function, or using a mixed approach. Requiring that certain 'non-GAAP' measures used by the Group be reported in the financial statements. The standard defines MPMs (Management Performance Measures) as subtotals of income and expenses that: • are used in public communications outside the financial statements; and • reflect management's view of financial performance. For each MPM presented, companies must explain in a single note within the financial statements why the measure provides useful information, how it is calculated, and reconcile it to an IFRS-defined figure. • Introducing enhanced guidance on how companies group information in the financial statements. This includes guidance on whether material information is presented in the primary financial statements or in the notes.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	On 9 May 2024, the International Accounting Standards Board (IASB) issued the new standard, IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible subsidiaries to apply IFRS with reduced disclosure requirements. Applying IFRS 19 will reduce the cost of preparing financial statements for subsidiaries while maintaining the usefulness of information for users of their financial statements. A subsidiary may opt to apply the new standard in its consolidated, individual or separate financial statements, provided that, at the reporting date: • it does not have public accountability; and • its parent prepares consolidated financial statements in accordance with IFRS. A subsidiary applying for IFRS 19 must clearly state in its unreserved and explicit statement of compliance with IFRS that IFRS 19 has been adopted.	1 January 2027

Standards and amendments not yet endorsed by the European Union		
IFRS 9 – Amendments to the Classification and Measurement of Financial Instruments	On 30 May 2024, the International Accounting Standards Board (IASB or the Board) issued amendments to the classification and measurement requirements of IFRS 9 Financial Instruments. The amendments aim to address diversity in application and make the requirements more understandable and consistent. The amendments aim to: • Clarify the classification of financial assets with environmental, social and governance (ESG) and similar features, as such features in loans may affect whether the loans are measured at amortised cost or fair value. To resolve diversity in practice, the amendments clarify how the contractual cash flows of such loans should be assessed. • Clarify the date on which a financial asset or financial liability is derecognized when settlement occurs via electronic payment systems. An accounting policy choice is introduced, allowing derecognition of a financial liability before cash is delivered on the settlement date, provided certain criteria are met. • Improve the description of “non-recourse”. Under the amendments, a financial asset has non-recourse features if the entity’s right to receive cash flows is contractually limited to the cash flows generated by specific assets. The presence of non-recourse features does not necessarily preclude an asset from meeting the SPPI test, but such features must be carefully assessed. • Clarify that a contractually linked instrument must have a waterfall payment structure that creates credit risk concentration by allocating losses disproportionately between different tranches. The underlying pool may include financial instruments outside the scope of IFRS 9 classification and measurement (e.g., finance lease contracts), but must have cash flows consistent with the SPPI criterion. The IASB has also introduced additional disclosure requirements relating to equity investments designated at fair value through other comprehensive income and instruments with contingent features, e.g., ESG-linked terms.	1 January 2026

Standards and amendments not yet endorsed by the European Union		

Annual Improvements	On 18 July 2024, the International Accounting Standards Board (IASB) issued limited amendments to IFRS and related guidance as part of its annual improvements process.
	
	The amendments include clarifications, simplifications, corrections, and modifications aimed at enhancing consistency across several IFRS.
	
	The IASB amended:
	
	• IFRS 1 First-time Adoption of International Financial Reporting Standards, to clarify aspects related to hedge accounting for entities preparing IFRS financial statements for the first time;
	
	• IFRS 7 Financial Instruments: Disclosures and its Implementation Guidance, to clarify:
	  ◦ the application guidance regarding gain or loss on derecognition; and
	  ◦ the implementation guidance, including the Introduction, fair value disclosure (differences between fair value and transaction price), and credit risk disclosure;
	
	• IFRS 9 Financial Instruments to:
	  ◦ require that companies initially measure a receivable without a significant financing component at the amount determined under IFRS 15; and
	  ◦ clarify that, when a lease liability is derecognized, the accounting is governed by IFRS 9. However, when a lease liability is modified, the accounting is governed by IFRS 16 Leases. The amendment specifies that when lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid should be recognized in profit or loss;
	  ◦ IFRS 10 Consolidated Financial Statements, to clarify the determination of a “de facto agent”; and
	  ◦ IAS 7 Statement of Cash Flows, with a minor amendment to the paragraph relating to investments in subsidiaries, associates, and joint ventures.
		1 January 2026

Amendments to IFRS 9 and IFRS 7 – Nature-dependent Electricity Contracts	On 18 December 2024, the International Accounting Standards Board (IASB) issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Nature-dependent electricity contracts help companies secure electricity supply from sources such as wind and solar energy. The amount of electricity generated under these contracts may vary depending on uncontrollable factors, such as weather conditions. Current accounting requirements may not adequately reflect how these contracts affect a company’s performance. To allow companies to better reflect these contracts in their financial statements, the IASB made specific amendments to: • IFRS 9 Financial Instruments, clarifying the application of the “own-use” requirements; • Allow hedge accounting if such contracts are used as hedging instruments; and • IFRS 7 Financial Instruments: Disclosures, introducing new disclosure requirements to help investors understand the impact of these contracts on a company’s financial performance and cash flows.	1 January 2026

1.6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of estimates and judgements that affect the amounts of income, expenses, assets, liabilities and disclosures as at the consolidated financial position date. For this purpose, the Group's Board of Directors relies on:

(i) the best available information and knowledge of current events, and in some cases on reports prepared by independent experts; and

(ii) actions that the Group considers it may undertake in the future.

At the transaction realisation date, the outcomes may differ from these estimates.

Most significant estimates and judgements

The estimates and assumptions that present a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the following financial year are presented below:

Estimates and judgements	Notes
Recoverability of goodwill and trademarks	3.1 – Goodwill 3.2 - Intangible assets
Uncertainty over 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 tangible fixed assets	– Property, plant and equipment

2. OPERATING PERFORMANCE

Amounts in Euro	Note	2024	2023
Revenue	2.1	701,836,376	693,348,710
Other operating income	2.2	131,282,871	127,747,613
		833,119,247	**821,096,324**
Costs of goods sold and materials consumed	4.1	(225,432,384)	(243,549,201)
Variation in production	4.1	11,368,398	7,494,798
Supplies and services	2.3	(247,254,567)	(220,791,290)
Payroll costs	7.1	(100,078,807)	(87,638,580)
Other operating expenses	2.4	(8,537,976)	(8,333,510)
		(569,935,337)	**(552,817,782)**
		263,183,910	**268,278,542**

2.1. REVENUE

‼ Business Management Policy

The Executive Committee of the Secil Group is primarily responsible for operational decision-making within the Group, periodically and consistently reviewing financial and operational information reports from each geographic segment. These reports are used to monitor the operational performance of its businesses and to decide on the best allocation of resources to each segment, as well as to evaluate their performance and make strategic decisions.

Five operational segments have been identified based on the geographic areas from which the Group conducts its activities: Portugal, Lebanon, Tunisia, Brazil, and Angola. It should be noted that the Portugal geography includes Cape Verde, the Netherlands, and Spain, as exports to these countries are made from Portugal and are monitored together with domestic sales.

Accounting Policies

Revenue

The Group presents in this Note revenue disaggregated by geographic area, based on the destination country of the goods and services sold by the Group.

Cement

A significant portion of the Secil Group's revenue relates to the sale of grey cement, either in bulk or bagged, on pallets or in large bags. The form of cement packaging and delivery point depends on the size of the customer and the final use of the product.

The main clients of the Secil Group are industrial companies in the areas of concrete, precast products, and civil construction, as well as consortia involved in the construction of highly technically complex works such as dams and bridges. The sale of bagged cement to the final consumer is residual and is ensured through local resellers.

The Secil Group supplies its products at its factories and warehouses and arranges transportation to the customer's facilities through subcontracted transport, in which case there are two performance obligations, to which Secil allocates the transaction price based on sales prices.

Revenue recognised from the sale of cement at warehouses results from the current price tables adjusted for early payment discounts and quantity discounts granted to customers, depending on whether they are reseller or industrial customers, as described in the general sales conditions. Regarding large clients and specific projects, prices and discount conditions are set contract by contract.

The discounts granted constitute a variable component of the price, which is considered when determining the revenue recognised at the date of delivery of the product to the customer, corresponding to the date of transfer of control of the products.

The transfer of control of the products generally occurs when the products pass under the control of the customer. In the case of exports, this transfer occurs according to the negotiated Incoterms.

Materials

The materials business line relates to "derivatives" of cement: ready-mix concrete, aggregates, mortars, and precast concrete products.

Revenue from materials is recognised at the date of delivery of the product to the customer, even if the contract involves phased deliveries due to different stages of the project and quantities to be handled.

Revenue is recognised by the amount of the satisfied performance obligation, with the transaction price corresponding to a fixed amount invoiced based on quantities sold, including quantity discounts (rappels) that can be reliably determined.

Regarding mortars, the rental of construction equipment for the storage, mixing, and application of mortars constitutes a separate performance obligation with an autonomous sales price, net of any discounts granted.

The precast concrete area essentially refers to the sale of standard precast materials, with no production of precast products made to specific customer orders. In this business area, the Group recognises revenue for all products upon delivery to the customer.

Revenue by geographic segment, based on the destination country of goods and services sold by the Group

In the fiscal years 2024 and 2023, the Group's revenue, based on the destination of the goods and services sold, is as follows:

Amounts	2024	2023
Portugal	389,374,148	351,831,885
Rest of Europe	64,344,151	65,282,618
Americas	119,055,608	123,738,833
Africa	83,279,882	84,711,072
Asia	45,782,586	67,784,302
	701,836,376	**693,348,710**

2.2. OTHER OPERATING INCOME AND GAINS

In the fiscal years 2024 and 2023, other operating income and gains are broken down as follows:

Amounts in Euro	2024	2023
Gains on disposal of non-current assets	5,714,086	1,152,350
Grants - CO_2 emission allowances	101,536,912	112,554,020
Income from waste treatment	1,701,497	1,459,141
Own work capitalised	1,896,915	688,337
Supplementary income	443,717	358,463
Operating grants	922,277	557,076
Compensations	7,558,273	261,266
REN - Regulation Reserve Band	8,712,369	6,163,414
Compensatory interest (tax disputes)	-	1,265,408
Other operating income	2,796,825	3,288,137
	131,282,871	**127,747,613**

The item Gains on disposal of non-current assets, in 2024, mainly includes gains from the disposal of quarries and concrete plants in Spain by the subsidiary Cementos Secil, SLU, amounting to Euros 4,292,222. Within the scope of this transaction, there are defined future performance conditions that may result in an additional amount to be received. In 2023, the item mainly includes gains from the disposal of land.

The amount presented under Grants – CO_2 emission licenses corresponds to the recognition in profit or loss of the grant, originating from the allocation of licenses free of charge (as described in **Note 3.2**).

The item Compensation received, amounting to Euros 7,558,273, relates to the insurance compensation recognized by the subsidiary Société des Ciments de Gabès, Tunisia, following the incident at the electrical substation at the end of 2023.

2.3. EXTERNAL SUPPLIES AND SERVICES

In the fiscal years 2024 and 2023, external supplies and services are broken down as follows:

Amounts in Euro	2024	2023
Energy and fluids	67,679,159	63,417,451
Inventory transportation	55,741,764	54,152,390
Specialised work	38,379,567	29,250,445
Repair and maintenance	42,912,957	36,343,307
Sundry services	8,343,803	10,000,926
Fees	1,351,065	726,457
Insurance	8,084,260	4,806,493
Subcontracts	1,013,419	1,004,633
Other	23,748,575	21,089,189
	247,254,567	**220,791,290**

Fees billed for statutory audit and audit services

In the fiscal years 2024 and 2023, the fees billed and recognised as expenses are as follows:

	2024		2023	
Valores em EUR	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	294,944	304,538	300,433	328,942
Permissible tax assurance services	14,973	14,973	-	-
Other reliability assurance services	63,030	87,000	9,849	42,500
Other services	-	-	44,546	24,925
	372,947	**406,511**	**354,828**	**396,367**

The services referred to under other assurance services mainly relate to the issuance of reports on financial information.

The Board of Directors considers that there are sufficient safeguards to ensure the independence of the auditors through the oversight processes of the Supervisory Board regarding the proposed work and its careful definition at the contracting stage.

2.4. OTHER OPERATING EXPENSES AND LOSSES

In the fiscal years 2024 and 2023, other operating expenses and losses are broken down as follows:

Amounts in Euro	2024	2023
Impairment losses on receivables (**Note 8.1.4**)	992,459	861,475
Impairment losses on inventories (**Note 4.1**)	531,049	2,012,733
Donations	790,251	638,818
Banking expenses	886,767	1,096,680
Losses on disposal of non-current assets	7,888	473,052
Indirect taxes and fees	2,812,177	1,174,379
Membership fees	920,316	737,240
Fines and penalties	156,660	53,850
Other operating expenses	1,440,408	1,285,284
	8,537,976	**8,333,510**

3. INVESTMENTS

Amounts in Euro	Note	31-12-2024	31-12-2023
Statement of Financial Position			
Assets			
Goodwill	3.,1	115,303,665	123,085,894
Intangible assets	3.2	206,476,230	236,976,532
Property, plant and equipment	3.3	456,332,247	455,433,465
Right-of-use assets	3.4	41,884,810	35,731,773
Investment properties	3.5	39,581	40,347
Non-current assets held for sale	3.6	1,008,000	1,008,000
		821,044,533	**852,276,011**
Income Statement			
Depreciation, amortisation and impairment losses	3,.	(54,373,715)	(49,438,618)

3.1. GOODWILL

Accounting Policies

Goodwill represents the difference between the fair value of the acquisition cost and the fair value of identifiable assets, liabilities, and contingent liabilities of the subsidiaries included in the consolidation, at the date control is acquired, and is allocated to each Cash Generating Unit (CGU) or group of lower-level CGUs to which it belongs.

Amortisation and Impairment	Goodwill is not amortised. The Group performs impairment tests on goodwill annually, or whenever there are indications of impairment. The recoverable amounts of cash-generating units are determined as the higher of value in use and fair value less costs to sell. Impairment losses relating to goodwill cannot be reversed.
Disposals and Loss of Control	Gains or losses arising from the sale or loss of control of an entity or business to which goodwill is allocated include the corresponding amount of goodwill.
Acquisitions in a Currency Different from the Presentation Currency	Goodwill arising from the acquisition of a foreign entity is recorded in the functional currency of that entity and converted to the Group's reporting currency (Euro) at the exchange rate in effect at the reporting date. Exchange differences arising from this conversion are recorded in the Foreign Currency Translation Reserve (**Note 5.4**) as other comprehensive income.
Tax Deductibility	Under current tax legislation in Portugal, recognised or to-be-recognised goodwill is not expected to be tax deductible. In other geographic areas where the Group operates, the tax treatment differs.

Accounting Estimates and Judgements

Impairment Tests

For the purposes of impairment testing of CGUs, the recoverable amount was determined based on value in use, according to the discounted cash flow method. The recoverable amount of the CGUs derives from assumptions related to the activity, namely sales volumes, average selling prices, and variable costs, which in the projection periods result from a combination of economic forecasts for the regions and markets where the Group operates, industry forecasts—including market changes due to alterations in installed capacities for each operational activity—internal management projections, and historical performance.

These projections stem from budgets for the following year and the estimated cash flows for a subsequent period generally covering four years, reflected in the Medium to Long-Term Plans approved by the Board of Directors.

The Group primarily identifies cash-generating units as the geographic areas in which it operates.

In conducting the asset recoverability tests, differentiated projection assumptions were considered according to the relevant geographies.

Assumptions Underlying the Business Plans

Assumptions (CAGR 2025 - 2029)	Portugal	Tunisia	Lebanon	Brazil	Angola
Volume of sales (kt)					
Reference	Cement and clinker				
CAGR Volume of sales (kt)	-1.50%	6.37%	4.38%	1.85%	4.23%
Average sales price ML/t					
Reference	Grey cement on internal market				
CAGR average sales price ML/t	4.09%	3.63%	3.29%	0.42%	9.93%

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 internal market				
CAGR average sales price ML/t	3.00%	2.69%	2.08%	3.35%	12.95%

Macroeconomic and Financial Assumptions

The main macroeconomic assumptions considered are the projections for GDP growth rate and inflation in the markets where the Group operates. The sources of these projections are the IMF and the Bank of Portugal.

The growth rate in perpetuity reflects Management's medium/long-term outlook for the different CGUs, taking into account the macroeconomic assumptions.

	31-12-2024			31-12-2023		
Financial assumptions	**WACC Rate**	**Tax Rate**	**Perpetuity growth rate**	**WACC Rate**	**Tax Rate**	**Perpetuity growth rate**
Portugal (EUR)						
Explicit planning period	6.07%	26.50%	-	6.55%	27.50%	-
Perpetuity	6.07%	26.50%	1.93%	6.55%	27.50%	1.88%
Tunisia (TND)						
Explicit planning period	18.74%	25.00%	-	19.72%	15.00%	-
Perpetuity	19.84%	25.00%	8.98%	15.03%	15.00%	4.68%
Lebanon (2023:USD / 2022:LBP)						
Explicit planning period	20.99%	17.00%	-	20.75%	17.00%	-
Perpetuity	13.16%	17.00%	2.14%	13.23%	17.00%	2.13%
Brazil (BRL)						
Explicit planning period	9.85%	34.00%	-	9.57%	34.00%	-
Perpetuity	8.55%	34.00%	2.99%	8.82%	34.00%	3.01%
Angola (AOA)						
Explicit planning period	37.13%	25.00%	-	25.22%	25.00%	-
Perpetuity	31.73%	25.00%	19.14%	20.97%	25.00%	9.12%

Impairment Test

As a result of the impairment tests carried out in the 2024 period, impairment losses were recognised on the goodwill allocated to the Tunisia CGU, amounting to Euros 1,027,023, and on the goodwill allocated to the Lebanon CGU, amounting to Euros 69,001, with no impairment losses identified in any of the other CGUs.

No impairment losses related to goodwill were identified in the 2023 period.

Also, as a result of the impairment tests and the analysis performed on the recoverability of the net asset value of the subsidiaries, an impairment loss was recognised on the fixed assets of the Lebanon subsidiaries amounting to Euros 7,166,221 (**Note 3.3**).

Sensitivity Analysis

A sensitivity analysis was performed on the key assumptions (independently for each assumption), as follows:

hange in Enterprise Value due to:	31-12-2024	31-12-2023
PORTUGAL		
1) 1% decrease in the perpetuity growth rate		
Decrease in assessment amount:	-15.43%	-13.13%
Result:	No impairment	No impairment
2) 50 basis points increase in the discount rate (WACC)		
Decrease in assessment amount:	-8.39%	-7.08%
Result:	No impairment	No impairment
TUNISIA		
1) 1% decrease in the perpetuity growth rate		
Decrease in assessment amount:	-5.23%	-6.28%
Result:	Impairment	No impairment
2) 50 basis points increase in the discount rate (WACC)		
Decrease in assessment amount:	-3.06%	-3.41%
Result:	Impairment	No impairment
LEBANON		
1) 1% decrease in the perpetuity growth rate		
Decrease in assessment amount:	-4.07%	-8.56%
Result:	Impairment	No impairment
2) 50 basis points increase in the discount rate (WACC)		
Decrease in assessment amount:	-2.33%	-4.30%
Result:	Impairment	No impairment
BRAZIL		
1) 1% decrease in the perpetuity growth rate		
Decrease in assessment amount:	-11.99%	-14.97%
Result:	No impairment	No impairment
2) 50 basis points increase in the discount rate (WACC)		
Decrease in assessment amount:	-6.30%	-7.82%
Result:	No impairment	No impairment
ANGOLA		
1) 1% decrease in the perpetuity growth rate		
Decrease in assessment amount:	3.17%	6.01%
Result:	No impairment	No impairment
2) 50 basis points increase in the discount rate (WACC)		
Decrease in assessment amount:	-2.32%	-3.25%
Result:	No impairment	No impairment

Goodwill – Net Value

Goodwill is allocated to the Group's cash-generating units (CGUs), which correspond to the geographies where the Group operates, as follows:

Amounts in Euro	31-12-2024	31-12-2023
Portugal	82,293,104	82,293,104
Lebanon	-	67,420
Tunisia	-	1,019,902
Brazil	33,010,561	39,705,468
	115,303,665	**123,085,894**

Movimentos do período

Amounts in Euro	2024	2023
Net amount at the beginning of the period	**123,085,894**	**121,631,847**
Impairment (**Note 3.7** and **Note 6.1**)	(1,096,025)	-
Exchange rate adjustment	(6,686,205)	1,454,047
Net amount at the end of the period	**115,303,665**	**123,085,894**

3.2. INTANGIBLE ASSETS

Accounting Policies

Intangible assets are recorded at acquisition cost less amortisation and impairment losses, using the straight-line method over a period ranging between 3 and 5 years.

Investment grants received with the purpose of compensating the Group for investments made in intangible assets are recorded as a deduction from the asset and are recognised in profit or loss over the estimated useful life of the respective subsidised assets, being deducted from the amortisation for the period for presentation purposes.

Greenhouse Gas Emission Rights (CO_2)

Given the absence of specific accounting standards for the recognition and measurement of CO_2 licences, the policy defined by management is as follows:

Initial Recognition and Measurement	The CO_2 emission allowances allocated to the Group free of charge under the EU ETS (European Union Emissions Trading Scheme) 2021–2030 are recorded under the "Intangible assets" heading, at fair value on the allocation date, against a grant recognised under "Current payables" (**Note 4.3**).As licenças de emissão de CO_2 adquiridas para utilização são registadas pelo seu custo de aquisição na rubrica "Ativos intangíveis". CO_2 emission allowances acquired for use are recorded at acquisition cost under "Intangible assets".
Subsequent Measurement and Impairment	CO_2 emission allowances are measured at fair value at the date of initial recognition. If the market value of the allowances falls significantly below their carrying amount and the decline is considered permanent, an impairment loss is recognized on allowances that the Group will not use in its operations. This is recorded under "Depreciation, amortization and impairment of non-financial assets" (**Note 3.7**).
Recognition in Profit or Loss	For CO_2 emissions made, the Group recognises an expense under "Provisions", against a liability under the same heading (**Note 9.1**). Emissions are measured at the carrying amount of the allowances held, based on the FIFO costing method. If the emissions made are to be settled in the following year with allowances held that were allocated free of charge, a gain is recognised under "Other operating income and gains" (**Note 2.2**), for the corresponding subsidy, offset against "Current payables" (**Note 4.3**). On the date of settlement of the emissions, by surrendering the CO_2 allowances, the intangible asset and the provision recognised (**Note 9.1**) are derecognised. The sale of CO_2 allowances results in a gain or loss, determined as the difference between the proceeds and the respective acquisition cost, net of the related grant. This is recorded under "Other operating income and gains" (**Note 2.2**) or "Other operating expenses and losses" (**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 brands recognized at the acquisition date is presented net of accumulated amortization up to 31 December 2017, in accordance with generally accepted accounting principles in Portugal, and of accumulated impairment losses.
Subsequent Measurement and Impairment	Brands are measured at cost less accumulated impairment losses. They are not amortized, as they are considered to have an indefinite useful life. The Group performs impairment tests on brands annually, or whenever there are indicators of impairment.

Internally Developed Intangible Assets

Development expenditures are only recognised as an intangible asset to the extent that technical and economic feasibility of completing the asset can be demonstrated and the asset is available for own use or sale. If these criteria are not met — namely in the case of research expenses — the expenditures are recognized as an expense when incurred.

Accounting estimates and judgements

Brands – Impairment testing

For the purposes of impairment testing of brands, annual valuations are prepared by an independent entity based on the income-split method. This model uses post-tax cash flows associated with the brand's influence (i.e., the difference between the net margin attributable to the brand, net of marketing investments, and the net margin of a comparable white-label product), discounted to present value using a brand-specific discount rate that reflects the expected dynamics of the relevant market.

Key assumptions used in brand valuations

				2024
Brand Supremo Cimentos	**Market**	**Discount**	**Perpetuity growth rate**	**Tax Rate**
Explicit planning period	Brazil	9.56%	-	34.00%
Perpetuity		8.51%	2.99%	34.00%

				2023
Brand Supremo Cimentos	**Market**	**Discount**	**Perpetuity growth rate**	**Tax Rate**
Explicit planning period	Brazil	9.44%	-	34%
Perpetuity		8.79%	3.00%	34%

Impairment test

As a result of the valuations carried out in 2024 and 2023, no impairment loss was identified for the Supremo Cimentos brand.

Sensitivity analysis

Sensitivity analyses were performed on the key assumptions used in the valuations, namely: 1) a 5% reduction in the EVA indicator compared to the base-case scenario, and 2) a 50 basis point increase in the euro-denominated WACC used in the base-case scenario. These sensitivity analyses were carried out independently for each assumption.
If these alternative assumptions had been adopted for the identified brands, the analysis would not have resulted in any impairment loss.

Movements in intangible assets

For the years ended 31 December 2024 and 2023, the changes in the "Intangible assets" caption and the respective amortisation and impairment losses are as follows:

Gross amount	Brands	Industrial property and other rights	CO_2 emission allowances	Development projects	Other intangible assets	Intangible assets in progress	Advance payments	Government grants	Total
Balance as at 1 January 2023	**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**
Acquisitions/Attributions	-	34,919	86,492,509	-	15,725	4,811,141	-	-	91,354,295
Disposals	-	-	-	-	-	-	-	-	-
Allowances returned to the Licensing Coordinating Entity	-	-	(109,892,175)	-	-	-	-	-	(109,892,175)
Adjustments, transfers and write-offs	-	80,638	(95,190)	6,102,253	(131)	(6,069,607)	(114,132)	-	(96,168)
Exchange rate adjustment	(2,903,326)	49,577	-	-	(7,985)	-	-	-	(2,861,733)
Balance as at 31 December 2024	**14,315,422**	**1,633,147**	**163,973,628**	**39,126,378**	**1,063,079**	**173,299**	**114,133**	**-**	**220,399,085**
Accumulated amortisation and impairment losses									
Balance as at 1 January 2023	**(3,309,105)**	**(327,436)**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,636,541)**
Depreciation and amortisation for the period (Note 3.7)	-	(95,020)	-	(1,593,152)	(11,265)	-	-	-	(1,699,438)
Adjustments, transfers and write-offs	-	(707,186)	-	(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)**	**-**	**(1,617,875)**	**(1,034,317)**	**-**	**-**	**-**	**(7,062,381)**
Depreciation and amortisation for the period (Note 3.7)	-	(129,962)	-	(2,394,367)	(14,089)	-	-	664,063	(1,874,355)
Grants received in the period	-	-	-	-	-	-	-	(5,548,721)	(5,548,721)
Adjustments, transfers and write-offs	-	-	-	939	-	-	-	-	939
Exchange rate adjustment	580,665	(26,562)	-	-	7,559	-	-	-	561,663
Balance as at 31 December 2024	**(2,863,085)**	**(1,122,961)**	**-**	**(4,011,303)**	**(1,040,847)**	**-**	**-**	**(4,884,658)**	**(13,922,855)**
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
Net amount as at 31 December 2024	**11,452,336**	**510,186**	**163,973,628**	**35,115,075**	**22,232**	**173,299**	**114,133**	**(4,884,658)**	**206,476,230**

Brands

As at 31 December 2024 and 2023, the net carrying amount of brands is detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023
Supremo (Brazil)	11,452,336	13,774,997
	11,452,336	**13,774,997**

Licences for greenhouse gas emissions (CO_2)

As at 31 December 2024 and 2023, the Group held CO_2 licences recorded in accordance with the accounting policy described above, as detailed below:

	31-12-2024	31-12-2023
CO_2 allowances (Tons)	2,200,756	2,370,341
Average unit value	74,5	79,1
	163,973,628	**187,468,484**
Market price	73	78

Greenhouse Gas (CO_2) Licences – Movements During the Period

For the periods ended 31 December 2024 and 2023, the movements in greenhouse gas emission licences were as follows:

	31-12-2024		31-12-2023	
Amounts in Euro	Tons	Amount	Tons	Amount
Opening balance+E90:E97	**2,370,341**	**187,468,484**	**2,326,945**	**144,849,906**
Allowances awarded free of charge	1,171,509	86,492,509	1,347,306	116,284,054
Allowances returned to the Licensing Coordinating Entity	(1,341,094)	(109,892,175)	(1,303,910)	(73,631,872)
Adjustments	-	(95,190)	-	(33,604)
Closing balance	**2,200,756**	**163,973,628**	**2,370,341**	**187,468,484**

For the periods ended 31 December 2024 and 2023, no CO_2 licences were sold.

Intangible Assets in Progress

For the periods ended 31 December 2024 and 2023, Secil capitalised internal expenses amounting to Euros 1,449,986 and Euros 274,549, respectively, within the scope of the CCL – Clean Cement Line project. This project involves the technological upgrade of its Outão production unit, utilising more efficient mature technologies and innovative technologies that will enable the reduction of carbon emissions and a more efficient consumption of electrical and thermal energy.

3.3. TANGIBLE FIXED ASSETS

Accounting Policies

The Group's tangible fixed assets consist of basic equipment used in the extraction of limestone and aggregates (crushers) and in the production of clinker, cement (kilns, mills), and concrete (concrete plants and wheel loaders).

Initial Recognition and Measurement

Tangible fixed assets acquired up to 1 January 2019 (the IFRS transition date) are recorded at acquisition cost, or revalued acquisition cost according to generally accepted accounting principles in Portugal until that date, less accumulated depreciation and impairment losses.

Tangible fixed assets acquired after the transition date are presented at acquisition cost less depreciation and impairment losses.

Depreciation and Impairment

Depreciation is calculated using the straight-line method, from the moment the asset becomes available for use, applying rates that best reflect its estimated useful life.

Depreciation of mining lands is based on the estimated average useful life of the reserves, considering the extraction period.

Estimated average useful life (years):		
	Mining lands	14
	Buildings and other constructions	7 – 50
	Basic equipment	3 – 20
	Transport equipment	6 – 20
	Administrative equipment	4 – 16
	Other tangible fixed assets	4 – 20

Residual values of assets and their useful lives are reviewed and adjusted, if necessary, at the consolidated financial position date. If the carrying amount exceeds the recoverable amount of the asset, it is adjusted to the estimated recoverable amount through recognition of impairment losses (**Note 3.7**).

Subsequent Expenditures

Subsequent expenditures are included in the acquisition cost of the fixed asset or recognised as separate assets, as appropriate, only when it is probable that future economic benefits will flow to the company and the expenditure can be reliably measured.

Other repair and maintenance expenses are recognised as expenses in the period 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 extend beyond one accounting period. Maintenance parts classified as "critical replacement parts" are recognised as non-current assets, as tangible fixed assets. In this classification, spare parts are depreciated from the moment they become available for use and are assigned a useful life consistent with the nature of the equipment in which they are expected to be integrated, not exceeding the remaining useful life of such equipment.

Maintenance parts of immaterial value and with an expected use of less than one year are classified as inventories.

Borrowing Costs	Borrowing costs directly attributable to the acquisition or construction (where the construction or development period exceeds one year) of fixed assets are capitalised as part of the cost of the asset. During the presented periods, no borrowing costs directly related to the acquisition or construction of tangible fixed assets were capitalised.
Disposals and Derecognition	Gains or losses from disposal or derecognition are determined by the difference between disposal proceeds, when applicable less transaction costs, and the carrying amount of the asset. These are recognised in the income statement under Other operating income and gains (**Note 2.2**) or Other operating expenses and losses (**Note 2.4**).
Investment Grants – Initial Recognition and Income Statement	Investment grants received to compensate the Group for investments made in tangible fixed assets are recorded as a deduction from the asset and recognised in results over the estimated useful life of the respective subsidised assets, deducted from depreciation for presentation purposes.

Accounting Estimates and Judgements

Recoverability of Tangible Fixed Assets

The recoverability of tangible fixed assets requires the Management to make estimates and assumptions, particularly, when applicable, regarding the determination of the value in use within the scope of impairment tests on the Group's cash-generating units.

Useful Life and Depreciation

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. The determination of the useful lives of assets, as well as the depreciation method to be applied, is essential to determine the amount of depreciation to be recognised in the consolidated income statement for each period.

These two parameters are defined according to the best judgement of the Board of Directors for the assets and businesses in question, also considering practices adopted by companies in the sector at an international level and the evolution of the economic conditions in which the Group operates.

The existence of production units located in countries with significant political risk, including geographies with actual or potential conflict risk, requires increased monitoring and regular impairment testing.

Movements in Tangible Fixed Assets

For the periods ended 31 December 2024 and 2023, the movements in tangible fixed assets and their respective depreciation and impairment losses were as follows:

Amounts in Euro	Land and natural resources	Landscape recovery	Buildings and other constructions	Equipment and other assets	Assets under construction	Advance payments	Government grants	Total
Cost of acquisition								
Balance as at 1 January 2023	**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**
Acquisitions	29,144	1,654,120	119,065	5,562,760	60,379,034	2,729,038	-	70,473,161
Revaluations	-	447,864	-	-	-	-	-	447,864
Disposals	(1,664,904)	-	(254,929)	(3,684,192)	(2,219)	-	-	(5,606,244)
Adjustments, transfers and write-offs	62,956	327,290	6,003,950	40,253,533	(48,694,418)	(3,024,996)	-	(5,071,685)
Exchange rate adjustment	(5,986,153)	29,511	(10,420,018)	(22,217,130)	(893,295)	(144,525)	-	(39,631,610)
Balance as at 31 December 2024	187,637,107	19,726,114	407,911,452	1,346,972,712	33,761,183	4,607,180	-	2,000,615,748
Accumulated depreciation and impairment losses								
Balance as at 1 January 2023	**(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)**
Depreciation for the period (**Note 3.7**)	(2,610,571)	(216,309)	(5,391,693)	(24,360,501)	-	-	130,822	(32,448,253)
Grants received in the period	-	-	-	-	-	-	(439,111)	(439,111)
Disposals	71,859	-	242,744	3,235,618	-	-	-	3,550,221
Impairment losses (Note 3.7)	(2,279,818)	-	(2,603,951)	(2,890,359)	(27,778)	-	-	(7,801,905)
Reversals of impairment losses (**Note 3.7**)	-	-	58,544	565,184	-	-	-	623,728
Adjustments, transfers and write-offs	-	34,871	142,347	3,965,072	-	-	-	4,142,289
Exchange rate adjustment	260,611	(1,719)	1,606,501	8,627,699	23,208	-	(19)	10,516,280
Balance as at 31 December 2024	**(62,220,512)**	**(11,945,558)**	**(331,640,722)**	**(1,137,271,271)**	**(745,496)**	**-**	**(459,941)**	**(1,544,283,501)**
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
Net amount as at 31 December 2024	**125,416,594**	**7,780,556**	**76,270,729**	**209,701,441**	**33,015,687**	**4,607,180**	**(459,941)**	**456,332,247**

Among the Group's investments in tangible fixed assets for the period ended 31 December 2024, notable were those in the subsidiary Ciments de Sibline, S.A.L. in Lebanon, namely the "Power Plant" project aimed at reducing dependence on public electricity supply as well as lowering electricity costs (Euros 7,823,674); in the subsidiary Margem – Companhia de Mineração, S.A. in Brazil, with the completion of the Adrianópolis kiln revamp, intended to increase production capacity (Euros 5,712,419, in addition to the investment of Euros 6,623,873 made in 2023); and in SECIL – Companhia Geral de Cal e Cimento, S.A., with the completion of the Clean Cement Line project (Euros 6,838,756), as well as other necessary investments to maintain operations and ensure operational safety.

In the period ended 31 December 2024, following impairment tests on the Group's Cash-Generating Units, an impairment loss of Euros 7,166,221 was recognised on the fixed assets of the subsidiaries in Lebanon (**Note 3.1**).

In the period ended 31 December 2024, industrial equipment acquired in 2016 continues to be recognised as non-current assets held for sale, fully impaired (**Note 3.6**).

In 2024 and 2023, adjustments, transfers, and disposals essentially relate to the transfer of assets in progress to other categories of fixed tangible assets, carried out when these assets became available for their intended use.

» Commitments assumed by the Group for the acquisition of tangible fixed assets are detailed in **Note 9.2** – Commitments.

3.4. LEASED ASSETS

Accounting Policies

Initial Recognition and Measurement	At the commencement 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 prepaid lease payments; ii) lease incentives received; and iii) initial direct costs incurred. The right-of-use asset may also include the estimated costs to dismantle and/or restore the underlying asset and/or the site where it is located, when required by the lease contract.
Depreciation, Re-measurements, and Impairments	The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the asset's useful life and the end of the lease term. Additionally, the right-of-use asset is reduced by any impairment losses, if applicable, and adjusted for any re-measurements of the lease liability. The useful life considered for each class of right-of-use assets is the same as that of tangible fixed assets (**Note 3.3**) in the same class when there is a purchase option and the Group expects to exercise it.

Movements in Right-of-Use Assets

For the periods ended 31 December 2024 and 2023, the movements in right-of-use assets and their respective depreciation were as follows:

Amounts in Euro	Industrial property and other rights	Land and natural resources	Buildings and other constructions	Equipment and other assets	Total
Cost of acquisition					
Balance as at 1 January 2023	**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**
Acquisitions (**Note 5.9**)	37,329	1,298,964	1,952,705	15,490,154	18,779,152
Adjustments, transfers and write-offs	-	(175,429)	(750,903)	(405,535)	(1,331,866)
Exchange rate adjustment	-	(20,856)	(125,943)	(491,184)	(637,984)
Balance as at 31 December 2024	**882,732**	**19,905,098**	**6,246,514**	**55,003,603**	**82,037,947**
Accumulated amortisation, depreciation and impairment losses					
Balance as at 1 January 2023	**(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)**
Depreciation (**Note 3.7**)	(74,260)	(1,540,118)	(1,593,586)	(10,209,089)	(13,417,053)
Adjustments, transfers and write-offs	-	156,041	454,578	1,843,334	2,453,954
Exchange rate adjustment	-	7,924	18,771	280,141	306,835
Balance as at 31 December 2024	**(423,884)**	**(6,338,761)**	**(4,774,360)**	**(28,616,131)**	**(40,153,136)**
Net amount as at 31 December 2023	**495,780**	**13,839,811**	**1,516,530**	**19,879,652**	**35,731,773**
Net amount as at 31 December 2024	**458,848**	**13,566,336**	**1,472,153**	**26,387,473**	**41,884,810**

3.5. INVESTMENT PROPERTIES

The Group classifies as investment properties in the consolidated financial statements those properties held with the objective of capital appreciation and/or obtaining rental income from third parties.

Accounting Policies

Measurement	An investment property is initially measured at its acquisition or production cost, including directly attributable transaction costs. After initial recognition, investment properties are measured at cost less accumulated depreciation and impairment losses. Subsequent costs related to investment properties are only added to the asset's cost if it is probable that they will generate additional future economic benefits beyond those initially recognised.

Movements in Investment Properties

For the periods ended 31 December 2024 and 2023, the movements in investment properties and their respective depreciation were as follows:

Amounts in Euro	Land	Buildings	Total
Gross amount			
Balance as at 1 January 2023	**246,596**	**38,304**	**284,900**
Disposals	(233,828)	-	(233,828)
Balance as at 31 December 2023	**12,768**	**38,304**	**51,072**
Disposals	-	-	-
Balance as at 31 December 2024	**12,768**	**38,304**	**51,072**
Accumulated amortisation and impairment losses			
Balance as at 1 January 2023	**-**	**(9,960)**	**(9,960)**
Amortisation and impairment losses (**Note 3.7**)	-	(766)	(766)
Balance as at 31 December 2023	**-**	**(10,726)**	**(10,726)**
Amortisation and impairment losses (**Note 3.7**)	-	(766)	(766)
Balance as at 31 December 2024	**-**	**(11,492)**	**(11,492)**
Net amount as at 31 December 2023	12,768	27,578	40,347
Net amount as at 31 December 2024	**12,768**	**26,812**	**39,581**

These assets consist essentially of land and buildings held for the purpose of generating rental income and/or capital appreciation, which are not used in the Group's operational activities nor have a determined future use.

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 expected to be realised primarily through a sale transaction rather than through continued use.

This classification is only considered when i) the sale is highly probable and the asset is available for immediate sale in its current condition; ii) the Group has committed to sell; and iii) the sale is expected to be completed within a 12-month period.

Measurement and Presentation	From the moment tangible assets are classified as non-current assets held for sale, they are measured at the lower of carrying amount or fair value less costs to sell, and depreciation ceases. When the fair value less costs to sell is lower than the carrying amount, the difference is recognised in profit or loss under Depreciation, amortisation, and impairment losses on non-financial assets (**Note 3.7**).
Disposals	Gains or losses on the disposal of non-current assets, determined by the difference between the sale proceeds and the respective net carrying amount, are recognised in profit or loss as Other operating income and gains (**Note 2.2**) or Other operating expenses and losses (**Note 2.4**).

Composition of Assets Held for Sale

As of 31 December 2024 and 2023, the Assets held for sale have the following composition:

Amounts in Euro	31-12-2024	31-12-2023
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**

As of 31 December 2024 and 2023, the assets presented as non-current assets held for sale correspond to industrial equipment acquired from the Insolvent Estate of CNE – Cimentos Nacionais ou Estrangeiros, S.A..

3.7. DEPRECIATION, AMORTISATION, AND IMPAIRMENT LOSSES

For the periods ended 31 December 2024 and 2023, Depreciation, amortisation, and impairment losses are composed as follows:

Amounts in Euro	2024	2023
Depreciation of property, plant and equipment for the period	32,579,075	31,305,876
Government grants charge-off	(130,822)	(96,344)
Depreciation of property, plant and equipment, net of grants used (Note 3.3)	**32,448,253**	**31,209,531**
	(1,640,914)	(1,294,045)
PIS and COFINS on depreciation	7,178,177	6,751,406
Impairment of property, plant and equipment for the period (**Note 3.3**)	1,096,025	-
Impairment of goodwill (**Note 3.1**)	1,874,355	1,699,438
Amortisation of intangible assets for the period (**Note 3.2**)	13,417,053	11,071,521
Depreciation of right-of-use assets for the period (**Note 3.4**)	766	766
	54,373,715	**49,438,618**

4. WORKING CAPITAL

Amounts in Euro	Note	31-12-2024	31-12-2023
Statement of Financial Position			
Assets			
Inventories	4.1	114,866,816	101,882,425
Receivables and other non-current assets	4.2	6,093,243	2,845,745
Receivables and other current assets	4.2	128,142,677	126,327,916
Liabilities			
Payables and other non-current liabilities	4.3	-	(10,091,069)
Payables and other current liabilities	4.3	(277,243,784)	(282,108,359)
		(28,141,048)	**(61,143,342)**
Income Statement	4.1	(225,432,384)	(243,549,201)
Costs of goods sold and materials consumed	4.1	531,049	2,012,733
Impairment losses in inventories	4.1	11,368,398	7,494,798

4.1. INVENTORIES

Accounting Policies

Merchandise and Raw Materials	
Initial Measurement	At acquisition cost, which includes expenses incurred up to storage.
Subsequent Measurement	At the lower of acquisition cost and net realizable value. Differences between cost and net realizable value, if lower, are recorded under "Inventory Impairment."
Costing	Weighted average cost.
Finished Goods, Work in Progress, and Semi-finished Products	
Valuation	At the lower of production cost (which includes the cost of incorporated raw materials, labour, and manufacturing overheads, based on normal production levels) and net realizable value. Net realizable value corresponds to the estimated selling price less estimated costs of completion and selling. Differences between cost and net realizable value, if lower, are recorded under "Inventory Impairment."
Costing	Weighted average cost

Inventories – Detail by Nature

As of 31 December 2024 and 2023, inventories net of accumulated impairment losses present the following detail:

Amounts in Euro	31-12-2024	31-12-2023
Raw materials	64,926,852	64,812,499
Goods	13,267,396	9,769,667
Subtotal	**78,194,248**	**74,582,166**
Finished and intermediate products	35,792,925	26,702,042
Raw materials	879,643	598,217
Subtotal	**36,672,568**	**27,300,259**
Total	**114,866,816**	**101,882,425**

As of 31 December 2024 and 2023, there are no inventories with restricted ownership and/or pledged as collateral for liabilities.

Cost of Goods Sold and Materials Consumed during the Period

The cost of goods sold and materials consumed recognised in the periods ended 31 December 2024 and 2023 is detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023
Opening balance	74,582,166	66,002,947
Purchases	231,047,829	256,203,588
Impairment losses on goods and raw materials	(484,909)	(2,082,416)
Adjustments	(466,321)	(647,725)
Exchange rate adjustment	(1,052,132)	(1,345,028)
Closing balance	78,194,248	74,582,166
Costs of goods sold and materials consumed	**(225,432,384)**	**(243,549,201)**

Change in Production during the Period

The change in production recognised in the periods ended 31 December 2024 and 2023 is detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023
Opening balance	27,300,259	26,383,023
Impairment losses on goods and raw materials	(46,140)	69,683
Adjustments	1,923,741	6,151,661
Exchange rate adjustment	118,487	356,219
Closing balance	36,672,568	27,300,259
Variation in production	**11,368,398**	**7,494,798**

Movements in Inventory Impairment Losses

The movements in accumulated impairment losses on inventories during the periods ended 31 December 2024 and 2023 are as follows:

Amounts in Euro	31-12-2024	31-12-2023
Opening balance	**8,600,095**	**6,901,380**
Increases	1,511,981	2,430,013
Reversals	(980,932)	(417,280)
Impact on profit for the period (Note 2.4)	**531,049**	**2,012,733**
Charge-off	-	(21,185)
Hyperinflationary Economies	-	(27,221)
Exchange rate adjustment	(39,217)	(265,613)
Closing balance	**9,091,926**	**8,600,095**

4.2. ACCOUNTS RECEIVABLE

Accounting Policies

Clients and Other Debtors	
Classification	Receivables from clients arise from the Group's main activities, and the business model followed is "hold to collect," although the Group occasionally uses factoring. The Group uses non-recourse factoring operations to anticipate the cash flow associated with some client receivables. Non-recourse factoring operations, to the extent that they substantially transfer the rights and risks related to the financial assets (namely credit risk and default risk from the agreed term) to third parties, allow the Group to derecognise these assets. Balances of other debtors typically follow the "hold to collect" model.".
Initial measurement	At fair value.
Subsequent measurement	At amortised cost, less impairment losses.
Impairment of clients	Impairment losses are recorded based on the simplified model provided in IFRS 9, recognising expected credit losses over the lifetime. Expected losses are determined based on historical loss experience over a statistically relevant period and representative of the specific characteristics of the underlying credit risk (see **Note 8.1.4**).
Impairment of other debtors	Impairment losses are recorded based on the general expected credit loss model of IFRS 9 (see **Note 8.1.4**).

Receivables – detail

As at 31 December 2024 and 2023, receivables, net of accumulated impairment losses, are detailed as follows:

	31-12-2024			31-12-2023		
Amounts in Euro	Non-current	Current	Total	Non-current	Current	Total
Trade receivables (**Note 8.1.4**)	-	75,111,494	75,111,494	-	79,965,645	79,965,645
Receivables - Related parties (**Note 10.4**)	-	1,858,973	1,858,973	-	1,771,812	1,771,812
State	-	17,531,810	17,531,810	-	17,904,636	17,904,636
Advance payments to suppliers	-	3,759,736	3,759,736	-	8,875,024	8,875,024
Advance payments to investment suppliers	-	877	877	-	16,257	16,257
Accrued income	-	5,449,853	5,449,853	-	958,327	958,327
Accrued income - related parties (**Note 10.4**)	-	5,902	5,902	-	5,902	5,902
Deferred expenses	-	378,822	378,822	-	275,290	275,290
Derivative financial instruments (**Note 8.2.2**)	-	13,555,195	13,555,195	-	3,856,902	3,856,902
Securities provided to third parties	-	25,410	25,410	-	28,323	28,323
Deposit (collateral)	3,274,310	-	3,274,310	-	-	-
Pledge on deposits	6,886	3,215,962	3,222,848	265	3,936,831	3,937,096
	2,812,047	7,248,644	10,060,690	2,845,480	8,732,968	11,578,449
	6,093,243	**128,142,677**	**134,235,920**	**2,845,745**	**126,327,916**	**129,173,662**

» The above amounts are presented net of accumulated impairment losses. The impairment analysis of receivables is disclosed in **Note 8.1.4** – Credit risk.

State – detail

As of 31 December 2024 and 2023, the State is detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023
Value Added Tax (VAT)	9,552,432	9,003,679
Tax on the Movement of Goods and Services (ICMS):	-	-
ICMS - Other	2,209,988	1,862,050
PIS and COFINS on property, plant and equipment	5,764,535	7,025,624
Other taxes	4,855	13,282
	17,531,810	**17,904,636**

As of 31 December 2024 and 2023, PIS and COFINS on fixed assets, amounting to Euros 5,764,535 and Euros 7,025,624 respectively, refer to the estimated PIS and COFINS credit of the subsidiaries Supremo Cimentos, SA and Margem Companhia de Mineração, SA, on specific fixed asset items, as provided for in Law 10,673/2002 (PIS) and Law 10,833/2003 (COFINS), which is being recovered in line with the depreciation of the respective assets.

Accrued income – detail

As of 31 December 2024 and 2023, accrued income is detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023
Accrued income		
Interest receivable	8,279	30,730
Related parties (**Note 10.4**)	5,902	5,902
Compensations receivable	4,548,157	-
REN remuneration - Regulation Reserve Band	285,183	517,490
Other	608,234	410,107
	5,455,754	**964,229**

Deferred expenses – detail

As of 31 December 2024 and 2023, deferred expenses are detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023
Deferred expenses		
Rentals	74,194	64,624
Insurance	261,314	42,448
Other	43,314	168,218
	378,822	**275,290**

4.3. AMOUNTS PAYABLE

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 redemption amount and the initial measurement value is recognised in profit or loss over the term of the debt under "Interest on other financial liabilities at amortised cost" **(Note 5.10)**.

Trade payables – detail

Trade payables as at 31 December 2024 and 2023 are detailed as follows:

	31-12-2024			31-12-2023		
Amounts in Euro	Non-current	Current	Total	Non-current	Current	Total
Trade payables - current account	-	94,336,892	94,336,892	-	94,118,716	94,118,716
Trade payables - related parties **(Note 10.4)**	-	5,344,522	5,344,522	-	3,170,396	3,170,396
State	-	37,864,304	37,864,304	-	44,974,242	44,974,242
Trade payables - investments - current account	-	9,201,141	9,201,141	-	8,660,644	8,660,644
Advance payments to customers	-	4,208,429	4,208,429	-	1,391,004	1,391,004
Other creditors	-	6,339,711	6,339,711	-	8,522,432	8,522,432
Trade payables - related parties **(Note 10.4)**		5,616,135	5,616,135	-	-	-
Accrued expenses	-	41,645,494	41,645,494	-	33,532,823	33,532,823
Accrued expenses - related parties **(Note 10.4)**	-	13,844	13,844	-	373,492	373,492
Deferred income	-	71,825,062	71,825,062	10,091,069	80,131,946	90,223,016
Derivative financial instruments **(Note 8.2.2)**	-	848,250	848,250	-	7,232,663	7,232,663
	-	**277,243,784**	**277,243,784**	**10,091,069**	**282,108,359**	**292,199,428**

State – detail

As at 31 December 2024 and 2023, the State is detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023
Retenções de Imposto sobre o Rendimento	918.426	814.071
Imposto sobre o Valor Acrescentado	5.705.608	5.814.717
Contribuições para a Segurança Social	2.145.507	233.963
ICMS - Imposto sobre circulação de mercadorias e serviços:		
Programa de Desenvolvimento da Empresa Catarinense (PRODEC)	750.165	793.579
Programa Paraná Competitivo	26.367.685	33.936.235
ICMS - Outros	943.900	1.242.038
Outros	1.033.011	2.139.638
	37.864.304	**44.974.242**

The amount presented as at 31 December 2024 and 2023 under the heading "Programa de Desenvolvimento da Empresa Catarinense (PRODEC)", amounting to Euros 750,165 and Euros 793,579, respectively, refers to a tax benefit granted to the subsidiary Supremo Cimentos S.A., consisting of the deferral of the payment deadline for ICMS due on sales revenue. Payment will be made on the 10th day of the 48th month following the end of the ICMS calculation period (March 2010 to February 2025). The amounts presented are discounted to their present value.

The Paraná Competitivo Program, granted by the Government of the State of Paraná to the subsidiary Margem – Companhia de Mineração, S.A., refers to a tax incentive that includes the following benefits:

a) instalment payment of incremental ICMS;

b) deferral of payment of ICMS on electricity and natural gas for a period of 96 months, starting in August 2015;

c) instalment payment, up to maturity, of declared ICMS in the event of judicial recovery; and

d) granting of presumed credit due to the execution of infrastructure work in Paraná territory.

Accrued expenses – detail

As at 31 December 2024 and 2023, accrued expenses are detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023
Accrued expenses		
Payroll costs	15,165,349	13,675,936
Interest payable	3,923,054	2,508,775
Advisory	1,027,691	1,627,696
Electricity expenses	11,133,866	8,236,649
Other	10,409,378	7,857,260
	41,659,338	**33,906,315**

Deferred income – detail

As at 31 December 2024 and 2023, deferred income is detailed as follows:

	31-12-2024		31-12-2023	
Amounts in Euro	Non-current	Current	Non-current	Current
Deferred income				
CO_2 emission allowances	-	59,697,933	-	75,001,176
Waste management	-	6,002,005	-	4,821,757
Government grants	-	6,121,590	10,091,069	242,686
Other	-	3,534	-	66,327
	-	**71,825,062**	**10,091,069**	**80,131,946**

Within the scope of the European support and financing program PRR – Recovery and Resilience Plan, Secil signed a financial investment contract with IAPMEI – Agency for Competitiveness and Innovation, I.P. ("IAPMEI"), aimed at supporting the planned investment, designated "ProFuture – CCL Maceira." This project includes key measures to increase energy efficiency and strengthen the use of alternative fuels. Together with initiatives already implemented, these measures will enable a reduction in greenhouse gas emissions. The total planned investment amounts to Euros 62,888,277, with a maximum non-refundable grant of Euros 25,573,433. Up to the period ended 31 December 2024, an amount of Euros 5,881,890 has already been received.

Regarding the CCL project, "Clean Cement Line," which received financial support from the Portuguese Agency for Investment and Foreign Trade, E.P.E. ("AICEP"), under the European support and financing program Portugal 2020, it was completed in the period ended 31 December 2024. The total investment amounted to Euros 85,247,865, with a grant of Euros 7,650,443, of which Euros 5,987,832 is non-refundable. Up to the period ended 31 December 2023, an amount of Euros 10,091,069 had been received, of which Euros 2,440,626 was refunded in 2024.

5. CAPITAL STRUCTURE

Amounts in Euro	Note	31-12-2024	31-12-2023
Statement of Financial Position			
Equity			
Share capital	5.2	100,395,212	100,395,212
Other equity instruments	5.3	-	-
Reserves	5.4	(63,969,574)	98,292,042
Retained earnings	5.4	167,600,925	23,997,137
Resultados do período	5.5	55,533,930	53,373,941
		259,560,493	**276,058,332**
Liabilities			
Interest-bearing liabilities	5.6	445,550,720	348,697,372
Lease liabilities	5.7	38,162,531	32,385,479
Cash and cash equivalents	5.8	(139,873,264)	(60,614,596)
		343,839,987	**320,468,255**
Consolidated cash flow statement			
Cash flows from financing activities	5.9	85,355,360	(42,138,941)
Income Statement			
Net financial results	5.10	(28,428,580)	(27,033,468)

5.1. CAPITAL MANAGEMENT

‼ Capital Management Policy

For capital management purposes, equity and net debt raised by the Group from third parties are considered. The Group's capital management policy aims to optimise the capital structure in order to:

a) Maintain financing levels adequate to the operation and development of each business unit;
b) Reduce the cost of capital by minimising costs and enhancing the Group's results;
c) Provide shareholder returns and ensure timely compliance with creditors;
d) Ensure the Group's liquidity and solvency.

The Group monitors its indebtedness primarily through the Net Debt/EBITDA ratio and the Financial Independence ratio.

The Group's policy is to prioritise local financing, in order to maintain balanced financing structures in each geography, foster relationships with the local financial market, and ensure a natural hedge against exchange rate risk

Secil Group also has a policy to renegotiate/renew financing before maturity, in order to maintain an adequate level of available credit lines and keep debt maturities fixed at medium/long term.

5.2. SHARE CAPITAL AND TREASURY SHARES

Accounting Policies

Share capital	
Recognition	Subscribed but unpaid capital is recorded under the caption "Amounts receivable".
Issuance of new shares	Directly attributable costs of issuing new shares or other equity instruments are presented as a deduction, net of taxes, from the amount received. Directly attributable costs related to the issuance of new shares or options for the acquisition of a business are included in the acquisition cost as part of the purchase price.
Treasury shares	
Recognition	At acquisition cost, as a deduction from equity.
Acquisitions by Group companies	When a Group company acquires shares of the parent company, the payment, including directly attributable incremental costs, is deducted from equity attributable to the equity holders of the parent company until the shares are cancelled, reissued, or disposed of.
Disposal of treasury shares	When treasury shares are subsequently sold or reissued, any proceeds, net of directly attributable transaction costs and taxes, are reflected in equity under Other reserves (**Note 5.4**).
Extinction of treasury shares	The extinction of treasury shares is reflected in the consolidated financial statements as a reduction of Share Capital and Treasury Shares by the nominal value and acquisition cost, respectively, with the difference between the two amounts recognised in Other reserves.

Secil equity holders

Secil's share capital is fully subscribed and paid-up, being entirely represented by 48,735,540 shares with a nominal value of Euros 2.06 each.

As at 31 December 2024 and 2023, the company's share capital is held by the following legal entities:

	31-12-2024		31-12-2023	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Shares with a nominal value of Euro 2.06				
Semapa, SGPS, 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%**

5.3. OTHER EQUITY INSTRUMENTS

For the periods ended 31 December 2024 and 2023, the movement in Other equity instruments is as follows:

Amounts in Euro	31-12-2024	31-12-2023
Opening balance	-	32,300,000
Repayment of additional capital contributions	-	(32,300,000)
Closing balance	-	**-**

The amounts recorded in this line relate to ancillary contributions granted by the shareholder Semapa – Sociedade de Investimentos e Gestão, SGPS, S.A.

Under the bylaws, these contributions may only be reimbursed to shareholders provided that equity does not fall below the sum of share capital and the legal reserve.

It was resolved at the General Shareholders' Meeting held on 3 July 2023 to proceed with the reimbursement of ancillary contributions to the shareholder Semapa – Sociedade de Investimentos e Gestão, SGPS, S.A., in the amount of Euros 32,300,000.

5.4. RESERVES AND RETAINED EARNINGS

Accounting policies

Currency translation reserve	
Recognition	The currency translation reserve corresponds to the accumulated amount relating to the Group's recognition of exchange differences arising from the translation of the financial statements of subsidiaries and associates (including goodwill, **Note 3.1**, and loans qualifying as extensions of the net investment) that operate outside the Eurozone, mainly in Brazil, Tunisia, Lebanon, and Angola.
Fair value reserve	
Recognition	This corresponds to the accumulated variation in the fair value of derivative financial instruments classified as hedging instruments (**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 law requires that at least 5% of the annual net profit must be allocated to the legal reserve until it reaches at least 20% of the share capital. This reserve is not distributable except in the event of the company's liquidation. However, it may be used to cover losses once the other reserves have been exhausted or may be incorporated into the share capital.
Revaluation surplus	
Recognition	This corresponds to the revaluation of tangible fixed assets carried out in accordance with 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 established through the transfer of retained earnings from previous periods and other movements.

Reserves – detail

As at 31 December 2024 and 2023, the Reserves are detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023
Currency exchange reserve	(263,233,555)	(244,025,115)
Fair value reserves	660,551	2,796,254
Legal reserve	20,079,044	20,079,044
Other reserves	178,524,386	319,441,859
	(63,969,574)	**98,292,042**

Foreign currency translation reserve

In the periods ended 31 December 2024 and 2023, the movements in the Foreign currency translation reserve, by currency, are as follows:

Amounts in Euro	31-12-2024	31-12-2023
Opening balance	**(244,025,115)**	**(247,150,489)**
Brazilian real	(20,773,069)	4,949,051
Tunisian dinar	922,800	(644,687)
Lebanese pound	714,493	(3,789,496)
American dollar	400,693	(614,767)
Angolan kwanza	(473,357)	3,225,272
Closing balance	**(263,233,555)**	**(244,025,115)**

Fair value reserve

In the periods ended 31 December 2024 and 2023, the movements in the Fair value reserve are as follows:

Amounts in Euro	31-12-2024	31-12-2023
Opening balance	2,796,254	4,537,752
Fair value increases (**Note 8.2.1**)	(3,107,376)	(2,402,066)
Tax on items above	971,673	660,568
Closing balance	**660,551**	**2,796,254**

Legal reserve

In the periods ended 31 December 2024 and 2023, the movements in the Legal reserve are as follows:

Amounts in Euro	31-12-2024	31-12-2023
Opening balance	20,079,044	20,079,044
Closing balance	**20,079,044**	**20,079,044**

The legal reserve has been fully constituted at its maximum limit in the periods presented.

Other reserves

In the periods ended 31 December 2024 and 2023, the movements in Other reserves are as follows:

Amounts in Euro	31-12-2024	31-12-2023
Opening balance	319,441,859	312,125,117
Appropriation of prior year's profit	68,488,232	16,468,002
Remeasurements of post-employment benefits		
Remeasurements	229,794	933,849
Tax on items above	(61,611)	(254,228)
Acquisition of non-controlling interests	-	2,799
Realisation of Revaluation Reserves	(328,825)	(113,750)
Dividends paid	(50,684,962)	(8,772,397)
Other changes	(158,560,101)	(947,533)
Closing balance	**178,524,386**	**319,441,859**

The caption Other reserves includes, as of 31 December 2024, Revaluation reserves amounting to Euros 3,226,113 (2023: 3,554,938).

At the General Shareholders' Meeting held on 24 June 2024, it was resolved to distribute reserves to shareholders totalling Euros 50,684,961.60, corresponding to Euros 1.04 per share, of which Euros 50,683,921.60 were distributed to the shareholder Semapa – Sociedade de Investimento e Gestão, SGPS, S.A., and Euros 1,040.00 to the shareholder Cimo – Gestão de Participações, SGPS, S.A.

Retained earnings – movement

In the periods ended 31 December 2024 and 2023, the movement in Retained earnings is as follows:

Amounts in Euro	31-12-2024	31-12-2023
Opening balance	23,997,137	28,117,902
Transfer of net profit for the previous period to retained earnings	(15,114,291)	-
Hyperinflationary economies	-	(1,145,758)
Acquisitions/ Disposals to non-controlling interests (**Note 10.2**)	-	(4,036,291)
Other changes	158,718,079	1,061,283
Closing balance	**167.600.925**	**23.997.137**

5.5. EARNINGS PER SHARE

Accounting policies

Recognition	Basic earnings per share are calculated by dividing the profits or losses attributable to the ordinary equity holders of Secil by the weighted average number of ordinary shares outstanding during the period. For the purpose of calculating diluted earnings per share, Secil adjusts the profits or losses attributable to the ordinary equity holders, as well as the weighted average number of shares outstanding, to reflect all potential dilutive ordinary shares.

For the periods ended 31 December 2024 and 2023, the earnings per share are determined as follows:

Amounts in Euro	2024	2023
Resultado atribuível aos Acionistas da Secil	55,533,930	53,373,941
Número médio ponderado de ações (Nota 5.2)	48,735,540	48,735,540
Resultado básico por ação	1.139	1.095
Resultado diluído por ação	1.139	1.095

There are no convertible financial instruments on Secil's shares, therefore there is no dilution of earnings.

5.6. BORROWINGS

Borrowings include bond loans, commercial paper, bank loans and other financing arrangements.

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 redemption value and the initial measurement value is recognized in the Statement of Profit or Loss over the term of the debt under "Interest on other borrowings" in **Note 5.10** – Income and finance costs.
Fair value	The carrying amount of short-term borrowings or borrowings contracted at variable interest rates approximates their fair value. The fair value of borrowings bearing fixed interest rates is disclosed in **Note 8.4** – Financial assets and liabilities.
Presentation	Under current liabilities, except where 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 several negotiated commercial paper programmes, under which it frequently carries out issuances with a contractual maturity of less than one year but with a revolving nature. In cases where the Group expects to roll over these borrowings, they are presented as non-current liabilities.

Borrowings – breakdown

As at 31 December 2024 and 2023, borrowings are detailed as follows:

	31-12-2024			31-12-2023		
Amounts in Euro	Non-current	Current	Total	Non-current	Current	Total
Bond loans	215,000,000	-	215,000,000	140,000,000	-	140,000,000
Commercial paper	10,000,000	-	10,000,000	70,000,000	1,000,000	71,000,000
Bank loans	111,798,337	106,151,105	217,949,443	69,095,369	61,091,903	130,187,272
Loans related charges	(831,866)	(692,154)	(1,524,019)	(316,969)	(524,692)	(841,662)
Interest-bearing bank debt	**335,966,472**	**105,458,952**	**441,425,423**	**278,778,400**	**61,567,210**	**340,345,610**
Bank overdrafts	-	2,462,686	2,462,686	-	4,956,586	4,956,586
Other non-remunerated	-	1,662,611	1,662,611	-	3,395,175	3,395,175
Other interest-bearing liabilities	**-**	**4,125,296**	**4,125,296**	**-**	**8,351,761**	**8,351,761**
Total interest-bearing liabilities	**335,966,472**	**109,584,248**	**445,550,720**	**278,778,400**	**69,918,972**	**348,697,372**

Bond loans

As at 31 December 2024 and 2023, bond loans are detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023	Vencimento	Taxa de Juro
Secil 2019 / 2026	60,000,000	60,000,000	2026	Fixed
Secil 2020 / 2027	50,000,000	50,000,000	2027	Fixed
Secil 2023 / 2030	30,000,000	30,000,000	2026	Fixed
			2030	Indexed to Euribor
Secil 2024 / 2030	37,500,000	-	2030	Indexed to Euribor
Secil 2024 / 2030	37,500,000	-	2030	Fixed
	215,000,000	**140,000,000**		

In the year ended 31 December 2023, Secil – Companhia Geral de Cal e Cimento, S.A. entered into two bond loan agreements with Caixa Geral de Depósitos and Caixa – Banco de Investimento, designated “Secil Green Bonds 2030 – fixed rate” and “Secil Green Bonds 2030 – floating rate”, totalling EUR 75,000,000, intended for the (re)financing of the CCL Project. The bonds were fully issued in January 2024. The loan is repayable on 25 January 2030 and has a maximum maturity of seven years.

The bonds qualify as green financing instruments in accordance with Secil’s Green Bond Framework.

Commercial paper

As at 31 December 2024, the contracted and utilised amounts of Commercial Paper are detailed as follows:

	Amount used				
Amount contracted	**Non-current**	**Current**	**Total**	**Maturity data**	**Interest rate**
50,000,000	10,000,000	-	10,000,000	2029	Indexed to Euribor
55,000,000	-	-	-	2026	Indexed to Euribor
20,000,000	-	-	-	2027	Indexed to Euribor
50,000,000	-	-	-	2029	Indexed to Euribor
175,000,000	**10,000,000**	**-**	**10,000,000**		

As at 31 December 2023, the contracted and utilised amounts of Commercial Paper are detailed as follows:

	Amount used				
Amount contracted	**Non-current**	**Current**	**Total**	**Data de Vencimento**	**Interest rate**
20,000,000	20,000,000	-	20,000,000	2027	Indexed to Euribor
50,000,000	-	-	-	2026	Indexed to Euribor
50,000,000	50,000,000	-	50,000,000	2027	Indexed to Euribor
75,000,000	-	-	-	2026	Indexed to Euribor
1,000,000	-	1,000,000	1,000,000	2024	Fixed
196,000,000	**70,000,000**	**1,000,000**	**71,000,000**		

Bank loans

As at 31 December 2024 and 2023, the amounts of bank loans contracted at fixed rate, variable rate and with associated benchmark index are detailed as follows:

	31-12-2024			31-12-2023		
Amounts in Euro	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Variable rate	111,729,244	104,699,010	216,428,254	68,941,692	59,227,975	128,169,668
Fixed rate	69,093	1,452,095	1,521,188	153,677	1,863,927	2,017,604
	111,798,337	**106,151,105**	**217,949,443**	**69,095,369**	**61,091,903**	**130,187,272**

Loan repayment terms

The portion classified as non-current as at 31 December 2024 and 2023 has the following repayment schedule:

Amounts in Euro	31-12-2024	31-12-2023
1 to 2 years	85,514,553	42,357,571
2 to 3 years	57,890,105	75,782,360
3 to 4 years	5,202,247	125,972,197
4 to 5 years	80,451,059	3,312,868
Above 5 years	107,740,375	31,670,375
Total	**336,798,338**	**279,095,370**

Financial covenants in effect

For certain types of financing operations, there are commitments to maintain specific financial ratios with predefined limits negotiated in advance. The existing covenants notably include clauses such as Cross default, Pari Passu, Negative pledge, Ownership clause, clauses related to the maintenance of the Group's activities, maintenance of financial ratios — namely Net Debt/EBITDA and Leverage — as well as compliance with its obligations (operational, legal, and tax), which are common in financing agreements and well understood in the market, even considering the impact of IFRS 16 adoption.

Additionally, the Group complies with the ratios required by the financing agreements in effect as at 31 December 2024 and 2023.

5.7. LEASE LIABILITIES

Accounting policies

Initial measurement	At the lease commencement date, the Group recognises lease liabilities measured at the present value of future lease payments, which include fixed payments less any lease incentives receivable, variable lease payments, and amounts expected to be paid under guaranteed residual values. Lease payments also include the exercise price of purchase or renewal options reasonably certain to be exercised by the Group, or penalties for lease termination, if the lease term reflects the Group's option to terminate the contract. In calculating the present value of future lease payments, the Group uses an incremental borrowing rate if the implicit interest rate in the lease is not readily determinable.
Subsequent measurement	Subsequently, the amount of lease liabilities is increased by the amount of interest (**Note 5.10** – Income and finance costs) and decreased by lease payments (rents).

As at 31 December 2024 and 2023, the amounts of "Lease liabilities" relate to the following rights of use by geographic segment:

			31-12-2024			31-12-2023
Amounts in Euro	Non-current	Current	Total	Non-current	Current	Total
Angola	-	1,975	1,975	-	7,664	7,664
Brazil	-	2,064,311	2,064,311	-	2,155,340	2,155,340
Libanon	-	-	-	-	46,642	46,642
Portugal	27,681,322	7,711,849	35,393,170	24,013,596	6,160,195	30,173,791
Tunisia	482,683	220,392	703,075	-	2,042	2,042
	28,164,005	**9,998,526**	**38,162,531**	**24,013,596**	**8,371,883**	**32,385,479**

» The maturity analysis of lease liabilities is presented in **Note 8.1.3** – Liquidity risk.

5.8. CASH AND CASH EQUIVALENTS

Accounting policies

Recognition	The Cash and cash equivalents item includes cash, bank deposits and other short-term investments with an initial maturity of up to 3 months, which can be readily mobilized without significant risk of value fluctuations.
Presentation	For the purposes of the statement of cash flows, this item also includes bank overdrafts, which are presented in the consolidated statement of financial position under current liabilities, within Borrowings (**Note 5.6**).

As at 31 December 2024 and 2023, the balances of "Cash and cash equivalents" are as follows:

Amounts in Euro	31-12-2024	31-12-2023
Cash	1,781,105	1,863,660
Short-term bank deposits	138,092,774	58,751,515
Cash and cash equivalents - gross amount	**139,873,879**	**60,615,174**
Impairment losses from the application of IFRS 9	(615)	(578)
Cash and cash equivalents - net amount	**139,873,264**	**60,614,596**

As at 31 December 2024 and 2023, there are no significant balances in "Cash and cash equivalents" subject to restrictions on the Group's use.

» Balances related to bank deposits subject to pledges are included in **Note 4.2** – Receivables.

5.9. CASH FLOWS FROM FINANCING ACTIVITIES

In the periods ended 31 December 2024 and 2023, the movements in the Group's financing activity liabilities are as follows:

			Transactions not affecting cash and cash equivalents				
Amounts in Euro	01-01-2024	Cash flows from financing activities	Lease recognition	Amortisation of charges	Accrued interest	Exchange rate differences	31-12-2024
Interest-bearing liabilities (Note 5.6)							
Bond loans	140,000,000	75,000,000	-	-	-	-	215,000,000
Commercial paper	71,000,000	(61,000,000)	-	-	-	-	10,000,000
Bank loans	130,187,272	93,045,493	-	-	-	(5,283,322)	217,949,443
Loans related charges	(841,662)	(3,643,854)	-	2,956,813	-	4,684	(1,524,019)
Other loans	8,351,761	(4,388,565)	-	-	-	162,100	4,125,296
Lease liabilities (Note 5.7)	32,385,479	(13,657,714)	18,779,152	-	1,037,720	(382,106)	38,162,531
Total	**381,082,851**	**85,355,360**	**18,779,152**	**2,956,813**	**1,037,720**	**(5,498,644)**	**483,713,251**

			Transactions not affecting cash and cash equivalents				
Amounts in Euro	01-01-2023	Cash flows from financing activities	Lease recognition	Amortisation of charges	Accrued interest	Exchange rate differences	31-12-2023
Interest-bearing liabilities (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
Loans related charges	(1,297,474)	(1,972,220)	-	2,428,565	-	(532)	(841,662)
Other loans	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**

5.10. INCOME AND FINANCE COSTS

Accounting policies

Presentation	The Group classifies as "Income and finance costs": income and gains arising from treasury management activities, such as: i) interest earned on treasury surpluses; and ii) changes in the fair value of derivative financial instruments held for hedging interest rate and foreign exchange risk on borrowings, regardless of their formal designation as hedging instruments.

As at 31 December 2024 and 2023, the breakdown of Income and finance costs is as follows:

Amounts in Euro	31-12-2024	31-12-2023
Interest expense on debt securities and bank debt	(20,838,263)	(19,408,096)
Interest income on other financial liabilities at amortised cost	(1,752,655)	(2,052,353)
Interest expense by applying the effective interest method	**(22,590,918)**	**(21,460,449)**
Commissions on loans and expenses with credit facilities	(2,956,813)	(2,428,565)
Unfavourable exchange differences on interest-bearing liabilities and lease liabilities	(20,271,556)	2,437,740
Interest expense on lease liabilities	(1,859,191)	(1,640,663)
Financial expenses related to the Group's capital structure	**(25,087,559)**	**(1,631,489)**
Financial discount on provisions (**Note 9.1**)	(317,603)	(288,498)
Other unfavourable exchange differences	(3,105,701)	(60,230,371)
Losses on financial instruments - hedging (**Note 8.2.1**)	(4,691,156)	(11,544,864)
Interest expense on derivative instruments	-	(254,081)
Other financial expenses	(636,489)	(2,274,560)
Financial expenses and losses	**(56,429,427)**	**(97,684,313)**
Interest earned on financial assets at amortised cost	5,192,002	4,399,870
Favourable exchange rate differences	3,003,228	66,250,232
Losses on financial instruments - hedging (**Note 8.2.1**)	19,804,539	-
Other operating income	1,078	743
Financial income and gains	**28,000,847**	**70,650,845**
Net financial results	**(28,428,580)**	**(27,033,468)**

In 2023, the item Other finance costs and losses includes EUR (1,733,606) resulting from the (recognition) / reversal of impairments arising from the application of IFRS 9 on Cash and cash equivalents balances.

5.11. HYPERINFLATIONARY ECONOMIES | LEBANON

In the last quarter of 2020, Lebanon was considered a hyperinflationary economy under IAS 29 – Financial Reporting in Hyperinflationary Economies, based on the cumulative inflation recorded over the previous three years. Indeed, although the annual inflation rate in 2024 was substantially lower than in previous years, as at 31 December 2024 and 2023, the cumulative inflation rate over the last three years still exceeds 100%, which is an objective quantitative condition that, alongside other conditions set out in IAS 29, leads to the conclusion that Lebanon continues to be a hyperinflationary economy.

In 2024 and 2023, the following price levels and inflation rates were observed in Lebanon:

	CPI	Inflation rate
31 December 2023	5,978.13	192.3%
31 December 2024	7,061.07	18.1%
Average in 2024	4,569.34	56.0%

IAS 29 applies to both individual and consolidated financial statements of any entity whose functional currency is that of a hyperinflationary economy, and is applicable from the beginning of the reporting period in which the entity identifies its currency as hyperinflationary.

According to this standard, the non-monetary assets and liabilities of the Lebanese subsidiaries are restated by applying a general price index that reflects changes in Lebanon's general purchasing power since the date of acquisition of the assets. The restated amount of a non-monetary item is reduced when it exceeds its recoverable amount. Monetary items of the Lebanese subsidiaries are not restated because they are already expressed in terms of the current monetary unit at the balance sheet date.

In the period ended 31 December 2024, as the recoverable amount of assets for the Lebanese subsidiaries was lower than the restated amounts of those assets, no variation in the net monetary position was recognised, but an impairment loss on fixed assets of the Lebanese subsidiaries was recognised amounting to EUR 7,166,221 (**Note 3.3**).

The change in the net monetary position arising from price changes in 2023 was recognised in profit or loss under the item Gains or losses on the Net Monetary Position, representing gains of EUR 14,455,321 in the referred periods.

The income statement items relating to the Lebanese subsidiaries are 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 Other comprehensive income and was EUR (2,160,137) in 2023, net of a tax effect of EUR (84,246).

Given the limited change in the general price index in 2024, the Group chose not to apply the accounting requirements of IAS 29 – Financial Reporting in Hyperinflationary Economies, considering that its impact on the consolidated financial statements at 31 December 2024 is immaterial.

A 31 de dezembro de 2024, o valor líquido dos ativos e passivos da operação estrangeira no Líbano nas demonstrações financeiras consolidadas do Grupo ascende a 31.6 milhões de euros (2023: 21.5 milhões de euros).

6. INCOME TAX

Amounts in Euro	Note	31-12-2024	31-12-2023
Statement of Financial Position			
Assets			
Income tax	6.1	4,587,887	4,918,844
Deferred tax assets	6.2	53,279,899	50,308,964
Liabilities			
Income tax	6.1	27,910,254	29,281,888
Deferred tax liabilities	6.2	64,867,482	61,267,020
Income Statement			
Current tax	6.1	20,534,196	8,520,902
Change in uncertain tax positions in the period	6.1	(4,738,679)	10,019,837
Deferred tax	6.1	2,272,808	464,068
		18,068,325	**19,004,807**

6.1. INCOME TAX FOR THE PERIOD

Accounting policies

Recognition of liabilities and assets	Current tax for the period and for prior periods, to the extent unpaid, is recognised as a liability under the caption "Income tax". If the amount already paid in respect of the current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset under the caption "Income tax".
Measurement	Current tax liabilities (assets) for the period and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted.
Recognition in profit or loss	Current income tax is determined based on the net results for the period of the various entities included within the consolidation perimeter, adjusted in accordance with the applicable tax legislation in force at the date of the Consolidated Financial Position. Taxable profit differs from accounting profit because it excludes certain expenses and income that will only be deductible or taxable in other periods. Taxable profit also excludes expenses and income that will never be deductible or taxable.
Companies taxed under the Special Taxation Regime for Groups of Companies (RETGS)	Secil and some of its subsidiaries resident in Portugal have been part of the tax group headed by Semapa, SGPS, S.A. since 1 January 2014, with Semapa as the controlling company until 31 December 2022, and are taxed under the Special Taxation Regime for Groups of Companies (RETGS), which applies to companies with a participation equal to or greater than 75% and that meet the conditions set out in Article 69 and following of the Corporate Income Tax Code. From 1 January 2023, the controlling company of the tax group became Sodim, SGPS, S.A. The companies included within the scope of the group subject to this regime calculate and record income tax as if they were taxed individually. The tax calculated, payable or receivable, is recognised as a liability or asset under the caption "Income tax", but payable to or refundable by Semapa, SGPS, S.A. (**Note 10**).

Estimates and Judgements

Provisions for Additional Tax Assessments

The Group recognises provisions for potential additional tax assessments that may result from audits conducted by tax authorities in the various jurisdictions where the Group operates. Should the final outcome of such reviews differ from the amounts initially recorded, the differences will impact income tax in the period in which they are identified.

In Portugal, annual tax returns are subject to review and possible adjustment by the tax authorities over a four-year period. However, in the case of reported tax losses, these may be subject to review for a six-year period. In other countries where the Group operates, these periods differ, generally being longer.

The Board of Directors considers that any corrections arising from audits or inspections by tax authorities will not have a material effect on the consolidated financial statements as at 31 December 2024. It is noted that, regarding Secil Group companies included in the Sodim tax group, the Tax and Customs Authority has already reviewed periods up to and including 2020.

Uncertain Tax Positions

The amounts of estimated assets and liabilities recorded in respect of tax processes arise from an evaluation performed by the Group at the date of the consolidated Statement of Financial Position, considering potential disagreements with the Tax Administration, taking into account ongoing developments in tax matters.

With respect to the measurement of uncertain tax positions, the Group applies IFRIC 23 – 'Uncertainty over Income Tax Treatments', particularly in assessing risks and uncertainties in determining the best estimate of the expenditure required to settle the obligation, by weighing all possible outcomes within its control and their associated probabilities.

Tax recognised in the consolidated statement of profit or loss

As at 31 December 2024 and 2023, the details of "Income tax" are as follows:

Amounts in Euro	2024	2023
Current tax	20,534,196	8,520,902
Change in uncertain tax positions in the period	(4,738,679)	10,019,837
Deferred tax (**Note 6.2**)	2,272,808	464,068
	18,068,325	**19,004,807**

Nominal tax rate in the main geographies where the Group operates

	2024	2023
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%
Outros países		
Brazil - nominal rate	34.0%	34.0%
Tunisia - nominal rate	25.0%	15.0%
Lebanon - nominal rate	17.0%	17.0%
Angola - nominal rate	25.0%	25.0%

Reconciliation of the effective income tax rate for the period

Amounts in Euro	2024	2023
Profit before tax	**68,418,687**	**84,678,229**
Expected tax at nominal rate (22.5%)	15,394,205	19,052,601
State surcharge (5.0%)	3,420,934	4,233,911
Tax resulting from the applicable rate	**18,815,139**	**23,286,512**
Differences (a)	1,763,168	3,622,541
Tax for prior periods	(427,913)	(1,957,237)
Recoverable tax losses	(323,041)	(369,902)
Non-recoverable tax losses	1,936,644	1,911,970
Change in uncertain tax positions in the period	(4,738,679)	10,019,837
Effect of different tax rates	4,963,638	(3,720,550)
Tax benefits	(3,628,814)	(325,590)
Hyperinflationary economies	-	(2,563,079)
Other adjustments to taxable amount (b)	(291,817)	(10,899,695)
	18,068,325	**19,004,807**
Effective tax rate	**26.41%**	**22.44%**

(a) This amount mainly relates to:	2024	2023
Effect of the application of the equity method (**Note 10.3**)	417,224	580,078
Tax gains/ (losses)	(66,015)	124,992
Accounting gains/ (losses)	(898,872)	(420,679)
Impairment and taxed provisions	1,936,794	2,809,628
Tax benefits	(1,213,957)	(280,546)
Reduction of impairment and taxed provisions	(1,189,936)	(945,022)
Intra-group profit subject to tax	1,501,345	(959,434)
Goodwill amortisation and impairment losses (**Note 3.1**)	1,096,025	-
Other	4,828,912	12,263,858
	6,411,520	**13,172,875**
Tax effect (27.5%)	**1,763,168**	**3,622,541**

(b) The amount shown under the item “Adjustments to the tax payable” mainly relates to Tax Benefits, namely SIFIDE.

Tax recognised in the consolidated Statement of Financial Position

As at 31 December 2024 and 2023, the details of "Income tax" are as follows:

Amounts in Euro	31-12-2024	31-12-2023
Assets		
Income tax	4,587,887	4,918,844
	4,587,887	**4,918,844**
Liabilities		
Income tax	9,519,065	6,210,423
Additional tax liabilities	18,391,188	23,071,465
	27,910,254	**29,281,888**

Breakdown of the Income Tax item

Amounts in Euro	31-12-2024	31-12-2023
Income tax		
Income tax for the period	4,695,126	4,445,712
Exchange rate adjustment	(62,096)	(24,717)
Payments on account, special and additional payments on account	(1,933,968)	(1,379,965)
Withholding tax recoverable	36,685	(485,034)
Income tax from previous periods	458,062	(1,102,443)
	3,193,809	**1,453,553**
Income tax - Semapa tax business group		
Income tax for the period	16,323,761	5,468,448
Payments on account, special and additional payments on account	(13,422,705)	(5,226,834)
Withholding tax recoverable	(570,726)	(403,588)
Income tax from previous periods	(592,960)	-
	1,737,370	**(161,974)**
	4,931,179	**1,291,579**

Uncertain tax positions – liabilities

Amounts in Euro	31-12-2024	31-12-2023
Balance at the beginning of the period	**23,071,465**	**13,537,194**
Increases	5,792,190	12,487,763
Reversals	(10,530,869)	(2,467,926)
Charge-off	-	(25,876)
Exchange rate adjustment	58,402	(459,690)
Balance at the end of the period	**18,391,188**	**23,071,465**
Amount recognised in profit for the period - (gains) / losses	**(4,738,679)**	**10,019,837**

6.2. DEFERRED TAXES

Accounting policies

Recognition of liabilities and assets	Deferred tax is calculated based on the consolidated statement of financial position liability, on temporary differences between the carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets are recognised whenever there is reasonable assurance that future taxable profits will be generated against which they can be utilised.
Measurement	For the determination of deferred tax, the tax rate expected to be in force in the period when the temporary differences will reverse is used.
Recognition in profit or loss	Deferred taxes are recorded as an expense or income for the period, except when they arise from amounts recognised directly in equity, in which case the deferred tax is also recorded in the same category. Tax incentives granted under investment projects to be developed by the Group are recognised in the profit or loss for the period to the extent that taxable income exists in the beneficiary companies allowing their utilisation.

Estimates and Judgments

Deferred taxes recognised in respect of unused tax losses

As at 31 December 2024, the deferred tax assets recognized in relation to unused tax losses refer to the Group's subsidiary in Portugal, Beto Madeira - Betões e Britas da Madeira, S.A., to Margem Companhia de Mineração, S.A., a Group subsidiary based in Brazil, and to the Group's subsidiaries based in Lebanon.

According to the tax legislation in Portugal, namely with the amendments introduced to the Corporate Income Tax Code regarding the recoverability of tax losses by the 2023 State Budget Law (Law No. 24-D/2022), there is no longer a time limit for the deduction of tax losses. In this regard, management is confident that, in accordance with the medium-term business plan, the companies will generate taxable profits that will be offset against accumulated and unexpired tax losses as of 31 December 2024.

Regarding the subsidiary Margem Companhia de Mineração, S.A., it owns the new cement factory built by the Group in Adrianópolis, State of Paraná, which commenced operations in the second half of 2015. Since the applicable Brazilian tax legislation does not impose any time limit on its utilisation against future taxable profits, management is confident that, according to the medium-term business plan, the project will generate taxable profits that will be offset by the tax losses accumulated during these initial start-up years.

Additionally, it is noted that the tax depreciations of Margem Companhia de Mineração, S.A. are more accelerated than the economic depreciations, resulting in a significant negative impact on the taxable income of the aforementioned subsidiary.

Deferred taxes recognised in relation to unused tax credits

Deferred tax assets recognised in relation to unused tax credits as of 31 December 2024 relate to the subsidiaries resident in Portugal that obtained tax credits arising from expenses incurred in research and development.

According to the medium-term business plan, the referred subsidiaries generate taxable profits and consequently sufficient tax collection to utilise the available tax credits.

Movements in deferred taxes

During the periods ended 31 December 2024 and 2023, the movements in deferred tax assets and liabilities were as follows:

			Income Statement					
			Income tax					
Amounts in Euro	Balance as at 1 January 2024	Exchange rate adjustment	Increases	Decreases	Net monetary position	Equity	Transfers	Balance as at 31 December 2024
Temporary differences originating deferred tax assets								
Tax losses carried forward	72,174,784	(11,487,793)	5,415,086	(2,438,147)	-	-	699,274	64,363,203
Provisions for environmental and landscape remediation	3,019,161	3,366	385,942	(476,901)	-	-	(54,356)	2,877,212
Taxed impairment and provisions	27,295,282	(757,412)	6,168,618	(2,838,051)	-	-	8,251,550	38,119,987
Post-employment and other long-term benefits	2,223,753	4,096	150,425	(316,959)	-	74,612	(17,173)	2,118,753
Financial instruments	330,776	(331,226)	-	-	-	1,617,299	(768,599)	848,250
Deferred accounting gains on intra-group transactions	3,777,266	(162,303)	1,380,448	(1,844,484)	-	-	-	3,150,927
Fair value calculated on business combinations	61,366	-	-	-	-	-	(61,366)	-
Amortisation of intangible assets	45,236,612	-	-	(3,475,000)	-	-	-	41,761,612
Impairment of property, plant and equipment	7,615,101	(479,600)	657,907	(623,729)	-	-	-	7,169,679
Other temporary differences	4,985,152	(1,341,343)	5,548,721	(803,500)	-	(788,153)	11,608,300	19,209,178
	166,719,253	**(14,552,217)**	**19,707,147**	**(12,816,771)**	**-**	**903,757**	**19,657,630**	**179,618,799**
Temporary differences originating deferred tax liabilities								
Revaluation of property, plant and equipment	(36,018,220)	5,829,926	-	641,566	-	-	-	(29,546,729)
Financial instruments	3,399,640	571,496	(195,321)	-	-	1,641,444	(18,972,456)	(13,555,198)
Deferral of Capital Gains Tax	(249,302)	-	-	351	-	-	-	(248,951)
Accrued depreciation	(66,825,917)	9,350,463	(6,392,761)	447,287	-	-	-	(63,420,928)
Fair value calculated on business combinations	(54,556,254)	1,774,255	-	1,283,300	-	-	-	(51,498,700)
Pension Fund surplus	(803,615)	-	(20,206)	-	-	(300,981)	17,173	(1,107,629)
Hyperinflationary economies	(7,252,344)	(1,217,732)	-	7,116,221	-	-	-	(1,353,855)
Other temporary differences	(28,532,360)	43,947	(4,671,336)	2,478,461	-	-	(702,347)	(31,383,635)
	(190,838,372)	**16,352,354**	**(11,279,623)**	**11,967,186**	**-**	**1,340,463**	**(19,657,630)**	**(192,115,623)**
Deferred tax assets	**50,308,964**	**(5,009,968)**	**5,030,674**	**(4,013,319)**	**-**	**397,207**	**6,566,341**	**53,279,899**
Deferred tax liabilities	**(61,267,020)**	**5,862,554**	**(3,421,626)**	**131,463**	**-**	**393,488**	**(6,566,341)**	**(64,867,482)**

SECIL

Amounts in Euro	Balance as at 1 January 2023	Exchange rate adjustment	Income Statement			Equity	Transfers	Balance as at 31 December 2023
			Income tax		Net monetary position			
			Increases	Decreases				
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)**

Tax losses available for carryforward without deferred tax recognised

Tax losses for which the Group currently considers there is no capacity to deduct future taxable profits, and therefore no deferred tax asset is recognised, are detailed by expiry year as follows:

31 December 2024 Amounts in Euro	Total	2025	2026	2027	2028	2029	2030 and subsequent periods
Not taxed by RETGS							
ALLMA - Microalgas, Lda.	162,851	-	-	-	-	-	162,851
Madebritas - Sociedade de Britas da Madeira, Lda.	19,438	-	-	-	-	-	19,438
Secil Angola, SARL	1,260,427	645,922	614,506	-	-	-	-
Secil - Companhia de Cimento do Lobito, S.A.	1,982,914	1,296,682	686,233	-	-	-	-
Zarzis Béton	61,688	-	-	-	-	-	61,688
Secil Brasil Participações, S.A.	5,430,502	-	-	-	-	-	5,430,502
Supremo Cimentos, S.A.	51,998,451	-	-	-	-	-	51,998,451
	60,916,272	**1,942,603**	**1,300,738**	**-**	**-**	**-**	**57,672,930**
Taxed by RETGS							
SEBETAR - Sociedade de Novos Produtos de Argila e Betão, S.A.	218,376	-	-	-	-	-	218,376
Beto Madeira - Betões e Britas da Madeira, S.A.	446,480	-	-	-	-	-	446,480
Florimar- Gestão e Participações, S.G.P.S., Lda.	2,353,538	-	-	-	-	-	2,353,538
Ciminpart - Investimentos e Participações, S.G.P.S., S.A.	41,035,294	-	-	-	-	-	41,035,294
BETOTRANS II - Unipessoal, Lda.	3,411,694	-	-	-	-	-	3,411,694
Secil Betão, S.A.	10,147,850	-	-	-	-	-	10,147,850
	57,613,232	**-**	**-**	**-**	**-**	**-**	**57,613,232**
	118,529,505	**1,942,603**	**1,300,738**	**-**	**-**	**-**	**115,286,163**

31 December 2024 Amounts in Euro	Total	2024	2025	2026	2027	2028	2029 and subsequent periods
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							
SEBETAR - Sociedade de Novos Produtos de Argila e Betão, S.A.	263,119	-	-	-	-	-	263,119
Cimentos Madeira, Lda.	1,953,932	-	-	-	-	-	1,953,932
BETOTRANS II - Unipessoal, Lda.	41,033,405	-	-	-	-	-	41,033,405
Florimar- Gestão e Participações, S.G.P.S., Lda.	2,358,750	-	-	-	-	-	2,358,750
Secil Betão, 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**

7. PERSONNEL

Amounts in Euro	Note	31-12-2024	31-12-2023
Statement of Financial Position			
Liabilities			
Liabilities for long-term employee benefits	7.2	463,069	888,568
Income Statement			
Payroll costs	7.1	100,078,807	87,638,580

7.1. PERSONNEL EXPENSES

Accounting Policies

Short-term benefits	These liabilities are recognised in the period in which employees earn the respective right, charged to the income statement, regardless of the date of payment, and the outstanding balance at the consolidated statement of financial position date is disclosed under current payables. *Vacation and holiday pay* According to the applicable legislation, employees are entitled annually to 22 working days of vacation, as well as holiday pay, which is earned in the year prior to its payment. *Variable remuneration* According to the current performance management system, employees may receive variable remuneration if certain targets are met, which is usually earned in the year prior to its payment.
Termination benefits	Termination benefits are recognised when the Group can no longer withdraw the offer of benefits; or when the Group recognises expenses related to a restructuring as part of the provisions. Benefits payable more than 12 months after the reporting period end are discounted to their present value.

As at 31 December 2024 and 2023, the detail of Personnel Expenses is as follows:

Amounts in Euro	2024	2023
Remuneration of Corporate Bodies (**Note 7.3**)	3,498,415	2,513,689
Remuneration of employees	65,673,398	59,939,882
Post-employment benefits (**Note 7.2.4**)	1,175,533	1,069,956
Other long-term benefits (**Note 7.2.4**)	64,952	93,057
Compensations	1,582,883	746,715
Social Security and similar contributions	15,824,755	13,880,343
Insurance	946,993	759,303
Social action expenses	7,135,694	5,210,947
Other payroll costs	4,176,183	3,424,689
Payroll costs	**100,078,807**	**87,638,580**

Number of employees at the end of the period

	31-12-2024	31-12-2023	Var. 24/23
Portugal	1,207	1,158	49
Libanon	435	391	44
Tunisia	269	251	18
Angola	88	97	(9)
Braxil	566	556	10
	2,565	**2,453**	**112**

The number of employees does not include the Group's Governing Bodies.

7.2. EMPLOYEE BENEFITS

The Group grants its employees various post-employment benefits (defined benefit and defined contribution plans) and other long-term benefits (seniority awards and death subsidies).

!! Risk management policy associated with defined benefit plans

Across the Group, exposure to risk is limited to the number of existing beneficiaries and is expected to decrease, as there are no defined benefit plans open to new employees.

The most significant risks the Group is exposed to through defined benefit plans include:

a) Longevity risk of participants;

b) Market interest rate risk – changes in rates impact the discount rate used for liabilities (the technical discount rate), which is based on yield curves of high-rated bonds with maturities similar to the liabilities' term dates, as well as the expected return on plan assets;

c) Risk of changes in salary and pension growth rates;

d) Risk of changes in social security legislation – in Portugal, the Group's Defined Benefit plans provide a supplement to the Social Security pension, so changes in these rules will impact the value of the liabilities.

The funding level of the plan may vary not only due to the risks mentioned but also due to the returns on the plan's financial assets. Despite the fund's conservative profile and diversification, the occurrence of the aforementioned risks may lead to the need for additional contributions to the fund, considering the defined benefit nature.

The Group maintains at least the level of coverage of liabilities calculated with the assumptions defined by the Insurance and Pension Funds Supervisory Authority.

Accounting policies

POST-EMPLOYMENT BENEFITS	
Defined Benefit Plans	Secil and some of the Group's subsidiaries have committed to pay their employees monetary benefits as supplements to retirement pensions for old age, disability, early retirement, and survivor pensions, constituting defined benefit plans. To finance part of these obligations, the Group established autonomous Pension Funds. Most of the companies resident in Portugal joined the Secil Group Pension Fund, resulting from the amendment of the Secil Pension Fund's founding contract, which fully replaced previous contracts and took effect on 1 January 2010. This Fund provides the financial support for payment of benefits under the Pension Plans of each affiliated company (now managed jointly). Based on the projected unit credit method, the Group recognises costs related to the granting of these benefits as employees render the related services. Thus, the total liability of the Group is estimated, at the annual reporting date, for each plan separately by an independent specialised entity. The liability so determined is presented in the Consolidated Statement of Financial Position, net of the fair value of the established funds, under the item Pensions and other post-employment benefits. Actuarial gains and losses arising from changes in the estimated liabilities due to changes in financial and demographic assumptions and experience adjustments, plus the difference between the actual return on plan assets and the estimated share in the net interest, are called remeasurements and recorded directly in the Statement of Comprehensive Income, under retained earnings. Net interest corresponds to applying the discount rate to the net liability (liability value minus the fair value of plan assets) and is recognised in the period's profit or loss under Personnel Expenses. Gains and losses from a curtailment or settlement of a defined benefit pension plan are recognised in profit or loss when the curtailment or settlement occurs. A curtailment occurs when there is a material reduction in the number of employees. Past service costs, resulting from the introduction of a new plan or increases in benefits granted, are recognised immediately in profit or loss.
Defined Contribution Plans	Secil and some Group subsidiaries have commitments regarding contributions to defined contribution plans, representing a percentage of the salaries of employees covered by these plans, in order to provide a supplement to retirement pensions for old age, disability, and survivor pensions. To this end, Pension Funds have been established to capitalise those contributions. In one of the Defined Contribution Pension Plans, employees may also make voluntary contributions, which are supplemented by an incentive contribution from the company, corresponding to a percentage of the employee's contribution, subject to a maximum amount. The Group does not assume any additional contribution obligations or guarantee any predetermined return. Contributions made are recorded as expenses in the period in which they are recognised, regardless of when they are paid.

Retirement and Survivor Pension Supplements (borne by the Group)	
Classification	Defined benefit.
Employer / Beneficiaries	Obligations towards Secil's retirees as of the establishment date of the Pension Fund, 31 December 1987, are directly borne by Secil. These plans are also evaluated semiannually by independent entities, using the method of calculating coverage capital corresponding to single premiums of immediate life annuities for current pensioners and the projected unit credit method for active employees.

Benefit granted	Supplement to old age and survivor retirement pension.
Retirement and Survivor Pension Supplements (with Fund managed by Third Party)	
Classification	Defined benefit.
Employer / Beneficiaries	Secil – All employees hired up to 31 December 2009 with indefinite contracts who did not opt for the transition to the Defined Contribution Plan, and retirees and pensioners as of that date. Secil Betão – All workers covered by the Collective Labour Agreement signed between APEB and FEVICCOM, with indefinite contracts, and retirees and pensioners as of 31 December 2009. Beto Madeira – All workers covered by the Collective Labour Agreement signed between APEB and FEVICCOM, with indefinite contracts, and retirees and pensioners as of 31 December 2010. Cimentos Madeira – Retirees and pensioners as of 31 December 2011.
Benefit granted	Supplement to retirement pension for old age, disability, early retirement, and survivor pension.
Fund established	Secil Group Pension Fund.
Old Age and Disability Retirement Allowances	
Classification	Defined benefit.
Employer / Beneficiaries	SCG – Active employees.
Benefit granted	Payment of a retirement allowance for old age and disability based on Collective Labour Agreement, article 52.
Fund established	Insurance policy.
Employer / Beneficiaries	Secil Lobito – Active employees.
Benefit granted	Payment of a retirement allowance for old age.
Health Care	
Classification	Defined benefit.
Employer / Beneficiaries	Cimentos Madeira – Applicable only to retirees as of the insurance policy start date.
Benefit granted	Supplementary health care regime relative to official health services, for retirees.
Fund established	Health insurance.

Pension Plan	
Classification	Defined contribution.
Employer / Beneficiaries	Secil – All employees who, as of 31 December 2009, opted for the Defined Contribution Plan and all employees hired after that date. Also applies to members of the management bodies. Secil Betão – All active employees as of 31 December 2009 and those hired afterwards, except workers covered by the Collective Labour Agreement signed between APEB and FEVICCOM. Also applies to members of the management bodies. Beto Madeira – All active employees as of 31 December 2010 and those hired afterwards, except workers covered by the Collective Labour Agreement signed between APEB and FEVICCOM. SECIL - Aggregates – All active employees as of 31 December 2009 and those hired afterwards. Also applies to members of the management bodies. Brimade – All active employees as of 1 July 2012 and those hired afterwards. Cimentos Madeira – All active employees as of 1 January 2012 and those hired afterwards. Also applies to members of the management bodies.
LONG-TERM BENEFITS	
Recognition and measurement	Secil assumed responsibility for payment of seniority bonuses and death grants to its employees, recognising the liability on the balance sheet, against Personnel Expenses, corresponding to the present value of the obligation for these benefits, determined in accordance with actuarial valuations at each annual reporting date. Actuarial gains and losses and all past service costs are recognised immediately as income or expense of the period.
Death Grants	
Classification	Long-term benefit.
Employer / Beneficiaries	Secil – Active employees admitted until 1 January 2012. Secil Lobito – All active employees.
Benefit granted	Death grant.
Seniority Bonus	
Classification	Long-term benefit.
Employer / Beneficiaries	Secil – Active employees. Cimentos Madeira – Active employees.
Benefit granted	Secil – Bonus paid to employees who: (i) reach 25 years of service. (ii) in 2011 have seniority over 25 years but less than 35 years and reach 35 years of service. Cimentos Madeira – Bonus paid to employees who: (i) reach 20 years of servisse (ii) reach 35 years of service.

Estimates and Judgements

Actuarial Assumptions

The Group considered the following actuarial assumptions, associated with economic and demographic indicators, in the measurement of the defined benefit obligations:

	31-12-2024	31-12-2023
Social Security Benefits Formula	Decree-law 187/2007 of 10 May	
Disability table	EKV 80	EKV 80
Mortality table	TV 88/90	TV 88/90
Wage growth rate	2.25%	2.25%
Technical interest rate	3.00%	3.00%
Pensions growth rate	1.58%	1.58%
Health insurance premium growth rate	4.60%	4.60%

Changes in these assumptions may, in some cases, have a material impact on the measurement of the defined benefit obligations.

Sensitivity Analysis

The Group considers the discount rate and the expected salary growth rate as the most significant variables in the calculation of the defined benefit obligations. Below is a sensitivity analysis to changes in the discount rate and the salary growth rate:

Amounts in Euro	31-12-2024	31-12-2023
0.5% decrease in the technical interest rate		
Increase in liabilities assumed	400,259	445,214
0.5% increase in the wage growth rate		
Increase in liabilities assumed	362,353	406,953

7.2.1. Net liabilities

As at 31 December 2024 and 2023, the net liabilities recognized in the consolidated statement of financial position and the number of beneficiaries of the retirement and survivor benefit plans in force within the Group are detailed as follows:

	31-12-2024		31-12-2023	
Amounts in Euro	No. of Benef.	Amount	No. of Benef.	Amount
Group liabilities for past services				
Active employees (**Note 7.2.2**)	32	13,039	40	22,452
Retired employees (**Note 7.2.2**)	419	9,959,457	445	10,956,536
Market value of pension Funds (**Note 7.2.3**)	-	(10,997,017)	-	(11,702,073)
Retirement grants - Insured capital (**Note 7.2.2**)	50	172,157	56	168,149
Insurance policies (**Note 7.2.3**)	-	(73,972)	-	(82,126)
Reserve account*	-	(575,154)	-	(568,807)
Pension liabilities - funded	501	(1,501,490)	541	(1,205,868)
Retired employees (**Nota 7.2.2**)	82	1,356,565	90	1,525,456
Pension liabilities - unfunded	82	1,356,565	90	1,525,456
Pension liabilities - net	583	(144,925)	631	319,588
Other unfunded liabilities				
Health insurance (**Note 7.2.2**)	5	49,116	5	43,567
Retirement grants (**Note 7.2.2**)	233	109,532	230	86,707
Total post-employment benefits	**821**	**13,723**	**866**	**449,861**
Other long-term benefits				
Death grants (**Note 7.2.2**)	490	61,374	468	61,398
Long-services award (**Note 7.2.2**)	419	387,971	386	377,309
Total other long-term benefits	**909**	**449,345**	**854**	**438,707**
Total net liabilities	**821**	**463,069**	**866**	**888,568**

* Surplus from the transition to DC and balances of employees who have left the Company without entitlement to the full amount of employer contributions.

Historical information – last five years

Over the past five years, the liabilities, the fair value of plan assets and the reserve account have evolved as follows:

Amounts in Euro	2020	2021	2022	2023	2024
Present value of liabilities	18,920,796	16,998,228	14,894,244	13,241,574	12,109,211
Fair value of assets and reserve account	17,873,880	16,589,082	12,840,964	12,353,006	11,646,143
Surplus / (deficit)	1,046,916	409,146	2,053,280	888,568	463,069
Remeasurements	422,747	351,253	(1,907,673)	933,921	229,733

7.2.2. Liabilities for pensions and other post-employment and long-term benefits

In 2024 and 2023, liabilities for pensions and other post-employment and long-term benefits evolved as follows:

2024

Amounts in Euro	Opening balance	Exchange rate adjustment	Current services cost	Net interest	Actuarial deviations	Payments performed	Closing balance
Group pensions (**Note 7.2.1**)	1,525,456	-	-	41,793	40,859	(251,543)	1,356,565
Autonomous pension fund (**Note 7.2.1**)	10,978,988	-	987	307,571	46,035	(1,361,085)	9,972,496
Retirement grants - Insured capital (**Note 7.2.1**)	168,149	4,478	12,705	16,577	(822)	(28,930)	172,157
Health insurance (**Note 7.2.1**)	43,567	-	-	1,242	8,518	(4,211)	49,116
Retirement grants (**Note 7.2.1**)	86,707	1,704	10,137	11,173	3,172	(3,360)	109,532
Total post-employment benefits	**12,802,867**	**6,182**	**23,829**	**378,356**	**97,762**	**(1,649,129)**	**11,659,866**
Death grants (**Note 7.2.1**)	61,398	(93)	2,874	(2,805)	-	-	61,374
Long-services award (**Note 7.2.1**)	377,309	-	27,450	37,432	-	(54,220)	387,971
Total other long-term benefits	**438,707**	**(93)**	**30,324**	**34,627**	**-**	**(54,220)**	**449,345**
Total liabilities	**13,241,573**	**6,089**	**54,153**	**412,984**	**97,762**	**(1,703,349)**	**12,109,211**

2023

Amounts in Euro	Opening balance	Exchange rate adjustment	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 grants (**Note 7.2.1**)	94,874	(13,876)	10,308	4,254	(8,852)	(0)	86,707
Total post-employment benefits	**14,471,656**	**(16,764)**	**22,176**	**351,300**	**(248,906)**	**(1,776,595)**	**12,802,867**
Death grants (**Note 7.2.1**)	57,103	(1,995)	2,982	5,694	-	(2,387)	61,398
Long-services award (**Note 7.2.1**)	365,485	-	26,204	9,793	56,748	(80,921)	377,309
Total 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**

The average expected duration of the liabilities related to benefits covered by the Secil Group Pension Fund is 7 years.

7.2.3. Funds

Defined benefit pension plan funds – evolution

In 2024 and 2023, the funds allocated to defined benefit pension plans evolved as follows:

Amounts in Euro	2024 Autonomous fund	2024 Insurance policy	2023 Autonomous fund	2023 Insurance policy
Opening balance	11,702,073	82,126	12,184,420	108,062
Exchange rate adjustment	-	1,993	-	(1,518)
Contribution for the period	-	10,138	3,527	-
Interest	329,265	7,915	285,961	9,394
Return on plan assets excluding interest	326,764	731	681,741	3,301
Pensions paid	(1,361,085)	(28,930)	(1,453,576)	(37,113)
Closing balance (Note 7.2.1)	**10,997,017**	**73,972**	**11,702,073**	**82,126**

Funds allocated to defined benefit plans – estimated contributions for the next reporting period

The contributions expected for the next annual reporting period depend, among other factors, on the relationship between the return on the fund assets and the discount rate.

Funds allocated to defined benefit plans – composition of assets

As at 31 December 2024 and 2023, the composition of the Fund's assets is as follows:

Amounts in Euro	2024	%	2023	%
Securities listed in the active market				
Bonds	2,618,692	23,8%	1,115,702	9.5%
Shares	2,247,186	20,4%	2,388,818	20.4%
Public debt	6,030,213	54,8%	6,434,743	55.0%
Other treasury investments	285	0,0%	1,663,324	14.2%
Unlisted securities				
Liquidity	100,641	0.9%	99,486	0.9%
	10,997,017	**100%**	**11,702,073**	**100%**

The amounts presented, with the exception of Cash and cash equivalents, correspond to the fair values of these assets, fully determined based on quoted prices in active (regulated) liquid markets as at the reporting date of the Consolidated Statement of Financial Position.

7.2.4. Expenses incurred with post-employment and long-term benefit plans

The expenses incurred with post-employment benefit plans for the years ended 31 December 2024 and 2023 are as follows:

					2024
Amounts in Euro	Current services cost	Net interest	Actuarial deviations	Period contributions (DC Plans)	Impact in net profit for the period (Note 7.1)
Pensions assumed by the Group	-	41.794	-	-	41.794
Pensions with Autonomous fund	987	(21.695)	-	-	(20.708)
Insurance policy	12.705	8.662	-	-	21.367
Retirement grants	10.137	11.173	-	-	21.310
Healthcare	-	1.242	-	-	1.242
Contributions to defined contribution plans	-	-	-	1.110.528	1.110.528
Post-employment benefits	**23.829**	**41.176**	**-**	**1.110.528**	**1.175.533**
Death grants	2.874	(2.805)	-	-	70
Long-service award	27.450	37.432	-	-	64.882
Long-term benefits	**30.324**	**34.627**	**-**	**-**	**64.952**
	54.153	**75.804**	**-**	**1.110.528**	**1.240.484**

					2023
Amounts in Euro	Current services cost	Net interest	Actuarial deviations	Period contributions (DC 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 policy	6.925	6.354	-	-	13.279
Retirement grants	10.308	7.722	-	-	18.029
Healthcare	-	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 grants	2.982	(2.670)	-	-	312
Long-service award	26.204	9.793	56.748	-	92.745
Long-term benefits	**29.186**	**7.123**	**56.748**	**-**	**93.057**
	51.362	**71.406**	**56.748**	**983.497**	**1.163.013**

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7.2.5. Remeasurements recognised directly in other comprehensive income

The remeasurements recognised directly in other comprehensive income for the years ended 31 December 2024 and 2023 are as follows:

2024

		Remeasurements						
Amounts in Euro	Gains and losses	Demographic assumptions	Financial assumptions	Experience assumptions	Expected return on plan assets	Gross amount	Deferred taxes	Impact on equity
Post-employment benefits								
Pensions assumed by the Group	(40,859)	-	-	-	-	(40,859)	10,828	(30,031)
Pensions with Autonomous fund	(45,213)	-	-	-	327,495	282,282	(75,803)	206,479
Retirement grants	(3,172)	-	-	-	-	(3,172)	1,634	(1,538)
Healthcare	(1,861)	-	(6,657)	-	-	(8,518)	1,746	(6,772)
	(91,105)	**-**	**(6,657)**	**-**	**327,495**	**229,733**	**(61,596)**	**168,137**

2023

		Remeasurements						
Amounts in Euro	Gains and losses	Demographic assumptions	Financial assumptions	Experience assumptions	Expected return on plan assets	Gross amount	Deferred taxes	Impact on equity
Post-employment benefits								
Pensions assumed by the Group	143,311	-	-	-	-	143,311	(39,397)	103,914
Pensions with Autonomous fund	99,509	-	-	-	685,016	784,524	(215,048)	569,476
Retirement grants	8,852	-	-	-	-	8,852	(389)	8,463
Healthcare	(2,766)	-	-	-	-	(2,766)	595	(2,171)
	248,906	**-**	**-**	**-**	**685,016**	**933,921**	**(254,239)**	**679,682**

7.3. REMUNERATION OF MEMBERS OF THE CORPORATE BODIES

For the years ended 31 December 2024 and 2023, the remuneration of the Members of the Corporate Bodies is as follows:

Amounts in Euro	2024	2023
Órgãos Sociais da Secil		
Conselho de Administração	2.755.206	1.917.637
Conselho Fiscal	59.335	54.579
Órgãos Sociais de Outras empresas do Grupo	683.875	541.473
Total	**3.498.415**	**2.513.689**

Remuneration of the Members of the Board of Directors

As at 31 December 2024 and 2023, with regard to the members of Secil's Board of Directors, there were no: (i) additional liabilities related to post-employment benefits, (ii) termination benefits, (iii) share-based payments granted, or (iv) any outstanding balances.

8. FINANCIAL INSTRUMENTS

8.1. FINANCIAL RISK MANAGEMENT

The Secil Group has defined a financial risk management policy that sets out the overarching guidelines across the entire Group, aimed at identifying, measuring, and managing the various risks to which it is exposed.

This management policy covers, among others, 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 financial market developments, monitors the Group's level of exposure to the identified risks, implements appropriate risk management measures, and uses financial instruments for hedging purposes whenever deemed appropriate.

8.1.1. Foreign Exchange Risk

!! Foreign Exchange Risk Management Policy

The Group's foreign exchange exposure arises mainly from investments held in various countries outside the Eurozone, as the Group prepares its consolidated financial statements in Euros. The main currencies to which the Group is exposed in terms of translation risk are the BRL (Brazilian real), the TND (Tunisian dinar), the LBP (Lebanese pound), the AOA (Angolan kwanza), and the USD (US dollar).

The Group is also exposed to foreign exchange risk through operating cash flows, particularly in USD, namely those related to fuel purchases and vessel freight.

To mitigate the currency exposure of its assets in the various geographies in which it operates, the Group seeks to obtain local financing in the same currency as the respective assets.

In addition, in order to hedge currency risk on cash flows, the Group's policy is to maximise the natural hedging potential of its currency exposure, by offsetting foreign exchange flows, particularly intra-group. Foreign exchange exposure is monitored in an integrated manner, taking into account overall Group flows.

Use of derivative financial instruments

From time to time, when deemed appropriate, the Group uses derivative financial instruments to manage foreign exchange risk, in accordance with a defined policy.

In the periods presented, the Group held derivatives that hedge the foreign exchange risk of future transactions in currencies other than the presentation currency (see **Note 8.2** – Derivative financial instruments).

Exposure of financial assets and liabilities to foreign exchange risk and sensitivity analysis

As at 31 December 2024 and 2023, the Group's exposure to foreign exchange risk, based on the values of financial assets and liabilities converted into Euros using the exchange rates prevailing at those dates, is as follows:

31 December 2024	US dollar	Brazilian real	Lebanese pound	Tunisian dinar	Angolan kwanza	Total (Euros)
Exchange rate at the end of the period	1.0389	6.4354	92.9816	3.3016	955.1715	-
Valuation/(devaluation) compared to the previous period	5.98%	(20.28%)	6.19%	2.60%	(3.22%)	-
Average exchange rate for the period	1.0821	5.8331	96.8470	3.3662	952.3159	-
Valuation/(devaluation) compared to the previous period	(0.05%)	(8.00%)	2.29%	(0.34%)	(27.33%)	-
Amounts in foreign currency						
Cash and cash equivalents	3,980,484	573,229,925	180,057,509	4,931,079	147,812,637	96,490,701
Receivables	1,326,996	108,052,701	195,239,794	70,111,666	3,688,438,975	45,264,649
Total financial assets	**5,307,480**	**681,282,626**	**375,297,303**	**75,042,745**	**3,836,251,611**	**141,755,350**
Interest-bearing liabilities	5,307,480	681,282,626	375,297,303	75,042,745	3,836,251,611	141,755,350
Payables and other current liabilities	(87,563,243)	(388,381,146)	-	(143,336,634)	(1,388,886,537)	(189,503,677)
Total financial liabilities	**(82,255,763)**	**292,901,480**	**375,297,303**	**(68,293,888)**	**2,447,365,074**	**(47,748,327)**
Financial net position in foreign currency	**(76,948,283)**	**974,184,106**	**750,594,606**	**6,748,857**	**6,283,616,685**	**-**
Financial net position in Euro	**(74,067,074)**	**151,378,952**	**8,072,507**	**2,044,117**	**6,578,522**	**94,007,024**
Impact of +10% change in interest rate	*6,733,370*	*(13,761,723)*	*(733,864)*	*(185,829)*	*(598,047)*	*(8,546,093)*
Impact of -10% change in interest rate	*(8,229,675)*	*16,819,884*	*896,945*	*227,124*	*730,947*	*10,445,225*

31 December 2023	US dollar	Brazilian real	Lebanese pound	Tunisian dinar	Angolan kwanza	Total (Euros)
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	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 interest rate	*1,537,988*	*(3,544,512)*	*(207,461)*	*761,662*	*(479,921)*	*(1,932,245)*
Impact of -10% change in interest rate	*(1,879,763)*	*4,332,181*	*253,564*	*(930,920)*	*586,571*	*2,361,632*

8.1.2. Interest Rate Risk

!! Interest Rate Risk Management Policy

The Group's exposure to interest rate risk arises from its net interest-bearing debt, with the objective of managing this risk being to reduce the volatility of financial costs in the income statement.

The interest rate risk management strategy is reviewed annually based on the expected interest rate developments in each market where the Group operates. Currently, the interest rate risk management strategy involves contracting part of the debt at a fixed interest rate.

Use of Derivative Financial Instruments

Where deemed appropriate by management, the Group utilises derivative financial instruments (**Note 8.2**) to manage interest rate risk. These instruments aim to fix the interest rate on borrowings obtained, within certain parameters considered suitable under the Group's risk management policies.

Estimates and Judgements

Sensitivity Analysis

The Group uses sensitivity analysis techniques to measure the estimated changes in profit and equity from an immediate increase or decrease in market interest rates, with all other variables held 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 expense on variable financial instruments;
- Changes in market interest rates affect the fair value of derivative financial instruments and other financial assets and liabilities;
- Changes in the fair value of derivative financial instruments and other financial assets and liabilities are estimated by discounting future cash flows to their present net values, using market rates at year-end.

Under these assumptions, the impact of a 0.5% increase in interest rates on all borrowings or derivative financial instruments contracted by the Company at 31 December 2024 and 2023 is as follows:

Amounts in Euro	31-12-2024	31-12-2023
0.5% increse in market interest rates		
Impact on profit before tax - increase / (decrease)	(1,082,141)	(640,848)

Exposure to interest rate risk

Financial assets and liabilities with fixed interest rates (which do not expose the Group to interest rate risk) and those with variable interest rates (which expose the Group to interest rate risk) are detailed as follows:

Amounts in Euro	- 1 month	1-3 months	3-12 months	1-5 years	+ 5 years	Total
31 December 2024						
ASSETS						
Current						
Cash and cash equivalents (**Note 5.8**)	138,092,774	-	-	-	-	138,092,774
Total financial assets	**138,092,774**	**-**	**-**	**-**	**-**	**138,092,774**
LIABILITIES						
Non-current						
Interest-bearing liabilities (**Note 5.6**)	-	-	-	217,967,506	118,830,831	336,798,337
Current						
Interest-bearing liabilities (**Note 5.6**)	46,768,409	11,368,253	50,477,129	-	-	108,613,791
Derivative financial instruments (**Note 8.2.1**)	(1,741,009)	(4,306,180)	(5,292,548)	(1,367,208)	-	(12,706,945)
Total financial liabilities	**45,027,400**	**7,062,073**	**45,184,581**	**216,600,299**	**118,830,831**	**432,705,183**
Net financial position	**183,120,174**	**7,062,073**	**45,184,581**	**216,600,299**	**118,830,831**	**570,797,957**

Amounts in Euro	- 1 month	1-3 months	3-12 months	1-5 years	+ 5 years	Total
31 December 2023						
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**

8.1.3. Liquidity risk

!! Liquidity risk management policy

The Group manages liquidity risk through two main approaches:

- ensuring that its financial debt has a significant medium- and long-term component with maturities aligned to the characteristics of the industries in which it operates; and
- contracting credit lines with financial institutions that are available at all times, in amounts sufficient to guarantee adequate liquidity.

Cash flow forecasts are prepared by the Group's operating entities and consolidated by the Secil Group's Finance Department during the preparation of the annual budget. It is the responsibility of this Department to monitor the Group's liquidity needs forecasts to ensure that an adequate level of cash and cash equivalents is maintained to meet the financing requirements of each operational unit.

The Group's Financial Plans set the objectives for each geography regarding the amounts and maturities of financing to be secured, as well as compliance with financial policies and debt ratios.

Contractual maturity of financial liabilities (undiscounted cash flows, including interest)

As at 31 December 2024 and 2023, the liquidity of contracted financial liabilities will give rise to the following undiscounted cash flows, including interest, based on the remaining period to contractual maturity:

Amounts in Euro	- 1 month	1-3 months	3-12 months	1-5 years	+ 5 years	Total
31 December 2024						
Interest-bearing liabilities (**Note 5.6**)						
Bond loans	414,594	829,188	3,419,646	124,742,144	105,911,418	235,316,989
Commercial paper	25,000	50,000	-	10,424,932	-	10,499,932
Bank loans	47,060,031	14,986,127	56,164,850	153,248,558	14,163,193	285,622,759
Other loans	1,934,995	-	527,691	-	-	2,462,686
Lease liabilities (**Note 5.7**)	-	-	9,998,526	17,938,762	10,225,243	38,162,531
Payables (**Note 4.3**)						
Derivative financial instruments (**Note 8.2.2**)	(1,741,009)	(4,306,180)	(5,292,548)	(1,367,208)	-	(12,706,945)
Other financial liabilities	-	1,662,611	-	-	-	1,662,611
Total liabilities	**47,693,610**	**13,221,745**	**64,818,164**	**304,987,187**	**130,299,854**	**561,020,561**
31 December 2023						
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 loans	4,956,586	-	-	-	-	4,956,586
Lease liabilities (**Note 5.7**)	-	-	8,371,883	13,348,255	10,665,340	32,385,478
Payables (**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 liabilities	**17,351,337**	**7,458,646**	**47,282,181**	**300,752,796**	**59,928,106**	**432,773,066**

» The contractual maturity of the obtained financing presented assumes compliance with financial covenants, as detailed in **Note 5.6** – Obtained Financing.

Available and Unused Credit Lines

As of 31 December 2024 and 2023, the Company holds available and unused bank credit lines as follows:

Amounts in Euro	31-12-2024	31-12-2023
Available and undrawn credit facilities		
Commercial paper	165,000,000	125,000,000
Bond loans	-	75,000,000
Other credit lines used	73,382,696	56,511,022
	238,382,696	**256,511,022**

In the period ended 31 December 2023, Secil – Companhia Geral de Cal e Cimento, S.A. contracted with Caixa Geral de Depósitos and Caixa – Banco de Investimento two bond loans denominated "Secil Green Bonds 2030 – fixed rate" and "Secil Green Bonds 2030 – floating rate", totalling EUR 75,000,000, intended for the (re)financing of the CCL Project. The bonds were fully issued in January 2024. The financing is repayable on 25 January 2030 and has a maximum maturity of seven years.

The bonds qualify as green financing instruments in accordance with Secil's Green Bond Framework.

8.1.4. Credit Risk

!! Credit Risk Management Policy

The Group is exposed to credit risk on receivables from customers and other debtors, having adopted a risk coverage management policy within defined limits through credit insurance with specialised independent entities and/or by obtaining bank guarantees in favour of the Group.

In Portugal, the Group has adopted a credit insurance policy for the materials segment covering the majority of customer receivables. Thus, the Group considers that its effective exposure to credit risk is mitigated to acceptable levels in relation to sales.

However, a deterioration in global economic conditions or adversities affecting only local economies may lead to a decline in the customers' ability to settle their obligations, causing credit insurers to significantly reduce their coverage amounts for those customers, which could result in an increased percentage of sales without insurance coverage.

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Cash Equivalents

The Group has a stringent policy for approving its financial counterparties, limiting exposure based on individual risk analysis and pre-approved limits.

The assessment of counterparty credit risk quality is based, whenever possible, on their respective credit ratings.

Accounting policies

Expected Credit Losses	The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial assets measured at amortised cost, as detailed in **Note 8.4.1** – Categories of the Group's financial instruments.
Impairment Recognition	Impairment losses on trade receivables are recognised based on the simplified approach set out in IFRS 9, recognising expected losses over the lifetime of the receivables. Expected losses are determined based on historical actual loss experience over a statistically significant period and representative of the specific characteristics of the underlying credit risk. The model followed for impairment assessment under IFRS 9 is as follows: 1. Determine the customers' payment profile by defining intervals of receivables ageing; 2. Based on point 1 above, estimate the probability of default (i.e., the amount of doubtful collection identified in step 1 compared with the outstanding sales balance within each calculated ageing interval); 3. Adjust the percentages obtained in step 2 with respect to future projections; 4. Apply the calculated default percentages to the outstanding customer balances at the reporting date. The Group also recognises impairments on a case-by-case basis, based on specific balances and past events, taking into account the historical information of the counterparties, their risk profile, and other observable data to record impairment on these financial assets.
Derecognition of the Asset	Financial assets are derecognised when there is no reasonable expectation of recovery and are considered irrecoverable. Despite derecognition, the Company continues to take steps to recover amounts due. In cases of successful recovery, such amounts are recognised in the results for the period.

Maximum Exposure to Credit Risk

The Group's maximum exposure to credit risk on financial assets corresponds to their net carrying amount, as detailed below:

Amounts in Euro	31-12-2024	31-12-2023
Non-current		
Other financial investments (**Note 8.3**)	414,263	406,207
Receivables (**Note 4.2**)	6,093,243	2,845,745
Current		
Receivables (**Note 4.2**)	97,055,671	104,566,379
Derivative financial instruments (**Note 8.2**)	13,555,195	3,856,902
Cash and cash equivalents (**Note 5.8**)	138,092,159	58,750,936
	255,210,531	**170,426,170**

Ageing Structure of Trade Receivables

As at 31 December 2024 and 2023, trade receivables presented the following ageing structure, considering the due date of the outstanding balances as the reference:

Amounts in Euro	31-12-2024	31-12-2023
Amounts not yet due	43,312,480	51,449,360
Amounts due:		
From 1 to 90 days	27,449,857	20,523,836
From 91 to 180 days	3,338,487	3,792,418
From 181 to 360 days	1,234,839	2,217,489
From 361 to 540 days	572,795	684,443
From 541 to 720 days	217,884	335,130
More than 721 days	1,207,004	2,594,833
	77,333,346	**81,597,509**
Litigation - doubtful debts	12,515,399	12,308,407
Impairment	(14,737,250)	(14,180,847)
Trade receivables balance (Note 4.2)	**75,111,494**	**79,725,069**
Credit insurance limit contracted	**258,291,525**	**221,511,525**

The amounts presented correspond to outstanding balances, relative to the contracted due dates. Although there are delays in the settlement of some amounts compared to these deadlines, this does not result in the identification of impairment situations beyond those already considered through the corresponding provisions.

These provisions are determined based on information regularly collected regarding the financial behaviour of the Group's customers, which, combined with the experience gathered in analysing the portfolio and with credit losses incurred (to the extent not attributable to insurers), allows the determination of the amount of losses to recognise in the period.

As at 31 December 2024 and 2023, the ageing analysis of overdue receivables and the respective impairment losses is as follows:

	31-12-2024		31-12-2023	
Amounts in Euro	Gross amount	Fair Value Guarantees	Gross amount	Fair Value Guarantees
Overdue balances not considered impaired:				
Overdue for less than 3 months	27,468,348	1,235,824	20,841,926	926,815
Overdue for more than 3 months	4,982,545	116,520	8,275,345	136,851
	32,450,894	**1,352,344**	**29,117,271**	**1,063,667**
Overdue balances considered impaired:				
Overdue for less than 3 months	196,524	-	258,952	-
Overdue for more than 3 months	14,276,418	-	13,687,894	-
	14,472,942	**-**	**13,946,846**	**-**
	46,923,836	**1,352,344**	**43,064,117**	**1,063,667**

Credit risk of cash equivalents

As at 31 December 2024 and 2023, the credit risk quality of the Group in relation to financial assets (bank deposits, treasury applications, and financial derivative instruments with positive fair value) whose counterparties are financial institutions is detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023
A	55,374,344	663,067
A-	21,191,644	8,099,945
BBB+	-	3,412,543
BBB	17,701,760	5,583,465
BBB-	35,456	13,312,531
BB+	12,371,871	5,334,450
BB	23,128,886	8,922,827
B+	-	621,961
B-	21,744	20,373
CCC	426,737	-
C	1,233,320	-
No rating	6,607,012	12,780,352
	138,092,774	**58,751,515**
Derivative financial instruments (**Note 8.2**)	13,555,195	3,856,901
	151,647,969	**62,608,416**

Impairment of customers and other debtors

For the periods ended 31 December 2024 and 2023, the movements in the accumulated impairment losses on customers and other receivables were as follows:

Amounts in Euro	31-12-2024	31-12-2023
Imparidades acumuladas no início do período	**23.399.063**	**22.782.310**
Variações devidas a:		
Reforço	1.481.936	3.475.722
Reversões	(489.476)	(2.614.247)
Variações reconhecidas em resultados do período (Nota 2.4)	**992.460**	**861.475**
Ajustamento cambial	(6.475)	(170.558)
Utilizações	(71.109)	(74.165)
Imparidades acumuladas no final do período	**24.313.939**	**23.399.063**

8.2. INSTRUMENTOS FINANCEIROS DERIVADOS

Accounting Policies

Presentation

The fair value of derivative financial instruments is included under the heading Trade Payables (**Note 4.3**), when negative, and under Trade Receivables (**Note 4.2**), when positive.

Having adopted IFRS for the first time with a transition date of 1 January 2020, the Group applies the hedge accounting requirements set out in IFRS 9 – Financial Instruments.

Derivative financial instruments at fair value through profit or loss

Although the derivatives contracted by the Group correspond to instruments effective in the economic hedging of risks, not all qualify as hedge accounting instruments in accordance with the applicable rules and requirements.

Instruments that do not qualify as hedge accounting instruments are recognised in the Statement of Financial Position at their fair value, with changes therein recognised in Finance Income and Costs (**Note 5.10**) when related to financing operations, or in External Supplies and Services (**Note 2.3**) or Revenue (**Note 2.2**) when related to the hedging of foreign exchange risks on raw material purchases or on sales receipts in currencies other than the presentation currency.

Hedge accounting derivative financial instruments

Derivative financial instruments used for hedging purposes may be accounted for as hedging instruments provided they cumulatively meet the conditions defined in IFRS 9.

Cash flow hedging (interest rate and currency risk)	The Group, in managing its exposure to interest rate and foreign exchange risks, conducts cash flow hedging. These transactions are recognised in the interim Statement of Financial Position at their fair value and, to the extent they are considered effective hedges, changes in fair value are initially recorded in Other Comprehensive Income for the period. If the hedging transactions prove ineffective, the resulting gain or loss is recognised directly in profit or loss. Amounts accumulated in equity are reclassified to profit or loss when the hedged item affects the Statement of Profit or Loss (for example, when the hedged future sale materialises). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised under Finance Income and Costs (**Note 5.10**). However, when the hedged future transaction results in the recognition of a non-financial asset (for example, inventories or property, plant and equipment), gains and losses previously deferred in equity are included in the initial measurement of the cost of the asset. When a hedging instrument matures or is sold, or when it no longer meets the criteria for hedge accounting recognition, accumulated gains and losses in equity are recycled to the Statement of Profit or Loss, except when the hedged item is a future transaction whose accumulated gains and losses in equity at that date remain in equity, in which case they will only be recycled to profit or loss when the transaction is recognised in profit or loss.
Hedge of net investment in foreign operations (foreign exchange risk)	The Group, in managing its exposure to foreign exchange risk, hedges the currency exposure on investments in foreign entities (net investment) through the contracting of foreign exchange forwards, which are recorded at fair value in the consolidated Statement of Financial Position. Hedges contracted for investments in foreign operations are accounted for similarly to cash flow hedges. Gains and losses on the hedging instrument relating to the effective portion of the hedge are recognised in Other Comprehensive Income for the period. Gains and losses related to the ineffective portion of the hedge are recognised in profit or loss. Accumulated gains and losses in equity are included in profit or loss upon disposal of the foreign operation.
Foreign exchange risk hedging on exports and fuel purchases	The Group occasionally undertakes hedging operations on sales in currencies other than the presentation currency and hedges future fuel purchases, notably petcoke.
Cash flow/interest rate hedging of borrowings on foreign operations	When a Group foreign operation contracts borrowings in a currency other than the functional currency of the country of that operation, the Group undertakes hedging transactions to ensure that the exposure reflects the functional currency.

Estimates and Judgements

Fair value of derivative financial instruments

Whenever possible, the fair value of derivatives is estimated based on 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.

8.2.1. Movements in derivative financial instruments

For the periods ended 31 December 2024 and 2023, the movements in the fair value of financial instruments were as follows:

			2024			2023
Amounts in Euro	Trading derivatives	Hedging derivatives	Net total	Trading derivatives	Hedging derivatives	Net total
Balance at the beginning of the period	**(7,232,663)**	**3,856,902**	**(3,375,761)**	**(7,076,688)**	**6,258,968**	**(817,720)**
New contracts / settlements	3,881,124	681,462	4,562,586	11,676,851	-	11,676,851
Change in fair value through profit and loss (**Note 5.10**)	15,113,382	-	15,113,382	(11,544,864)	-	(11,544,864)
Change in fair value through other comprehensive income (**Note 5.4**)	-	(3,107,376)	(3,107,376)	-	(2,402,066)	(2,402,066)
Exchange rate adjustment	(422,106)	(63,780)	(485,886)	(287,962)	-	(287,962)
Balance at the end of the period	**11,339,737**	**1,367,208**	**12,706,945**	**(7,232,663)**	**3,856,902**	**(3,375,761)**

8.2.2. Details and maturity of derivative financial instruments by nature

As at 31 December 2024 and 2023, the fair value of derivative financial instruments is detailed as follows:

31 December 2024 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	2,215,458	-	2,215,458
Cross currency interest rate swap	40,000,000	USD	2029	-	(848,250)	(848,250)
				2,215,458	**(848,250)**	**1,367,208**
Trading						
Cross currency interest rate swap	18,145,527	USD	2025	124,387	-	124,387
Cross currency interest rate swap	18,145,527	USD	2025	124,387	-	124,387
Cross currency interest rate swap	18,000,000	USD	2025	2,819,493	-	2,819,493
Cross currency interest rate swap	16,000,000	USD	2025	2,322,334	-	2,322,334
Cross currency interest rate swap	10,000,000	USD	2025	2,087,521	-	2,087,521
Cross currency interest rate swap	10,000,000	EUR	2025	1,492,236	-	1,492,236
Cross currency interest rate swap	18,549,434	EUR	2025	2,218,659	-	2,218,659
Cross currency interest rate swap	5,000,000	EUR	2025	150,721	-	150,721
				11,339,738	**-**	**11,339,738**
				13,555,195	**(848,250)**	**12,706,945**

31 December 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						
Forwards cambiais	5,650,000	USD	2024	-	(32,040)	(32,040)
Forwards cambiais	800,000	USD	2024	-	(3,261)	(3,261)
Forwards cambiais	(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)**

Derivatives at Fair Value Through Profit or Loss

In December 2021, the subsidiary Supremo entered into 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 entered into to hedge the foreign exchange exposure. This derivative enabled Supremo to fix the nominal amount of the loan in BRL and pay interest at the CDI rate plus a spread, fully replicating the repayment schedule of the said EUR loan.

In January 2022, the subsidiary Supremo contracted a USD loan equivalent to BRL 100,000,000, maturing in January 2025, with semiannual capital repayments, the first in January 2023 and the last at maturity. On the same date, a cross currency interest rate swap contract was entered into to hedge the foreign exchange exposure. This derivative enabled Supremo to fix the nominal amount of the loan in BRL and pay interest at the CDI rate plus a spread, fully replicating the repayment schedule of the said USD loan.

In May 2022, the subsidiary Supremo contracted an external loan amounting to USD 18,000,000 maturing in May 2025, with a single repayment at maturity. On the same date, a cross currency interest rate swap contract was entered into to hedge the foreign exchange exposure. This derivative enabled Supremo to fix the nominal amount of the loan in BRL and pay interest at the CDI rate plus a spread, fully replicating the repayment schedule of the said USD loan.

In March 2024, the subsidiary Supremo contracted an external loan of EUR 18,549,434 maturing in March 2025, with a single repayment at maturity. On the same date, a cross currency interest rate swap contract was entered into to hedge the foreign exchange exposure. This derivative enabled Supremo to fix the nominal amount of the loan in BRL and pay interest at the CDI rate plus a spread, fully replicating the repayment schedule of the said EUR loan.

In September 2024, the subsidiary Supremo contracted an external loan of EUR 5,000,000 maturing in September 2025, with a single repayment at maturity. On the same date, a cross currency interest rate swap contract was entered into to hedge the foreign exchange exposure. This derivative enabled Supremo to fix the nominal amount of the loan in BRL and pay interest at the CDI rate plus a spread, fully replicating the repayment schedule of the said EUR loan.

In May 2022, the subsidiary Margem contracted an external loan amounting to USD 16,000,000 maturing in May 2025, with a single repayment at maturity. On the same date, a cross currency interest rate swap contract was entered into to hedge the foreign exchange exposure. This derivative enabled Margem to fix the nominal amount of the loan in BRL and pay interest at the CDI rate plus a spread, fully replicating the repayment schedule of the said USD loan.

In June 2022, the subsidiary Margem contracted an external loan of EUR 10,000,000 maturing in June 2024, with a single repayment at maturity. On the same date, a cross currency interest rate swap contract was entered into to hedge the foreign exchange exposure. This derivative enabled Margem to fix the nominal amount of the loan in BRL and pay interest at the CDI rate plus a spread, fully replicating the repayment schedule of the said EUR loan.

In October 2023, the subsidiary Margem contracted an external loan of EUR 9,256,687 maturing in October 2024, with a single repayment at maturity. On the same date, a cross currency interest rate swap contract was entered into to hedge the foreign exchange exposure. This derivative enabled Margem to fix the nominal amount of the loan in BRL and pay interest at the CDI rate plus a spread, fully replicating the repayment schedule of the said EUR loan.

In January 2024, the subsidiary Margem contracted an external loan of EUR 10,000,000 maturing in January 2025, with a single repayment at maturity. On the same date, a cross currency interest rate swap contract was entered into to hedge the foreign exchange exposure. This derivative enabled Margem to fix the nominal amount of the loan in BRL and pay interest at the CDI rate plus a spread, fully replicating the repayment schedule of the said EUR loan.

In February 2024, the subsidiary Margem contracted an external loan amounting to USD 10,000,000 maturing in January 2025, with a single repayment at maturity. On the same date, a cross currency interest rate swap contract was entered into to hedge the foreign exchange exposure. This derivative enabled Margem to fix the nominal amount of the loan in BRL and pay interest at the CDI rate plus a spread, fully replicating the repayment schedule of the said USD loan.

Cash Flow Hedge

In 2020, Secil contracted a bond loan of EUR 50,000,000, repayable in full at par in April 2027, with semiannual postpaid interest payments. On 26 October 2020, a derivative was contracted to hedge interest rate risk, through an interest rate swap (IRS) with a notional amount of EUR 50,000,000, commencing on 29 October 2020 and maturing on 29 April 2027.

In December 2024, the subsidiary Supremo contracted an external loan of USD 40,000,000 maturing in December 2029, with a single repayment at maturity. On the same date, a cross currency interest rate swap contract was entered into to hedge the foreign exchange exposure. This derivative enabled Supremo to fix the nominal amount of the loan in BRL and pay interest at the CDI rate plus a spread, fully replicating the repayment schedule of the said USD loan.

8.3. OTHER FINANCIAL INVESTMENTS

Accounting Policies

Measurement	These financial investments are recognised as: a) At fair value through profit or loss, when the Group holds them with the intention to trade; and a) b) At fair value through other comprehensive income, the remaining financial investments.

Em 31 de dezembro de 2024 e 2023, os outros investimentos financeiros, são detalhados conforme se segue:

Amounts in Euro	31-12-2024	31-12-2023
Derivative financial instruments 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	7,572	7,375
TCG - Terminale Cimentier de Gabés	184,456	182,530
Sté Zone Franche de Zarzis	110,340	106,883
Outros	64,394	61,919
	414,263	**406,207**

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8.4. FINANCIAL ASSETS AND LIABILITIES

8.4.1. Categories of the Group's Financial Instruments

The financial instruments included in each line item of the consolidated statement of financial position are classified as follows:

Assets Amounts in Euro	Note	Financial liabilities at amortised cost	Financial liabilities at fair value through profit and loss (excluding derivatives)	Hedging derivative financial instruments	Hedging derivative financial instruments	Non-financial assets	Total
31 December 2024							
Other financial investments	8.3	-	414,263	-	-	-	414,263
Receivables	4.2	116,542,167	-	13,555,195	-	4,138,557	134,235,919
Cash and cash equivalents	5.8	139,873,264	-	-	-	-	139,873,264
Non-current assets held for sale	3.6	-	-	-	-	1,008,000	1,008,000
Total assets		**256,415,431**	**414,263**	**13,555,195**	**-**	**5,146,557**	**275,531,446**
31 December 2023							
Other financial investments	8.3	-	406,207	-	-	-	406,207
Receivables	4.2	116,166,446	-	3,856,902	-	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		**176,781,042**	**406,207**	**3,856,902**	**-**	**10,158,314**	**191,202,465**

Liabilities Amounts in Euro	Note	Financial liabilities at amortised cost	Financial liabilities at fair value through profit and loss (excluding derivatives)	Hedging derivative financial instruments	Hedging derivative financial instruments	Non-financial assets	Total
31 December 2024							
Interest-bearing liabilities	5.6	445,550,720	-	-	-	-	445,550,720
Lease liabilities	5.7	-	-	-	38,162,531	-	38,162,531
Payables and other current liabilities	4.3	201,210,293	-	-	-	76,033,491	277,243,784
Total liabilities		**646,761,013**	**-**	**-**	**38,162,531**	**76,033,491**	**760,957,035**
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
Total liabilities		**552,141,187**	**-**	**7,232,663**	**32,385,479**	**81,522,950**	**673,282,279**

9. PROVISIONS, COMMITMENTS AND CONTINGENCIES

Amounts in Euro	Note	31-12-2024	31-12-2023
Provisions	9.1	147,653,998	145,726,059
Commitments	9.2	42,096,998	39,159,098
Guarantees provided to third parties	9.2	19,606,563	24,086,193

9.1. PROVISIONS

Accounting Policies

Recognition and initial 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 resources will be required to settle the obligation; and • A reliable estimate of the amount of the obligation can be made.
Capitalisation of expenditures	Provisions for environmental rehabilitation are recognised against the item of tangible fixed assets (**Note 3.3**). Some Group companies are responsible for the environmental and landscape rehabilitation of quarries used in operations, in accordance with applicable legislation. The rehabilitation works essentially include cleaning and regularisation of the areas designated for recovery, modelling and preparation of the land, transport and spreading of waste materials for landfill, fertilisation, execution of the general covering plan with hydroseeding and planting, and maintenance and conservation of the recovered areas after implementation.
Subsequent measurement	Provisions are reviewed at the consolidated statement of financial position date and adjusted to reflect the best estimate at that date. Provisions for environmental rehabilitation are remeasured to reflect the time value of money, with a corresponding entry under “Financial discount on provisions” in **Note 5.10** – Finance income and expenses, and are consumed by the expenditures incurred by the Group on rehabilitation, at the date these occur.

Estimatives and judgements

Legal proceedings

These provisions were established based on risk assessments internally performed by the Group with the support of its legal advisors, grounded on the likelihood of the decision being favourable or unfavourable to the Group.

Environmental rehabilitation

The extent of the required works and the related costs to be incurred were determined based on quarry mining plans and studies prepared by independent entities, with the total liability measured at the expected value of future cash flows, discounted to present value.

Judgements and estimates are involved in forming expectations about future activities and the amount and timing of the associated cash flows. These expectations are based on the current environment and applicable regulations.

For quarries whose restoration is only possible at the end of exploitation, the Group requested independent specialised entities to assess these liabilities as well as the estimated exploitation period, recognising provisions accordingly.

Movements in provisions

During the periods ended 31 December 2024 and 2023, the movements in Provisions were as follows:

Amounts in Euro	Environmental recovery	CO_2 emission allowances	Other	Total
Balance as at 1 January 2023	**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 discount on provisions (**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**
Increases	63,409	101,114,014	10,750,739	111,928,162
Reversals	(9,608)	486,166	(853,163)	(376,605)
Impact on profit for the period	**53,801**	**101,600,180**	**9,897,576**	**111,551,557**
Charge-off	(701,858)	(109,892,175)	(1,401,395)	(111,995,428)
Exchange rate adjustment	38,532	-	(86,308)	(47,777)
Financial discount on provisions (**Note 5.10**)	317,603	-	-	317,603
Transfers and adjustments	2,101,984	-	-	2,101,984
Balance as at 31 December 2024	**11,220,813**	**104,275,690**	**32,157,494**	**147,653,998**

Environmental rehabilitation

The amount presented under transfers and adjustments, totalling Euros 2,101,984, corresponds to the revision of the quarry and landscape rehabilitation plans carried out during 2024 (2023: Euros 249,218), namely revisions of expenses and interest rates. This revision also resulted in the recognition of an increase in Landscape Rehabilitation Assets for the same amount (**Note 3.3**).

CO_2 emission allowances

The provisions include liabilities related to the obligation to return CO_2 emission allowances corresponding to the CO_2 emissions recorded in 2024. Therefore, upon settlement of the emissions with the delivery of these allowances, the provision is derecognised.

In 2024 and 2023, derecognition of CO_2 emission allowances occurred due to consumption from 2023 and 2022, respectively. This movement is reflected in the movement of Intangible Assets (**Note 3.2**).

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Other provisions

These relate to provisions established to cover risks associated with various events, whose resolution may result in cash outflows, including organisational restructuring processes, supplements to the Lebanese National Social Security Fund, risks related to contractual positions assumed in investments, among others.

9.2. COMMITMENTS

Purchase commitments

As of 31 December 2024 and 2023, the commitments assumed by the Group relate to acquisitions of tangible fixed assets and goods and services, detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023
Purchase commitments		
Property, plant and equipment	14,195,996	20,174,383
Electric power	3,022,690	1,682
Raw materials - Petcoque and Coal	7,917,977	4,618,100
Services	12,141,892	10,004,958
Other	4,818,442	4,359,974
	42,096,998	**39,159,098**

Guarantees provided to third parties

As of 31 December 2024 and 2023, the Group presents guarantees provided to third parties as follows:

Amounts in Euro	31-12-2024	31-12-2023
Guarantees provided		
IAPMEI (âmbito do QREN)	-	102,590
IAPMEI (âmbito do PEDIP)	209,305	209,305
APSS - Admi. dos Portos de Setúbal e Sesimbra	2,942,288	2,942,288
Comissão de Coordenação e Desenv. Regional LVT	1,247,478	1,247,478
Conselho de Emprego, Indústria e Turismo (Espanha)	279,648	279,648
Asturianos do Principado	674,470	-
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	1,605,382	236,403
Comissão de Coordenação e Desenv. Regional Centro	751,042	751,042
Comissão de Coordenação e Desenv. Regional Algarve	678,620	678,620
Tribunal do Trabalho	217,324	217,324
Livranças, avais e fianças	7,849,250	8,909,377
Secretaria Regional do Ambiente e Recursos Naturais	199,055	199,055
Agência de Desenvolvimento e Coesão	120,660	4,896,587
Other	682,340	1,336,811
	18,475,390	**23,025,056**
Mortgages on Land, Real Estate and Equipment	**1,131,173**	**1,061,137**
	19,606,563	**24,086,193**

10.GROUP STRUCTURE

	Note
Companies included in the consolidation perimeter	10.1
Non-controlling interests	10.1
Changes in the consolidation perimeter	10.2
Movements in associates and joint ventures	10.3
Transactions with related parties	10.4

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 to, 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 income of these companies attributable to non-controlling interests are presented under the headings of non-controlling interests.
Business combination	The purchase method is used to account for the acquisition of operations constituting a business. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued, and liabilities incurred or assumed at the acquisition date. Identifiable acquired assets and assumed liabilities and contingent liabilities in a business combination are measured at fair value at the acquisition date, regardless of the existence of non-controlling interests. The excess of the acquisition cost over the Group's share of the fair value of identifiable acquired assets and liabilities is recorded as goodwill (**Note 3.1**). Acquisition cost is subsequently adjusted when the purchase/assignment price is contingent on the occurrence of specific events agreed with the seller/shareholder (e.g., achievement of fair value of acquired assets). Any contingent payments to be made by the Group are recognised at fair value at the acquisition date. If the assumed obligation constitutes a financial liability, subsequent changes in fair value are recognised in profit or loss. If the assumed obligation is an equity instrument, there is no subsequent adjustment to the initially estimated amount. If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary (negative goodwill or badwill), the difference is recognized directly in profit or loss under Other operating income and gains (**Note 2.2**). Directly attributable transaction costs are immediately recognized in profit or loss. When the Group already holds a previously acquired interest at the control acquisition date, the fair value of that interest is included in determining goodwill or badwill. When control acquisition is made for less than 100%, under the purchase method, non-controlling interests may be measured at fair value or at the proportionate share of the fair value of the acquired assets and liabilities, this option being defined per transaction.

Consolidation	Subsidiaries are fully consolidated from the date control is transferred to the Group. When acquiring additional shares in already controlled companies, the difference between the percentage acquired and the acquisition cost is recorded directly in equity. The accounting policies of subsidiaries are amended, when necessary, to ensure consistency with those adopted by the Group. Intra-group transactions, balances, unrealized gains in transactions, and dividends between group companies are eliminated. Unrealized losses are also eliminated, except when the transaction provides evidence of impairment of a transferred asset.
Subsequent subsidiary transactions	*Loss of control disposals* In disposals of interests resulting in loss of control over a subsidiary, any remaining interest is remeasured at fair value at the date of sale and the resulting gain or loss is recorded in profit or loss, as well as the gain or loss arising on the disposal. *Transactions without loss of control* Subsequent disposals or acquisitions of interests in non-controlling interests that do not result in loss of control do not result in recognition of gains, losses, or goodwill; any difference between the transaction amount and the carrying amount of the interest is recognized in equity under Retained earnings. Negative results generated by subsidiaries with non-controlling interests are allocated proportionally to these interests, even if they generate a negative balance.
Entities controlled by the Group	Secil controls an entity (subsidiary) when it is exposed to, or has rights to, 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 income of these companies attributable to non-controlling interests are presented under the headings of non-controlling interests.

Companies included in the consolidation

As at 31 December 2024 and 2023, the Group includes the following subsidiaries:

		31-12-2024			31-12-2023
		% of capital held by Secil			% of capital held by Secil
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.	Holanda	100.00	-	100.00	100.00
Société des Ciments de Gabés	Tunisia	98.77	-	98.77	98.77
Sud- Béton- Société de Fabrication de Béton du Sud	Tunisia	-	98.77	98.77	98.77
Zarzis Béton	Tunisia	-	98.58	98.58	98.58
Secil Angola, SARL	Angola	100.00	-	100.00	100.00
Secil - Companhia de Cimento do Lobito, S.A.	Angola	-	100.00	100.00	100.00
Secil Betão, S.A.	Portugal	100.00	-	100.00	100.00
SECIL - Agregados, S.A.	Portugal	100.00	-	100.00	100.00
SECILTEK, S.A.	Portugal	100.00	-	100.00	100.00
IRP - Industria de Rebocos de Portugal, S.A.	Portugal	-	75.00	75.00	75.00
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 – breakdown by subsidiary

As at 31 December 2024 and 2023, the breakdown of non-controlling interests, presented in the income statement and equity, is as follows:

		Profit/ (loss)		Equity capital	
Amounts in Euro	% held	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Société des Ciments de Gabés e subsidiárias	1.28	9,693	(1,232)	442,809	421,719
IRP - Industria de Rebocos de Portugal, S.A.	25.00	381,532	293,301	555,368	467,086
Ciments de Sibline, S.A.L e subsidiárias	48.95	(5,573,291)	12,007,868	8,986,827	13,875,978
Other		(1,502)	(456)	9,815	11,317
		(5,183,568)	**12,299,481**	**9,994,820**	**14,776,101**

Non-controlling interests – movements

In the periods ended 31 December 2024 and 2023, the movements in non-controlling interests were as follows:

Amounts in Euro	31-12-2024	31-12-2023
Opening balance	**14,776,101**	**3,320,329**
Dividends	(293,250)	(306,023)
Transposition of the financial statements of foreign subsidiaries	695,583	(3,589,070)
Changes in actuarial assumptions	(46)	61
Hyperinflationary economies	-	(1,098,626)
Other changes in equity	-	4,149,949
Net profit for the period	(5,183,568)	12,299,481
Closing balance	**9,994,820**	**14,776,101**

10.2. CHANGES IN THE CONSOLIDATION SCOPE

During the period ended 31 December 2024, no changes occurred in the consolidation scope. In the period ended 31 December 2023, the scope was altered compared to the previous period due to the following corporate reorganization transactions:

2023	Date
Acquisition of non-controlling interests	
Secil - Companhia de Cimento do Lobito, S.A. (49%)	Jan/23

10.3. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Accounting Policies

Associates	These are all entities over which the Group exercises significant influence but does not have control, generally with investments representing between 20% and 50% of the voting rights.
Joint ventures	These are agreements that grant the Group joint control (contractually established) and in which the Group holds an interest in the net assets.
Equity method	Investments in associates and joint ventures are accounted for using the equity method. Financial interests are recorded at acquisition cost, adjusted by the Group's share of changes in equity (including net profit) of the associates and joint ventures, credited to Share of results of associates and joint ventures, and dividends. When the Group's share of losses in the associate or joint ventures equals or exceeds its investment in these entities, the Group stops recognising further losses, except if it has incurred liabilities or made payments on behalf of these entities.
Unrealised gains and losses on transactions with the Group	Unrealised gains on transactions with associates and joint ventures are eliminated to the extent of the Group's interest in them. Unrealised losses are also eliminated, except where the transaction provides evidence of impairment of a transferred asset.

Investments in associates and joint ventures

As of 31 December 2024 and 2023, investments in associates and joint ventures are detailed as follows:

	31-12-2024		31-12-2023	
Amounts in Euro	% held	Book value	% held	Book value
Associates				
MC - Materiaux de Construction	49.36%	1,515	49,36%	1,474
J.M.J. - Henriques, Lda.	50.00%	360,889	50,00%	363,498
Ave, S.A.	35.00%	101,748	35,00%	167,008
Joint ventures				
KREAR - Construção Industrializada, S.A.	50.00%	2,640,417	50,00%	1,167,557
		3,104,569		**1,699,538**

Movements in associates and joint ventures

For the periods ended 31 December 2024 and 2023, the movements in investments in associates and joint ventures were as follows:

Amounts in Euro	2024	2023
Opening balance	**1,699,538**	**549,997**
Acquisitions	2,000,000	1,250,000
Net profit - associates	(417,224)	65,713
Dividends distributed	(177,786)	(166,146)
Exchange rate adjustment	41	(26)
Closing balance	**3,104,569**	**1,699,538**

Information on associates and joint ventures

For the periods ended 31 December 2024 and 2023, the associates and joint ventures reported the following amounts in their accounts:

2024 Amounts in Euro		Total Assets	Total Liabilities	Equity	Profit for the period	Net Profit
Associates						
MC- Materiaux de Construction	a)	958,991	1,202,824	(243,833)	1,783,111	(25,508)
J.M.J. - Henriques, Lda.	b)	1,047,388	329,104	718,284	-	(9,075)
Ave-Gestão Ambiental e Valorização Energética, S.A.	c)	7,581,891	7,291,183	290,708	19,980,493	229,738
Joint ventures						
KREAR - Construção Industrializada, S.A.	c) d)	10,939,802	5,658,968	5,280,835	-	(1,055,194)

a) The financial information presented is in accordance with the associate's financial statements for the period ended 30-09-2024.
b) The financial information presented is in accordance with the associate's financial statements for the period ended 31-12-2024.
c) The financial information presented is in accordance with the associate's financial statements for the period ended 30-11-2024.
d) In 2024, Secil paid Euro 2,000,000 in additional capital to KREAR, under the shareholder agreement.

2023 Amounts in Euro		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						
KREAR - Construção Industrializada, S.A.	a) b)	1,736,604	401,490	1,335,114	-	(164,886)

a) The financial information presented is in accordance with the associate's financial statements for the period ended 30-11-2023.
b) In 2023, Secil paid Euro 1,000,000 in additional capital to KREAR, under the shareholder agreement, according to which the Company may be required to pay and additional Euro 2,000,000.

10.4. RELATED PARTY TRANSACTIONS

Balances with related parties

As of 31 December 2024 and 2023, the Group presents the following balances with related parties:

Amounts in Euro	Receivables (Note 4.2)	Payables (Note 4.3)	Deferred tax assets	Income tax (Note 6.1)	Receivables (Note 4.2)	Payables (Note 4.3)	Deferred tax assets	Income tax (Note 6.1)
				31-12-2024				31-12-2023
Shareholders								
Semapa, SGPS, S.A.	11,021	4,637,012	-	-	12,174	2,075,342	-	-
Semapa, SGPS, S.A. - RETGS	-	-	895,826	(1,830,756)	-	-	853,313	161,974
CIMO - Gestão de participações, SGPS, S.A.	-	1,160	-	-	-	1,160	-	-
	11,021	**4,638,172**	**895,826**	**(1,830,756)**	**12,174**	**2,076,502**	**853,313**	**161,974**
Associates and Joint Ventures								
J.M.J. Henriques, Lda.	143,342	-	-	-	105,116	-	-	-
Inertogrande - Central de Betão, Lda.	230,468	8,169	-	-	188,382	8,169	-	-
Ave-Gestão Ambiental e Valorização Energética, S.A.	626,719	621,641	-	-	507,369	588,710	-	-
	1,000,529	**629,810**	**-**	**-**	**800,867**	**596,879**	**-**	**-**
Other related parties								
Cotif Sicar	-	9,586	-	-	-	67,294	-	-
Grupo Navigator	691,650	-	-	-	958,854	-	-	-
Utis - Ultimate Technology To Industrial Savings, Lda.	-	61,585	-	-	(85)	796,988	-	-
Other subsidiary shareholders and other related parties	161,674	5,635,348	-	-	5,905	6,225	-	-
	853,325	**5,706,519**	**-**	**-**	**964,674**	**870,507**	**-**	**-**
	1,864,875	**10,974,502**	**895,826**	**(1,830,756)**	**1,777,714**	**3,543,888**	**853,313**	**161,974**

Transactions during the period with related parties

In the periods ended 31 December 2024 and 2023, the Group carried out the following transactions with related parties:

	2024			2023		
Amounts in Euro	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.	(5,260,297)	-	41,068	(4,245,266)	-	15,570
	(5,260,297)	**-**	**41,068**	**(4,245,266)**	**-**	**15,570**
Associates and Joint Ventures						
Ave-Gestão Ambiental e Valorização Energética, S.A.	(5,715,986)	36	323,872	(3,024,080)	40	129,907
	(5,715,986)	**36**	**323,872**	**(3,024,080)**	**40**	**129,907**
Other related parties						
Grupo Navigator	-	1,197,000	67,487	(625)	1,009,214	-
UTIS, Lda.	(199,617)	-	-	(1,041,751)	-	-
	(199,617)	**1,197,000**	**67,487**	**(1,042,376)**	**1,009,214**	**-**
	(11,175,900)	**1,197,037**	**432,427**	**(8,311,722)**	**1,009,254**	**145,478**

11. OPERATIONAL RISK MANAGEMENT

The Group operates in the construction sector, which is subject to various risks that may have a significant impact on its activities, operating results, cash flows, and financial position.

The operational risk factors analysed in this chapter can be structured as follows:

- Supply of raw materials
- Selling 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

Regarding cement and other materials, the main raw materials in the cement manufacturing process are limestones and marls or clays, which are extracted from the Group's own quarries located within the factory perimeter. The Group holds reserves that ensure sustained exploitation over the coming years in a significant part of the geographical locations where it operates.

Selling price

As the Group operates in geographically diverse markets, the prices applied essentially depend on the economic situation and competition in each country.

Demand for the Group's products

The Group's turnover derives from the level of activity in the construction sector in each of the geographic 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, as well as infrastructure investment.

The construction sector is sensitive to factors such as interest rates, and a downturn in economic activity in a given economy may lead to a recession in this sector.

Although the Group considers that its geographic diversification is the best way to stabilise its results, its activity, financial situation, and operating results may be negatively affected by a downturn in the construction sector in any significant market where it operates.

Competition

The Group's companies operate in a competitive environment. In the case of the Portuguese market, excess capacity among domestic operators combined with imports may affect performance in this segment.

The same applies in Tunisia and Lebanon, countries currently in recession with excess installed capacity, which has negatively impacted prices in those countries.

Energy Costs

A significant portion of the Group's costs depends on energy costs. Energy is a cost factor with considerable weight in the operations of Secil and its subsidiaries. The Group partially mitigates the risk of rising energy prices through the ability of some of its plants to use alternative fuels and through long-term electricity supply contracts for some of its energy needs. Despite these measures, significant fluctuations in electricity and fuel costs may negatively affect its operations, financial position, and operating results.

Risks Associated with Climate Change

The Secil Group operates in a sector with high carbon emissions in its production process, namely in the calcination of calcium carbonates present in the main raw materials and the combustion of fuels in the kilns. Aware of this situation, Secil has been developing a set of strategies and investments to reduce these emissions through thermal and electrical efficiency gains, the use of alternative fuels, and closely follows the development of new disruptive technologies for CO_2 capture, storage, and utilisation (CCUS) in order to select the most appropriate solution at the right time, thereby reducing its total CO_2 emissions footprint and promoting adaptation to the physical and transition risks generated by climate change.

Changes in the regulatory environment, namely the increase in the price of CO_2 emission allowances, and more frequent extreme weather events increase the risk of interruptions in production, logistics, and supply of raw materials and energy. Uncertainties related to climate change may also result in changes to the Group's projected cash flows or the revision of the useful lives of assets.

In this challenging context, within the transition to a decarbonised economy, the Group monitors the potential impacts on its financial position, performance, and cash flows resulting from climate change, namely the impacts on relevant accounting estimates and judgements.

As disclosed, aware of this new framework and associated risks, Secil is developing a set of strategies and investments to reduce carbon emissions that will enable the Group to achieve its targets and respond appropriately to the sector's climate challenges.

Thus, in 2024 Secil defined a Roadmap with specific actions for all production units aimed at achieving a level of CO_2 emissions reduction by 2030 that ensures alignment with the goal of limiting global warming of planet Earth to 1.5 ºC, avoiding the worst effects of climate change as defined in the Paris Agreement. The targets were validated by the Science Based Targets initiative (SBTi) methodology.

We also highlight the technological update project of its production unit in Outão, the CCL Project - Clean Cement Line, an investment totalling approximately 86 million euros completed in 2024, currently in the operational production process optimisation phase.

At the Maceira production unit, a new project was initiated, ProFuture - CCL Maceira, with a planned investment of 62.9 million euros, which will allow a 21% reduction in CO_2 emissions and a 20.8% reduction in total energy consumption compared to the 2019 baseline year.

These projects will position these units as European benchmarks in terms of energy and environmental efficiency.

The Secil Group demonstrates a strong capacity for free cash flow generation and a comfortable financial position. The Board of Directors is confident that, given its financial and liquidity situation, no significant negative impacts arising from climate change are foreseen that would justify the recognition of additional impairments or compromise the going concern principle applied in preparing these financial statements.

Country Risk – Brazil, Tunisia, and Angola

The Group is exposed to country risk in Brazil, Tunisia, and Angola, where it holds investments in production units.

Country Risk – Lebanon

Lebanon faces a challenging geopolitical and economic scenario marked by political instability, slow economic recovery, and regional tensions. The recent presidential election and formation of a new government have brought hope for the normalisation of institutions, but governance remains fragile due to political fragmentation. However, regional tensions, particularly the conflict between Israel and Hezbollah, represent an ongoing risk to internal stability and may hinder economic and social progress. The new government's ability to promote political stability and reforms will be decisive for Lebanon's future in 2025.

Regarding inflation, it has been rising since early 2020, reaching a cumulative inflation rate above 100% over a 3-year period by July of that year, leading the country to be declared a hyperinflationary economy. Consequently, companies were required to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" (**Note 5.11**). In 2024, annual inflation fell below 100% for the first time since 2020, though the 3-year cumulative inflation remains above 100%.

After several years marked by a sharp depreciation of the local currency and shortage of foreign reserves, 2024 showed some stability.

In addition to widespread inflation and currency shortages, most industries in Lebanon have faced restrictions in energy supply from the public electricity production and distribution company, which has also negatively affected Secil's operations in Lebanon.

Environmental Legislation

In 2021, the 4th phase of the EU Emissions Trading System (EU ETS) began, with the first sub-period running until the end of 2025.

For the next sub-period starting in 2026 and running until the end of 2030, relevant legislative acts are under review and will be published following approval, with full disclosure expected in 2026 as the process is ongoing.

Following the 2024 European elections, a new legislative package is expected to continue driving the decarbonisation of the European economy, focusing on creating the necessary conditions to implement the actions outlined in the Roadmaps to meet the 2030 targets, adapt to the new economic and political reality, and outline the post-2030 path with potential objectives for 2040.

Regarding the Carbon Border Adjustment Mechanism (CBAM), aimed at equalising CO_2 costs borne by both European producers and non-European exporters to Europe, a transitional period is underway until the end of 2025, during which exporters are only required to declare the carbon emissions of products imported into the EU. After evaluating performance during this period, legislation with necessary adjustments to ensure the procedure's integrity will be published during 2025, with the new regime entering into force in January 2026, requiring effective payment of carbon emissions by exporters to the EU to ensure fair competition among producers involved.

At the same time, the phase-out period of free allowances will begin, with these ceasing to exist by 2034.

BOARD OF DIRECTORS

Chairman

Ricardo Miguel dos Santos Pacheco Pires

Vice-Chairman

Otmar Hübscher

Members (of the Board)

Carlos Alberto Medeiros Abreu

Carlos Eduardo Coelho Alves

Carlos Manuel Guimarães Correia de Barros

Gian Lorenz Raffainer

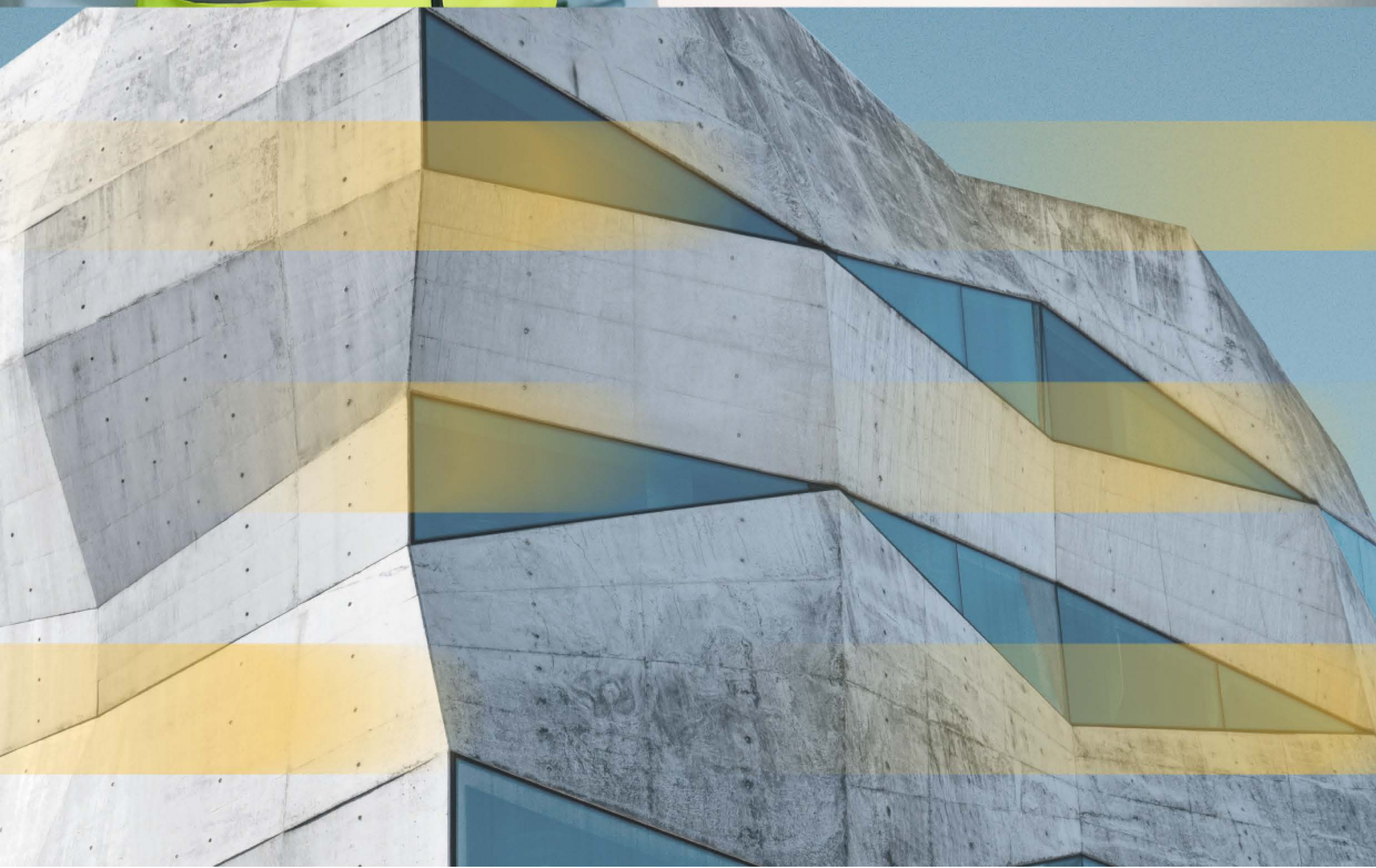
Hugo Alexandre Lopes Pinto

Maria Isabel da Silva Marques Abranches Viegas

Sérgio António Alves Martins

Vítor Paulo Paranhos Pereira

08. STATUTORY AUDIT CERTIFICATION



KPMG

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 2024 (showing a total of Euro 1,271,407,151 and a total equity of Euro 269,555,313, including a net profit attributable to equity holders of Euro 55,533,930), the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) 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 entities that comprise 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 (IFRS) 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 misstatements, 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 consolidated 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 ISA 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 ISA, we exercise professional judgement and maintain professional scepticism 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 consolidated 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;

KPMG

- 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;
- plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, as well as the verification that the non-financial information was presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the consolidated management report

Pursuant to Article 451(3)(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 and 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.

29 May 2025

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with no. 20161489)
Represented by
Ricardo Jorge dos Santos Santana
(ROC no. 1785 and registered at CMVM with no. 20161629)

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09. REPORT AND OPINION OF THE SUPERVISORY BOARD

SECIL - Companhia Geral de Cal e Cimento, S.A.

Report and Opinion of the Supervisory Board
on the Consolidated Financial Statements

2024 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 performed in 2024 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 2024.

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 also monitored the process of the Secil Group's Consolidated Sustainability Report, included in the "Statement of Non-Financial Information" section of the Annual Report (the Consolidated Sustainability Report), as at 31 December 2024, prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), which contains relevant information that enables an understanding of the performance, position and impact of the Group's activities and businesses, with regard to environmental, social and governance issues.

4. 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.

5. We have also taken note of the Independent Auditor's Limited Assurance Report on Sustainability Reporting for the purpose of issuing a conclusion of limited assurance, which does not include any modifications, except for the fact that the comparative information as at 31 December 2023 has not been subject to limited assurance work, a situation with which we agree.

6. The Supervisory Board analysed the proposals presented for the provision of non-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.

7. 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 Notes 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 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.

8. Therefore, 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.

9. 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, SROC, Lda.

Lisbon, 3 June 2025

The President of the Supervisory Board,

[signature]

José Manuel de Oliveira Vitorino

The Member,

[signature]

Gonçalo Nuno Palha Gaio Picão Caldeira

The Member

[signature]

Maria da Luz Gonçalves de Andrade Campos

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