



SOLID IN EVOLUTION

SUSTAINABILITY
REPORT
2022



There is no change without commitment
Neither evolution without transformation

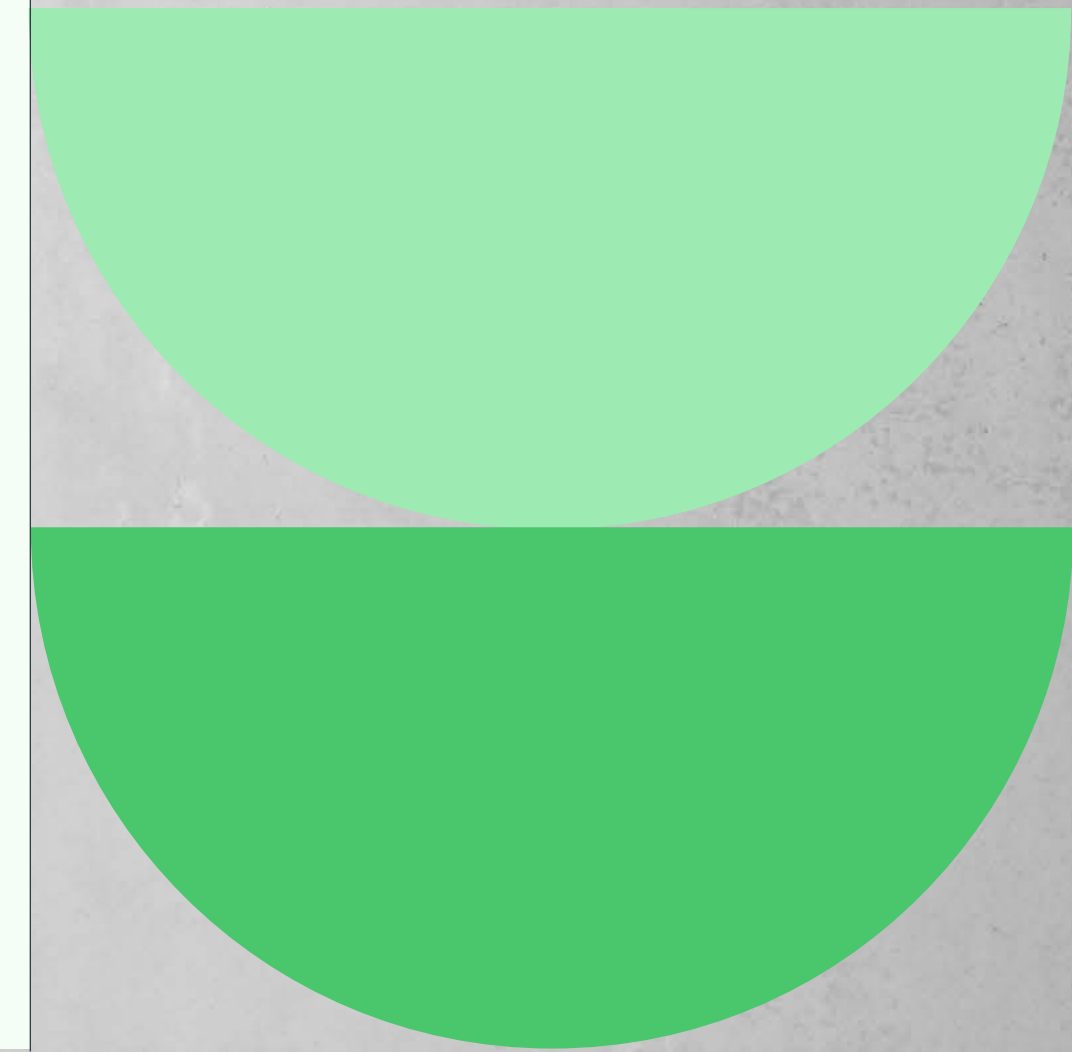
To evolve is to reinvent the present
To respect the future
It's learning from nature

On this journey of renewal
We rediscover our vision
We reinvent our mission

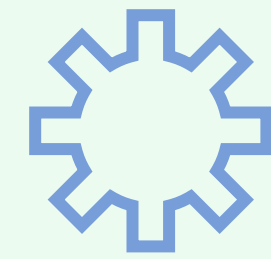
We affirm our solidity Secil,

SOLID IN

EVOLUTION



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Secil

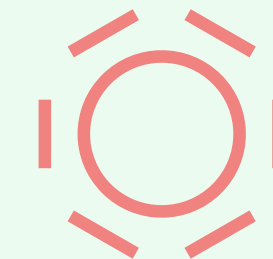
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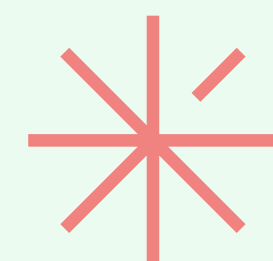
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RICARDO PIRES
Chairperson of the Board of Directors

Open Letter to the Stakeholders

Secil's strong commitment to Sustainability requires great transparency of action and the involvement of all stakeholders in the long journey towards a more sustainable and decarbonised world.



[READ THE LETTER](#)



OTMAR HÜBSCHER
Chief Executive Officer



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Open Letter to the Stakeholders

Secil's strong commitment to Sustainability requires great transparency of action and the involvement of all stakeholders in the long journey towards a more sustainable and decarbonised world.

We therefore decided this year to address this open letter to our stakeholders to inform them of our solid progress towards Sustainability, without, however, overlooking our constraints and shortcomings.

As everyone already knows, Secil is firmly committed to the Sustainability of its business operations, and is a signatory to the global, European and Portuguese Roadmaps for the decarbonisation of the cement industry, which strengthen a trend that has already been embodied over the last two decades, with extraordinary progress since 2015.

In our previous 2020-2021 Sustainability Report, we expressed our view that we were already undertaking solid transformation, so this year we report on the steps of the solid evolution we are taking towards 2030 and 2050.

In 2022 we conceived and presented internally our "Ambition2025, Sustainable Growth", a strategic

vision for Secil to demonstrate strong sustainable growth by 2025, without losing sight of the industry's global commitments for 2030 and 2050.

To this end, we have defined concrete targets for our ESG pillars and strengthened our actions with ethics and corporate responsibility, creating value for all stakeholders.

From this perspective, environmentally, we aim to decarbonise our production, reduce atmospheric emissions, increase circularity and the efficient use of resources, and promote biodiversity with appropriate water management.

At the social level, our priorities are to establish a culture of safety and occupational health, DEVELOP ALL OUR PEOPLE, involve stakeholders and increase equity, diversity and inclusion within the organisation, with ample respect for human and labour rights.

In terms of Governance, we focus on organisational management based on ethics, integrity and compliance, with robust reporting practices, namely in sustainability management.

Secil is firmly committed to the Sustainability of its business operations, and is a signatory to the global, European and Portuguese Roadmaps for the decarbonisation of the cement industry, which strengthen a trend that has already been embodied over the last two decades, with extraordinary progress since 2015.



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From this perspective, environmentally, we aim to decarbonise our production, reduce atmospheric emissions, increase circularity and the efficient use of resources, and promote biodiversity with appropriate water management.

These three pillars are integrated under the auspices of sustainable economic growth, in which sustainable Procurement and Finance gain added importance.

As a result of these objectives, we guarantee our Clients responsible, quality production of cement, concrete and other building materials for the best development of their businesses and the satisfaction of all consumers.

We want to have a group of Suppliers who share our Commitment to Sustainability and with whom we can work in a lasting relationship of mutual benefit with clear, transparent and fair contracting conditions.

Our Employees are aware of our commitment to creating a strong safety culture which reduces workplace risks and allows everyone to return home to their families safely after each working day. We are aware of the profound changes occurring in the labour market and we are completely committed to ensuring the appropriate attraction and retention of Talent, providing attractive and rewarding careers for our workforce in an environment of diversity and inclusion.

In our Communities, we want to be a responsible and reliable partner which promotes well-being and social and cultural progress through dynamic and continuous community involvement.

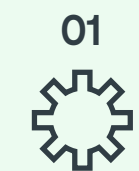
To our Shareholders, we reiterate the maintenance of a competitive level of return on invested capital, ensuring a return/risk profile adjusted to the investments necessary for the decarbonisation of our activity and the ESG commitments assumed. Without economic profitability there can be no success for any company and we will work together with the financial sector to raise the necessary funding sustainably.

We know that in a context of strong geostrategic turbulence and accelerated adaptation to climate change these commitments are challenging and demanding, but we also know that we are on the right path, which we want known by all stakeholders.

Secil alone will not be able to overcome all its obstacles, from decarbonisation to the shortage of qualified human capital, but we know that the scale of the sustainability challenges, which impact everyone, will lead to a growing communion of objectives and actions to achieve the goals of the Paris Agreement and the Sustainable Development Goals.

Ricardo Pires
Chairperson of the Board of Directors

Otmar Hübscher
Chief Executive Officer

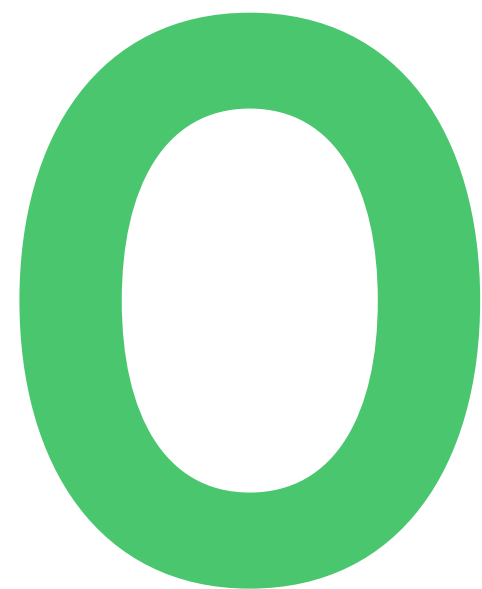


2023 Headlight Figures

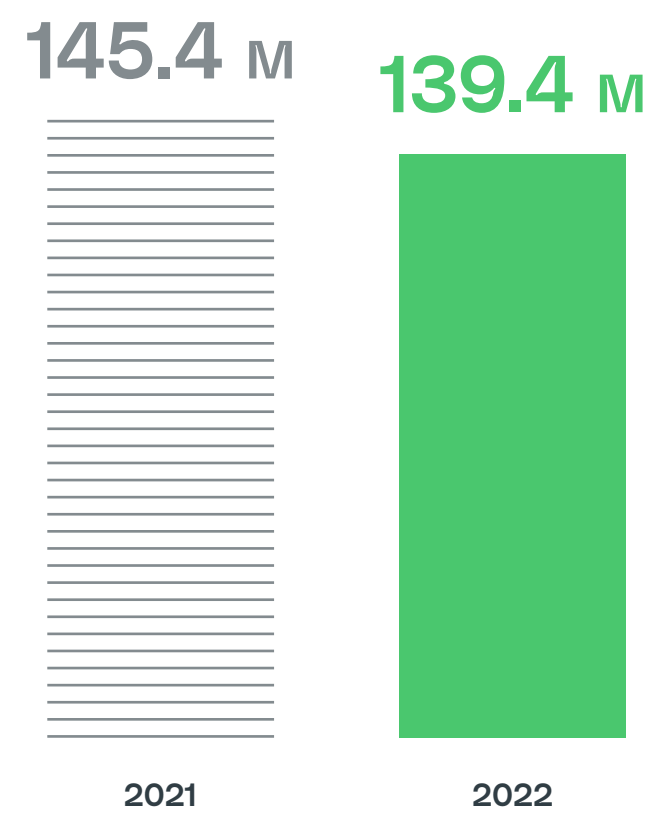
Secil in Numbers

Strategic Indicators

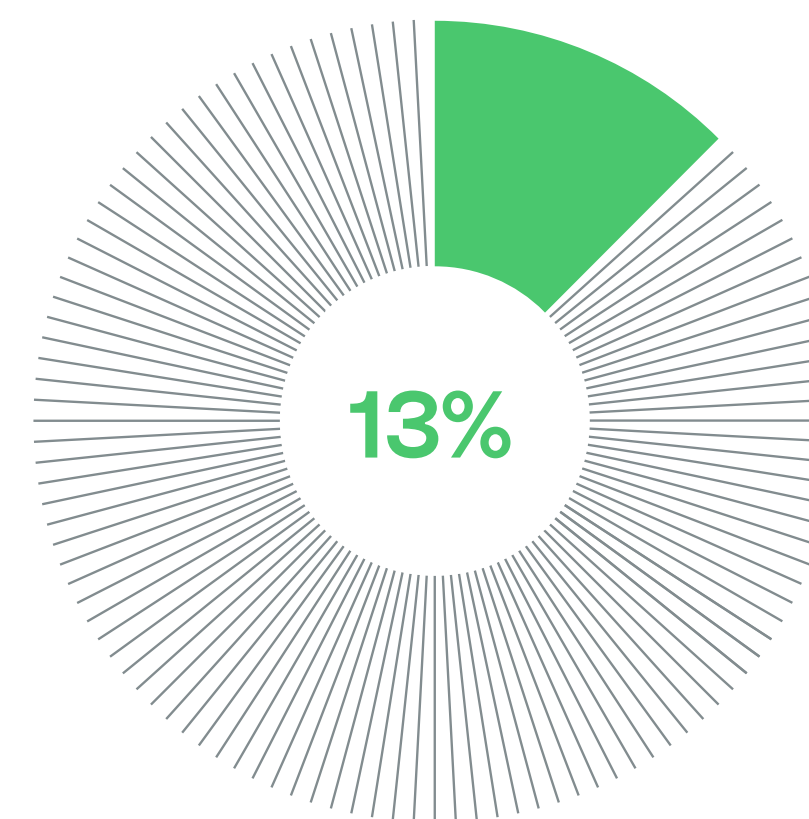
Fatalities



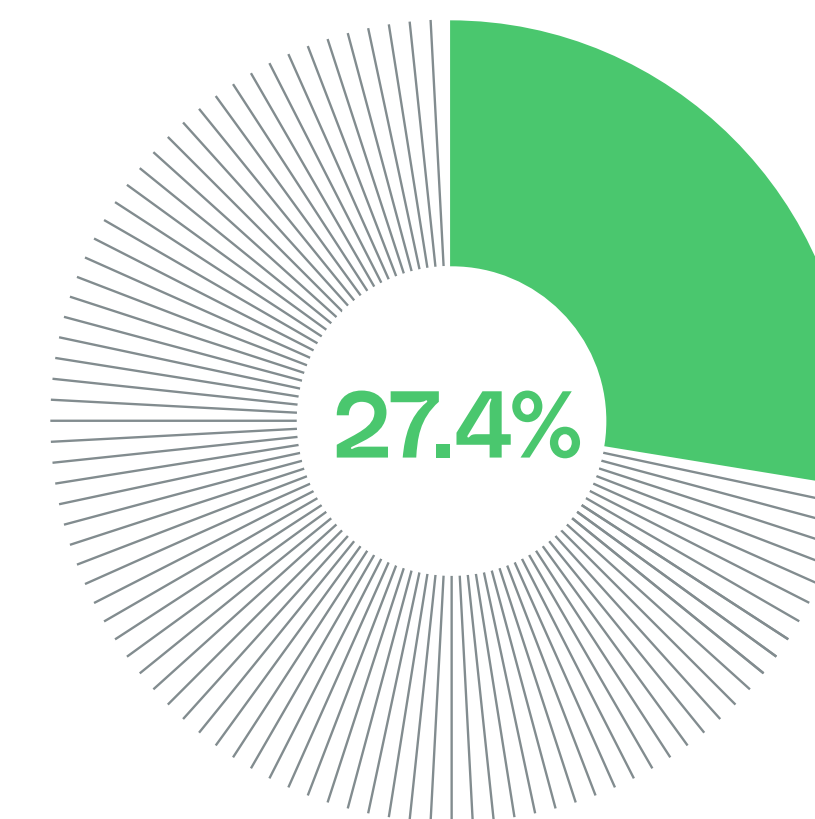
EBITDA (€)




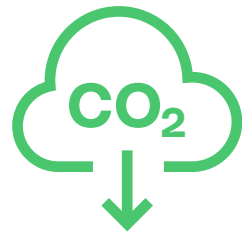
13%
Female Employees
(87% male employees)



27.4%
Use Rate
alternative fuels




5.3 LTIFR
Incidence Frequency Rate
(IF)


884
kg CO₂/t clk
Emissions intensity


565 mil €
Investments
in the community



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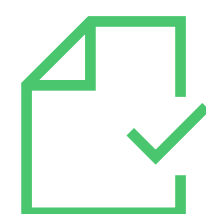
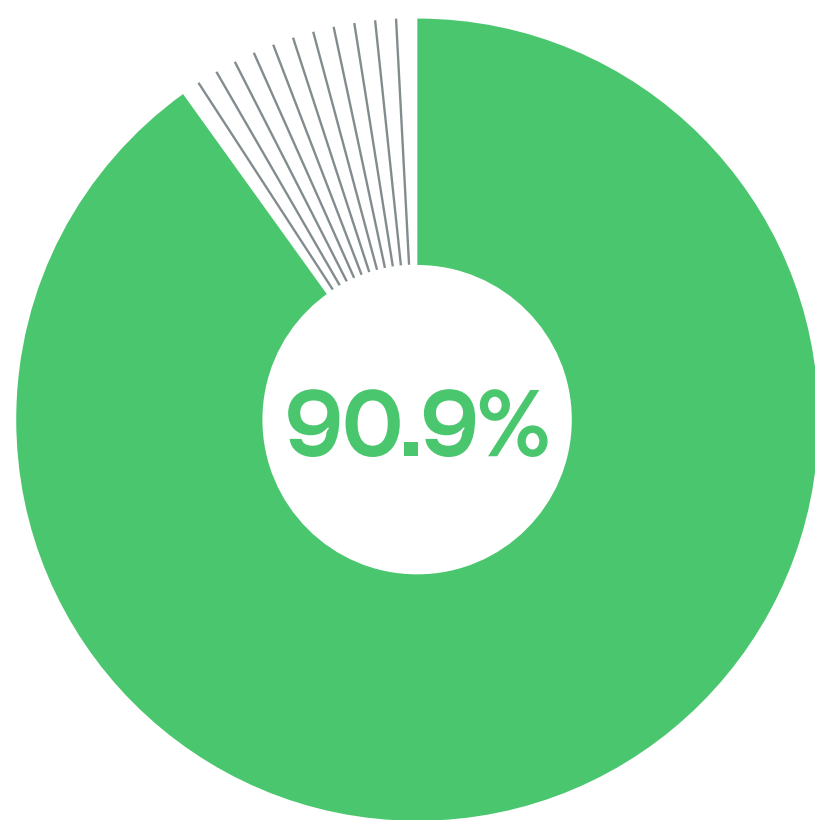
OVERVIEW

Economic Aspect



2 367
Employees

90,9% Employees with indefinite contracts



30 580
Hours of training



42 LTI
Work related accidents with leave

Economic Aspect

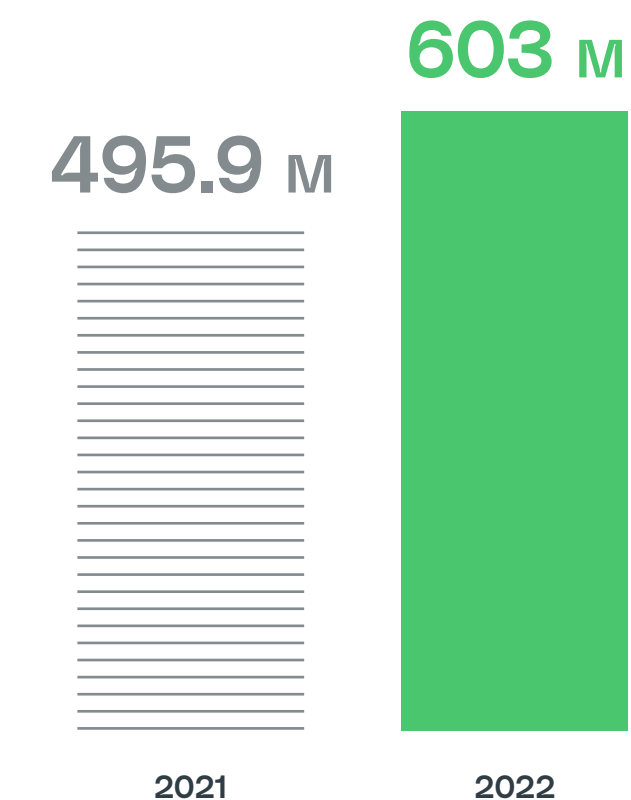


16.9 M€
investment
R&D energy**

697.2 M€
Economic value generated

543.1 M€
Direct Economic Value distributed

Volume de Negócios (€)



Governance Aspect

5 Anos
Average years since Board members took office

0
Cases of corruption confirmed



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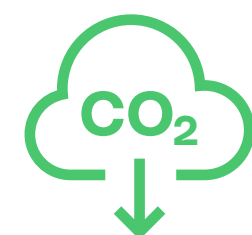


07



OVERVIEW

Environmental Aspect



3 250 kt CO₂e

Emissions (scope 1)
Cement



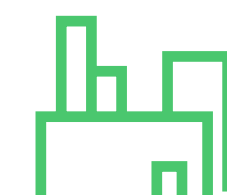
56 ha

Area of recovered
habitats



1 509 ML

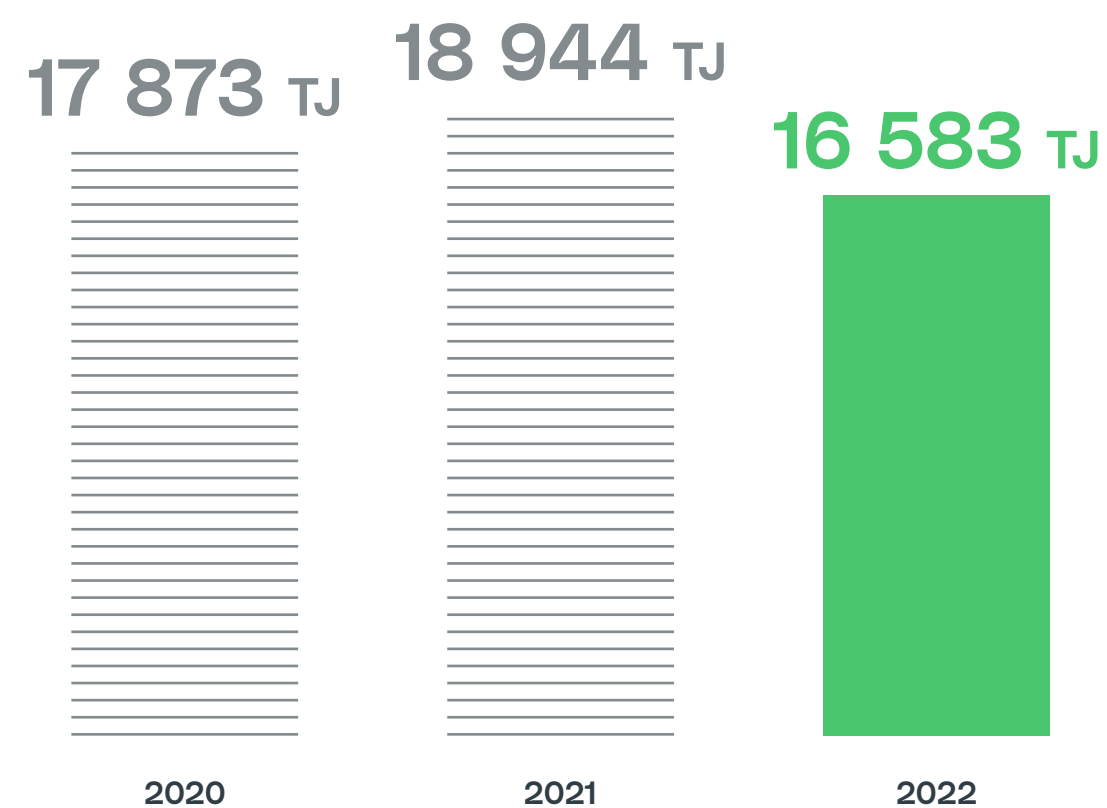
Water consumed



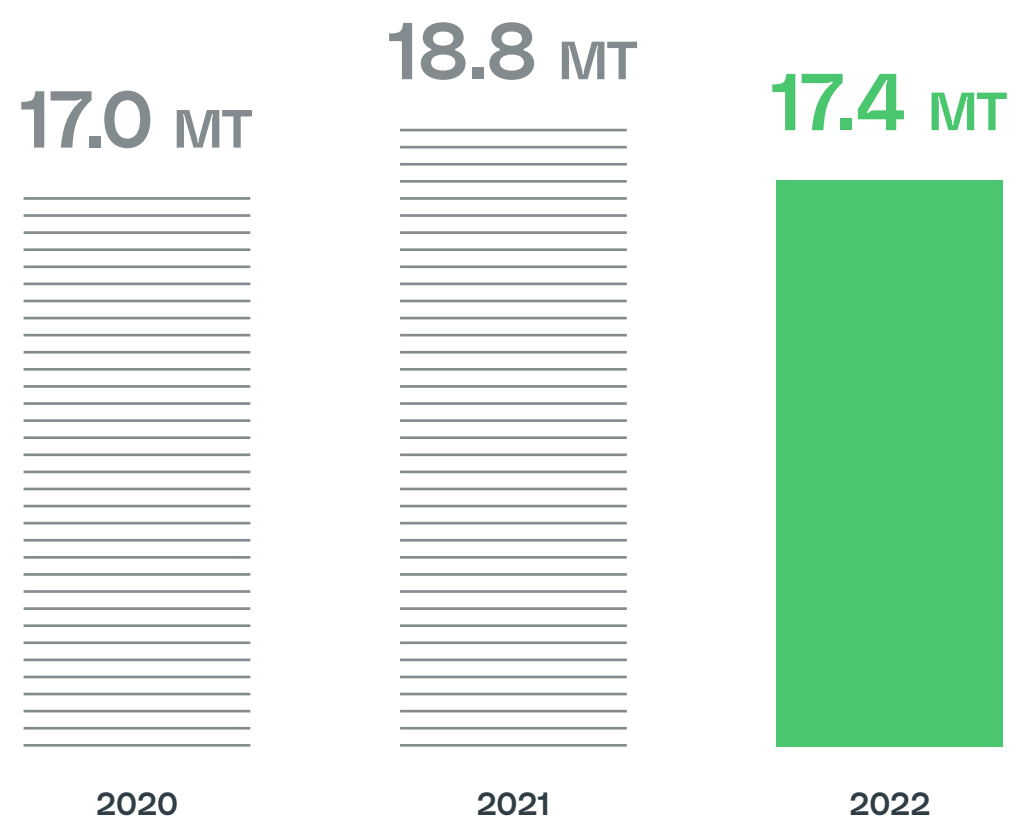
28 658 t

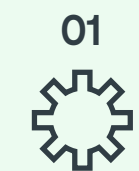
Waste produced

Energy Consumed



Consumption of Raw Materials





Highlighted Initiatives

Throughout the sustainability report, reference is made to various initiatives, highlighting some of those that marked 2022.



Integrity Channel

Operational connection element

Chap. 3.2

Clean Cement Line

Chap. 2.3

ELOS Project

Operational Liaison Officer

Chap. 4.2.3

Roadmap

CEMBUREAU Biodiversity

Chap. 5.3

Solidarity

with Ukraine war victims

Chap. 4.3

Environmental

Monitoring Committees (CAA)

Chap. 4.1

Celebrations

of International Women's

Chap. 4.2.1

Rainwater

Reuse

Chap. 5.2



Implementation of the annual

calendar for monitoring Secil talents

Chap. 4.2.2

Retrofeed project

Smart Retrofitting in Process Industry

Chap. 6.2

Definition

of Ambition 2025 core competencies

Chap. 4.2.2

Verdi Zero Concrete

Chap. 6.3.2

Production

new cements

Chap. 6.3.1

Roadmap for Carbon Neutrality

"SECIL path to decarbonisation"

Chap. 2.3

October, Health Month

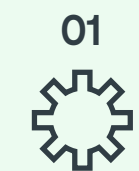
Chap. 4.2.3

Loyalty Programme

Secil's 100% digital customer

Chap. 6.3.2





Distinctions



Award

**Tektónica's 2022
Innovation**

Chap. 6.2



Award

**Maria de Lurdes
Pintasilgo, Role Model
category**

Chap. 6.2



Distinction for

**Innovative Material by the Innovation
Radar of the European Commission**

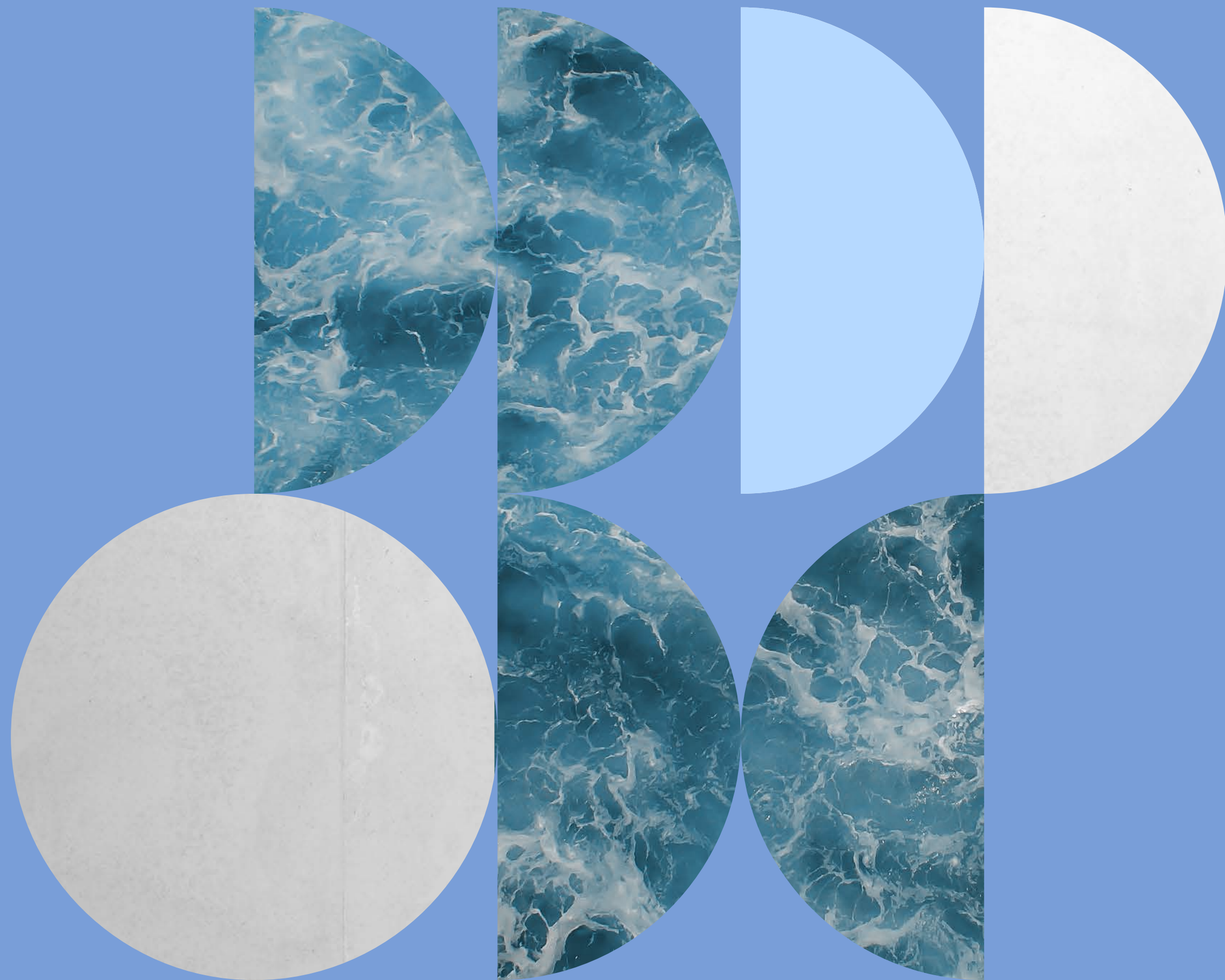
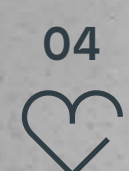
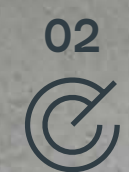
Chap. 6.2



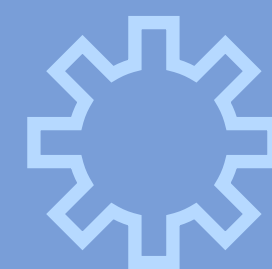
Bronze certification by the

**Concrete Sustainability
Council (CSC), for the Outão
cement plant**

Chap. 6.2



01 — SECIL

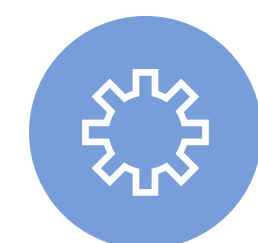


WE EVOLVED IN BUSINESS

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1.2	What we Do	16
1.3	Where we Operate	19
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1.1 Who we are



Our Mission, Vision and Values, as well as the Code of Conduct, are our identity and what distinguishes us and shapes our culture.

We are a business group founded in Portugal that bases its activity on the production and marketing of cement, concrete, aggregates, mortars and hydraulic lime.

A story almost 100 years old

From the first factory in Portugal, Outão (Setúbal) in 1904, to the evolution of the cement industry and expansion to four continents, we have almost a century of history.

Secil - Companhia Geral de Cal e Cement was born from the merger of the two companies in 1930. From that date until today, there have been many transformations. In addition to the inevitable technological changes and the awakening of environmental awareness, Semapa acquired 51% of Secil and 100% of CMP - Cements Maceira e Pataias in 1994. At the origin of CMP was the Maceira-Liz factory, opened in 1923, and the Cibra-Pataias factory, founded in 1950.

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



Mission, Vision and Values

In the Secil Group we attach great importance in defining our Mission, Vision and Values. These fundamental elements serve as pillars guiding the entire business Group and guiding our actions and strategic decisions. Its definition resulted from a process that involved all the countries where the Group operates, with the creation of working groups in each country to ensure greater alignment with local strategic ambitions.

Reaffirming our commitment to being a responsible, innovative company, oriented towards satisfying the needs of our customers and business partners.

We provide construction solutions for our customers, stimulating careers for our people, responsible citizenship for our communities and value for our shareholders.



“Our Mission, Vision and Values represent the guide for our daily behaviour. Show the world who we are and what we stand for at Secil. Let's make it happen!”

Otmar Hübscher
CEO of SECIL

Mission

Shaping ideas by providing cement solutions to our customers, stimulating the careers of our people, upholding civic duty in the community and delivering for our shareholders.

Vision

We strive to be, in the communities we serve, our customers' preferred cement solutions provider

Values



People

We value other people's perspectives. We help people to do their best. We show empathy and listen before offering guidance. We work tirelessly to ensure everyone's safety.



Integrity

We show respect and value all individuals and all ideas. We are honest and trustworthy in our relationships with other people. We adhere to the highest ethical and safety standards. We recognise the best characteristics of our colleagues and act accordingly.



Responsibility

We are responsible for our actions and our results. We focus on finding solutions and achieving results. We adopt sustainable practices in our business. We are committed to building a healthy and safe working environment



Performance

We are results-focused and deliver on our promises. We aim for continuous improvement of ourselves and our processes. We learn from mistakes and successes in equal measure. We encourage sincerity as a way to improve decision making



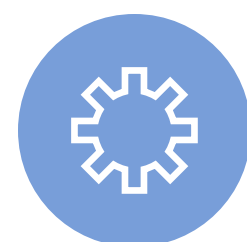
Collaboration

Together, we are stronger and can contribute more. We believe that shared goals and mutual support lead to success. We celebrate our achievements collectively. We promote trust and attention to others as they enhance collaboration.



1.2

What we Do



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

Although our main core of activities is cement, expansion to other businesses and the integration of various companies with complementary services means that, today, the Secil Group has a solid position in the cement industry.

We produce and market cement, concrete, aggregates, mortars and hydraulic lime. We also integrate companies operating in complementary areas in the circular economy, in the use of waste as an energy source.

In addition to our **products**, we highlight a set of **services** that we provide, in the different countries, and which aim to accompany our customers in the various phases of their projects.

For decades, we have been shaping ambitious projects by developing solutions and products that are now evident in some of the most emblematic works in the countries where we are represented.

→ [Explore some of our major construction projects in detail here](#)





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SECIL



It should be noted that we seek to respond, through our products, services and processes, to the challenges currently faced by the planet, in alignment with the decarbonisation commitments of our sector of activity and supporting the construction industry in this objective, for a more sustainable future. Among several initiatives developed, it is worth highlighting the launch, in 2022, of Verdi Zero Concrete - the first concrete with zero CO₂ emissions in Portugal → [Chap. 6.3.2.](#)

We develop products and services in the field of cement and construction materials, without ever forgetting their impact on the environment and society.

Services

Innovative solutions

Our Cement Application Development Centre (CDAC) provides reference and quality services to help our customers in the use and application of the Secil Group's products. We work on solving technical problems, developing innovative solutions that increase the potential of our products and their markets.

Technical support and labour services

Through our Quality Laboratory and Environment Laboratory, we carry out problem diagnosis and critical analyses, as well as the tests and experiments necessary to find the most suitable solutions for our customers. With our Prescription team, we follow up architects' work, suggesting the best solutions for their projects.

Logistics service

We have a vast network of land and sea transport, which moves cement and other construction materials from Secil's factories and warehouses directly to our customers or to the construction sites indicated by customer.

Documentation and customer support

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

Waste treatment

Through AVE, we present more technologically advanced, environmentally sustainable and economically competitive solutions for the waste that can be co-processed by the Portuguese cement industry units.



Products



Cement

We produce a wide range of grades of grey and white cements with applications ranging from small constructions to major civil engineering works. Secil cements are certified (EN 197-1) and subject to rigorous and permanent quality control, from the production phase until their placement on the market. By adopting the best practices and technologies available in the market, the company ensures a high standard of quality in all its actions.



Hydraulic Lime

We also market hydraulic lime, a binder with wide-ranging use, especially in the manufacture of mortars, soil treatment, soil-lime or bituminous filler. Currently, we also produce natural hydraulic lime, the result of a research and development process in the Secil Group, which allows a use compatible with old supports, but with a behaviour that meets today's strict requirements.



Aggregates

Aggregates are fragments of rock that form the basis of high quality construction materials and influence their strength, durability and performance.

Industrial aggregates are raw materials for the construction of other materials. Their choice strongly influences the quality and behaviour of the final products. The Secil Group, through Secil Agregados, extracts and markets limestone and granite aggregates, certified for various construction uses.



Mortars

In the area of prefabricated products and building materials, the Secil Group also produces pre-prepared dry mortars.

The mixture of cement, lime, sand and other additives is used to lay materials and to waterproof, regularise and finish surfaces, both for new works, and when renovating and refurbishing existing buildings.



Concrete

The best known use of cement is the production of concrete for civil engineering structures or grey, white or coloured architectural concrete. This material consists of water, cement and aggregates and is essential for the seismic reinforcement of building foundations and structures.

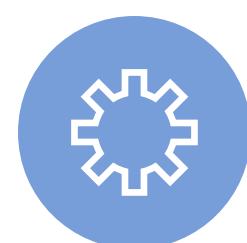
Abundant, close to consumption centres, a generator of employment and versatile in its use, concrete is fully recyclable after its long life cycle.

Because of its high utilisation, low cost and ease of manufacture, this material has no alternative, making it possible to build development structures that are indispensable to human dignity.



1.3

Where we Operate

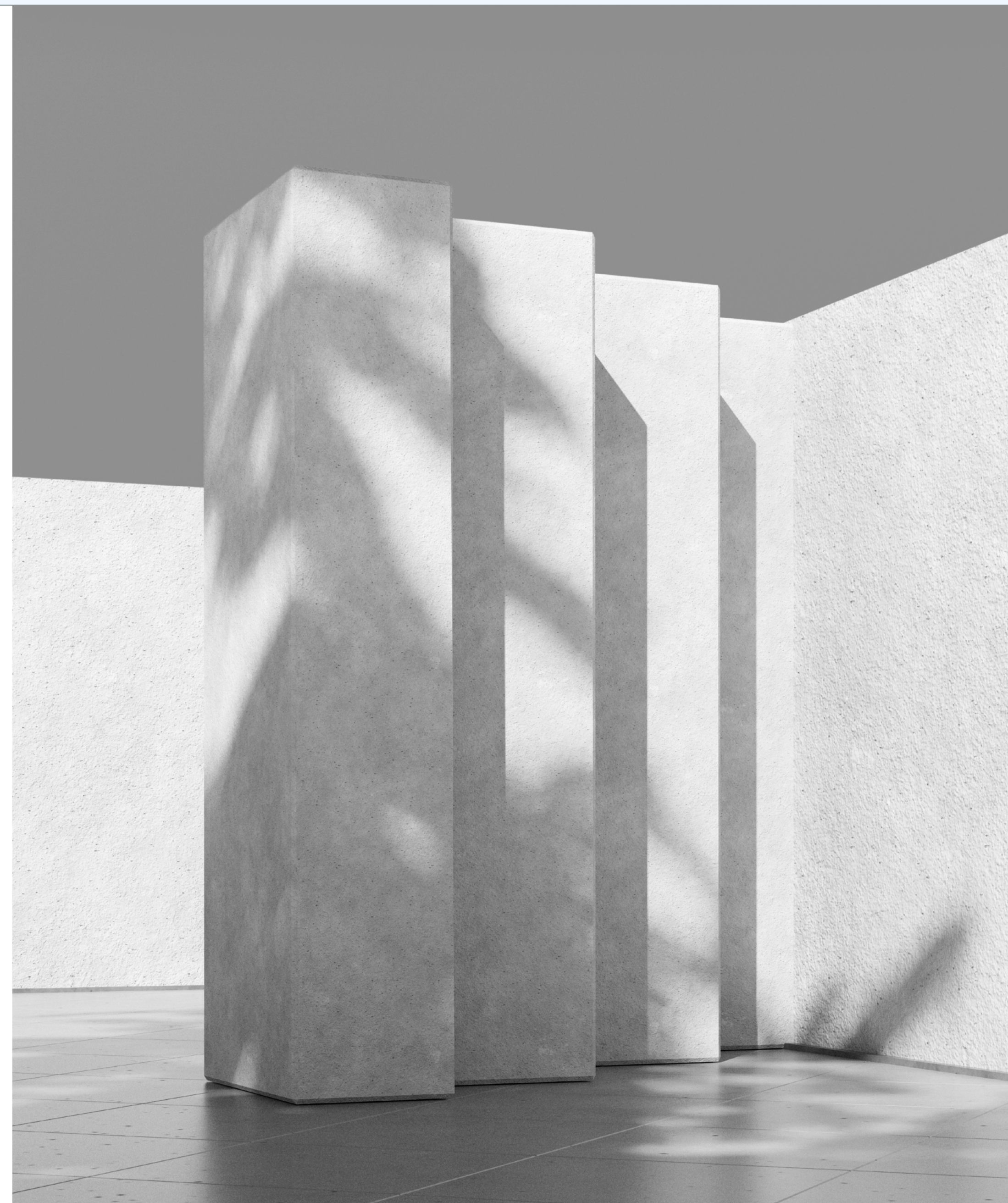


We have a strong presence in the cement industrial sector, developing several operations in various countries around the world.

With seven cement plants and a presence in eight countries and four continents, we have an annual cement production capacity of over 9.75 million tonnes.

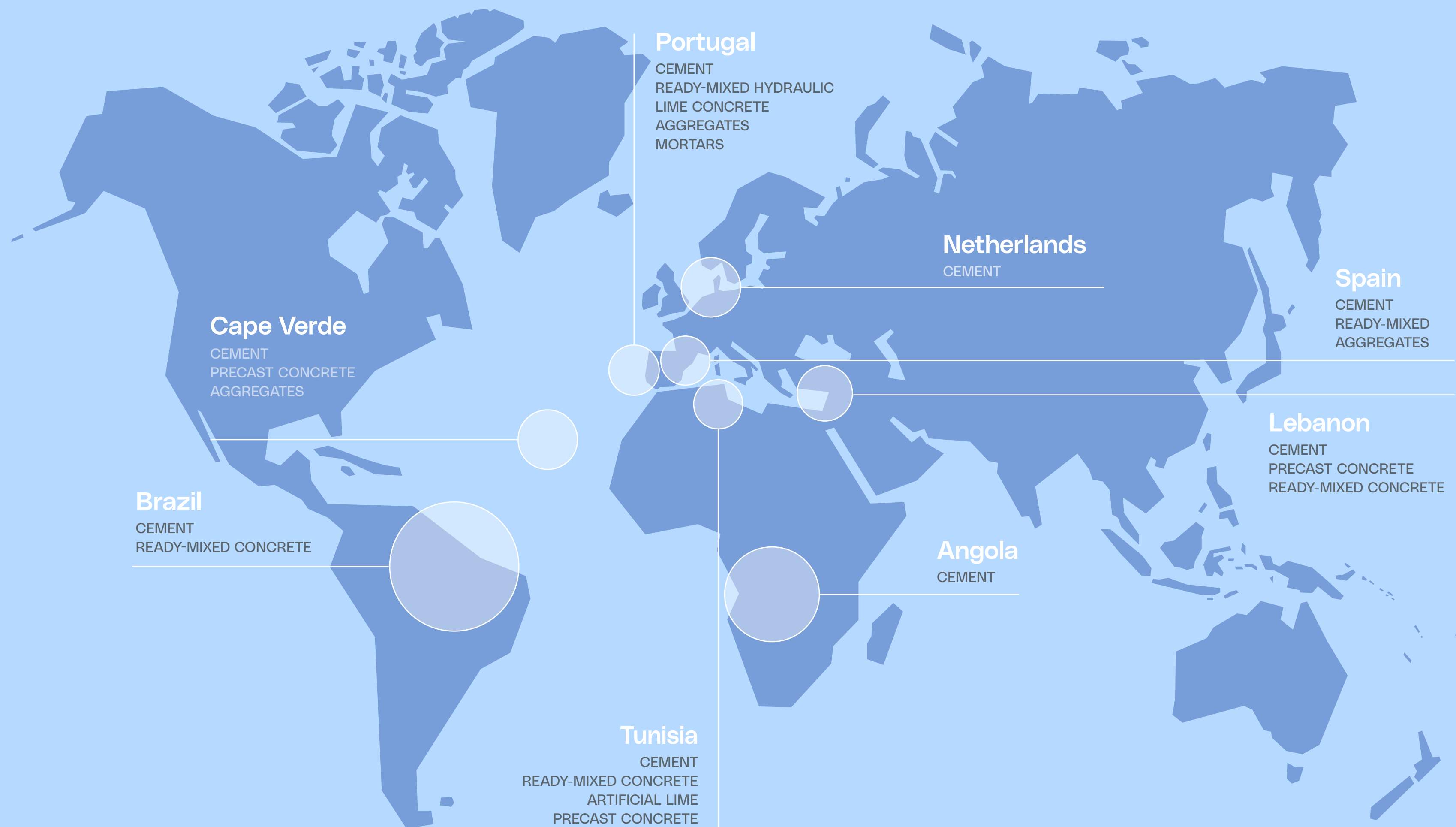
We currently operate three cement plants in Portugal (Outão, Maceira and Pataias) and are present in Angola, Tunisia, Lebanon, Cape Verde, Spain, Holland and Brazil.

→ [Learn more about the Group around the world here](#)





WHERE ARE WE



4 Continents

8 Countries

7 Factories

Portugal, Tunisia, Lebanon, Angola, Brazil

+20 Countries

Exports from Setúbal, Portugal

Business areas

Cement and construction materials

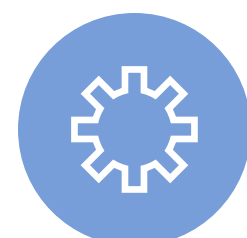
Main products

Cement, Ready-mixed concrete, Aggregate Mortars, Precast concrete Hydraulic lime



1.4

Ambition 2025

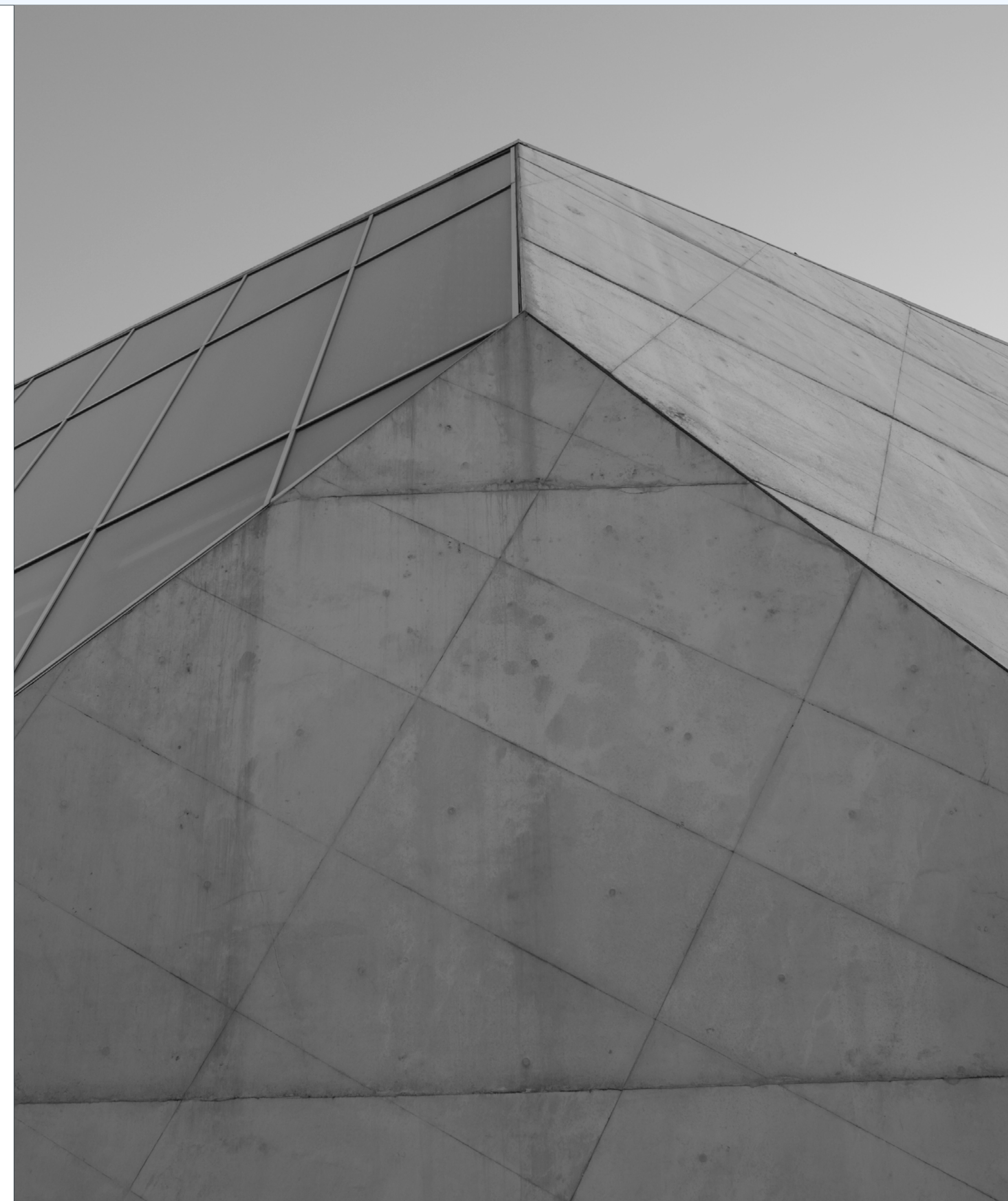


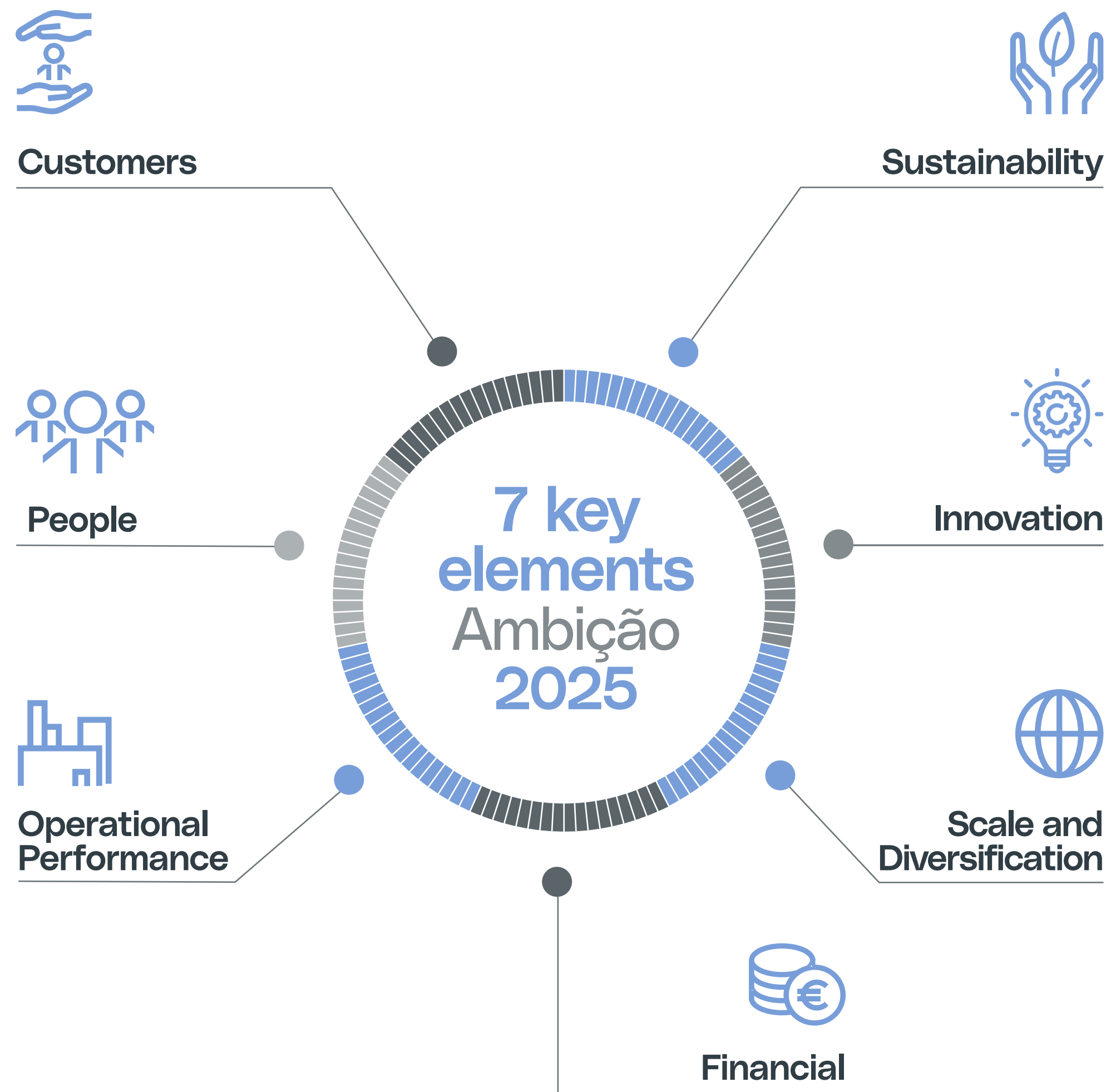
With the Ambition 2025 - Sustainable Growth, strategy we want to transform the Secil Group into a respected, successful, confident regional cement and materials group capable of reaching new heights.

In 2022 we officially launched our Ambition 2025 - Sustainable Growth strategy. This new strategic cycle for the Secil Group resulted, for the first time, from a collaborative process which involved focus groups with the participation of more than 50 employees from various areas and from all the countries we operate in.

In Ambition 2025 we have defined as our main objective to grow sustainably to an EBITDA level above 200 million euros in 2025, through the optimisation of our operations in the various geographies (organic growth) and new businesses (inorganic growth). To this end, we aim to make use of our external competitive advantage and be recognised as the preferred solution provider of our customers, offering the best value propositions, through cement, aggregates and other complementary businesses, ensuring a balanced exposure between mature and emerging markets.

Although cement and clinker remain our core businesses, during this strategic cycle we want to explore adjacent businesses, such as aggregates, as well as invest in complementary businesses (concrete and mortars) in the locations where we are already present, when profitable. We aim for a geographical balance in our Group, so that we are less exposed to volatility and cyclical changes, and we will seek a balance in our presence between the various markets in which we are present.





In this sense, we intend to take advantage of our internal competitive advantage, combining Secil's distinctive talents and practices with a culture of safety, responsibility and autonomy of our people, with our customers at the centre of our decisions.

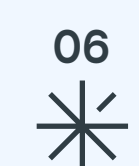
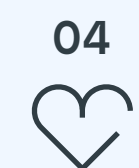
Our strategy is structured into seven elements – Customer, Sustainability/ ESG+E, People, Innovation, Operational Performance, Scale / Diversification and Financial – supported by a pipeline of around 150 projects, distributed throughout the operations around the world, including transversal projects called Group Projects. These projects ensure the application of transversalities and best practice in all operations, including Commercial Excellence, Digital Transformation, the Secil Way, Culture and Climate, among others.

It is important to note that sustainability is not only one of the seven elements of our strategy - for which we have set the ambition to "Be recognised as a responsible and sustainable company by 2025, committed to decarbonisation by 2050" → [Chap. 2.3.](#) – but is also a central pillar of our strategy. Our commitment to the

pursuit of sustainable development and our ambition to play an active role in our value chain are reflected in our Mission, Vision and Values → [Chap. 1.1.](#) and in the elements of People, Innovation and Operational Performance, with particular emphasis on the decarbonisation of the sector.

Since the launch of the Ambition 2025 programme, we have already executed more than 30 projects and about 5 projects are already fully implemented in 2022. All these projects are monitored by a central strategy office, with a monthly follow-up on the achievement of milestones and estimated impacts. As such, these projects are essential to ensure we achieve our strategic objectives, improve our competitiveness and meet our customers' needs.

The successful implementation of these projects also ensures that we remain a leading company in our sector, with a strong and innovative culture. Through this strategy, we want to create and share value with all our stakeholders, including our customers, employees, communities, shareholders and suppliers.



Our strategy

WHY Organizational culture “This Is Us”

Mission

Shaping ideas by providing cement solutions to our customers, stimulating the careers of our people, upholding civic duty in the community and delivering for our shareholders.

Vision

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



WHAT Our strategy

200 M€
To grow sustainably to an EBITDA of over in 2025.

Ambition 2025: Sustainable Growth

Making best-value offer to our customers locally, through cement, aggregates and complementary businesses, ensuring a balance between mature and emerging markets.

Combining Secil's talent and best practice with a culture of safety, responsibility and staff autonomy.

HOW Our action

7 key elements common to all our operations, with specific objectives:



Customer

Be the preferred supplier of cement solutions to customers in the markets in which we operate by 2025.



Sustainability

Be recognised as a responsible and sustainable company by 2025, committed to decarbonisation by 2050.



People

Be the preferred company for the people we want to attract, develop and retain in order to operate and thrive.



Innovation

Reach an EBITDA above 10 million euros in 2025, with projects launched during the period 2021-2025



Operational Performance

We strive to be the best in Operational Excellence in our industry compared to our competitors, improving each year.



Scale/Diversification

Have less than 50% cash flow exposure to Portugal by 2025, reducing exposure to countries with high levels of political and currency risks.



Financial

To increase EBITDA and shareholder value by 2025.

WITH WHOM DO WE SHARE VALUE

Stakeholders



Customers



Employees



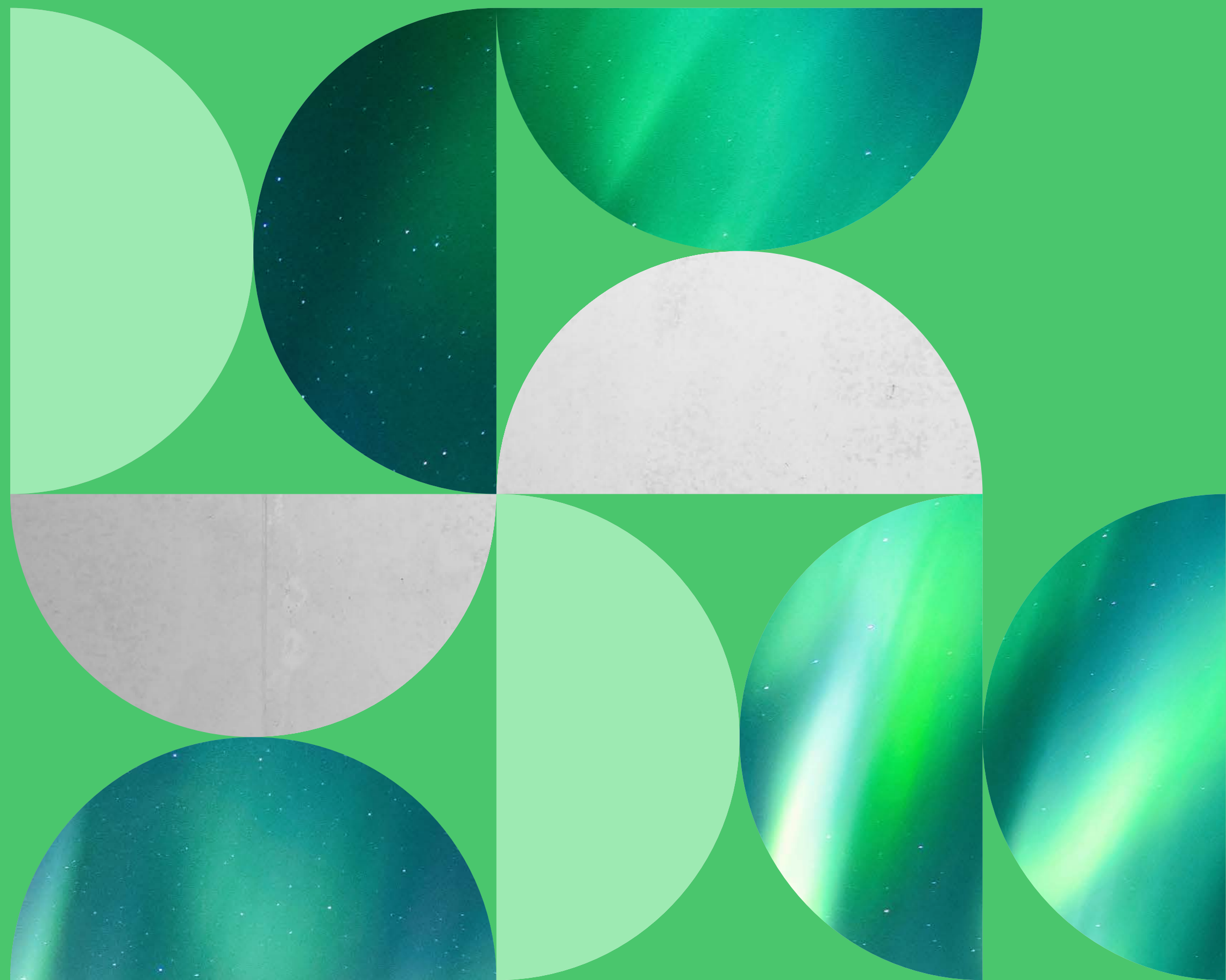
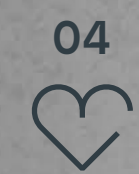
Communities



Shareholders



Suppliers



02 — COMMITMENT
TO SUSTAINABILITY



WE EVOLVED IN MOTIVATION

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SUSTAINABILITY



For future generations to be able to live well, within the limits of the planet, we need a transformative vision, mobilising governments, civil society and business, to change the systems that created the challenges we now face.

Aware of the responsibility that lies upon us and our industry to promote this future vision, and operating on a global scale, our long-term success depends on our ability to monitor and adapt to major social, environmental, economic, political and technological challenges. We have identified three global trends as being particularly relevant to our sustainability work and providing an opportunity to lead change.

Climate Change



Trend

Failure to act on climate change - on mitigation and adaptation - remains one of the

biggest risks identified by the WEF - World Economic Forum, both in the short and

long term, reiterating the need for greater commitment and action. It is predicted

that weather events will become more frequent and severe ("new normal"). We see emerging global climate policy action and a more demanding regulatory framework in the European Union.

In response to the challenges created by climate change, and with the aim of promoting the sustainable development of nations, the European Union published the European Ecological Pact at the end of 2019. This document creates a blueprint for a climate neutral, innovative, future-focused, fair and circular European society. This legislation describes a European Union where citizens, industry and biodiversity can thrive, identifying climate change as one of the greatest challenges of our time, for which all these elements will need to be part of the solution.

The low-carbon economy is at the heart of post-pandemic recovery plans and the development of new technologies (e.g. carbon capture solutions) will be accelerated. The creation of jobs and exploration of new energy sources and opportunities is foreseen.

Our Response

We promote projects aimed at reducing our environmental impact and promoting the sustainability of our action. The CCL (Clean Cement Line) initiative, located at the Outão plant (Setúbal, Portugal), comprises a series of projects that will significantly reduce carbon emissions at that unit, and will be implemented by August 2023. Adhered to a roadmap to achieve carbon neutrality by 2050, developed for the worldwide cement sector by the Global Cement and Concrete Association (GCCA) and, in Europe, by Cembureau, and has actively participated in the preparation of a corresponding roadmap for the national sector, publicly presented by ATIC to the national authorities in March 2021, committing to the targets for 2030 and 2050.

Highlights of 2022

- ➔ Carbon Neutrality Roadmap
- ➔ Commitment to SBTi in defining science-based targets for 2030
- ➔ Clean Cement Line (CCL) research project
- ➔ Low Carbon Clinker
- ➔ LowC-Bionic
- ➔ Launch of Verdi Zero Concrete



Resource Scarcity and Circular Economy



Trend

The European Commission has published the Roadmap to a Resource Efficient Europe, which outlines how we can transform the European economy into a sustainable economy by 2050, proposing ways to increase resource productivity and decouple economic growth from resource use and their environmental impact. The aim is to encourage the consumption of sustainable products by improving products and consumption patterns and applying efficient production methods. In addition, the roadmap refers to measures such as turning waste into resources, supporting research and innovation and making the most of natural capital.

Regulatory developments and consumer pressure around sustainable production and consumption, resource scarcity, supply chain volatility and the looming threat of climate change are driving companies to develop more circular business models that generate business value alongside environmental benefits. There is also a growing need to measure circularity through new tools, standards and frameworks.

Our Response

The European Union recognises that the cement sector is an indispensable part of the European economy, as a supplier to several key value chains. Construction materials are essential in building equipment for renewable energy production, sustainable buildings and transporting people and goods, so cement and concrete offer the opportunity to accelerate the creation of a carbon-neutral Europe.

We are committed to improving the circularity of our processes, based on the reuse and recycling of materials and on inter-sector synergies - e.g. through the incorporation of waste or by-products from other industries - with additional benefits in energy and economic terms.

We participated in the pilot project of the circularity indicators analysis tool, promoted by BCSD (Business Council for Sustainable Development) Portugal, in partnership with WBCSD (World Business Council for Sustainable Development).

Highlights of 2022

- Clean Cement Line (CCL) research project
- Low Carbon Clinquer (LCC)
- Retrofeed Project
- Batteries 2030 Project
- Launch of Verdi Zero Concrete

The Future of Work and Investment in Human Capital



Trend

Continuing advances in robotics, artificial intelligence and machine learning are ushering in a new era of automation, as machines match or outperform humans in various work activities, launching the discussion around adapting people to this new era, and the jobs and skills of the future.

The labour market needs to adapt to ongoing social and economic transitions. The transformation expected, in decarbonisation and digitalisation of the economy, will have an effect on the roles available in the market, and the profiles needed to fill these roles. It is therefore essential to train people to adapt to the new demands of the market, but also to improve productivity in current roles, using new tools.

The pandemic has accelerated digitalisation and, consequently, the need to re-qualify and prepare human capital for new functions and work processes; strengthen the "S" of the ESG (i.e. "Social"), with particular emphasis on the well-being, health and safety of Employees and accelerate new ways of working and relationships between companies and their Employees; contribute to the deterioration of mental health, this being one of the risks identified by the WEF in the short term, with an impact on companies' productivity.

To retain and engage Employees, companies will have to promote a greater connection between work and purpose, and create new working models, more diverse and inclusive environments, in particular to motivate younger generations.

More and more attention is paid by companies, but also by investors and financial institutions, to detailed information on human capital.

Our Response

Human Capital represents one of our most important assets, and it is necessary to create an attractive project to attract new people, particularly young people, and to retain employees.

We seek to recognise and value merit, foster internal growth and the development of skills throughout the career. We foster the corporate identity

through a culture of involvement and motivation of our Employees. We invest in creating safe working conditions, preventing accidents and promoting the occupational health and well-being of our Employees.

Highlights of 2022

- Implementation of the annual calendar for monitoring Secil talents
- Definition of Ambition 2025 core competences
- Group Meetings - Cultural Priorities
- ELOs Project
- Corporate OnBoarding



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SUSTAINABILITY

2.2 Sustainability Strategy



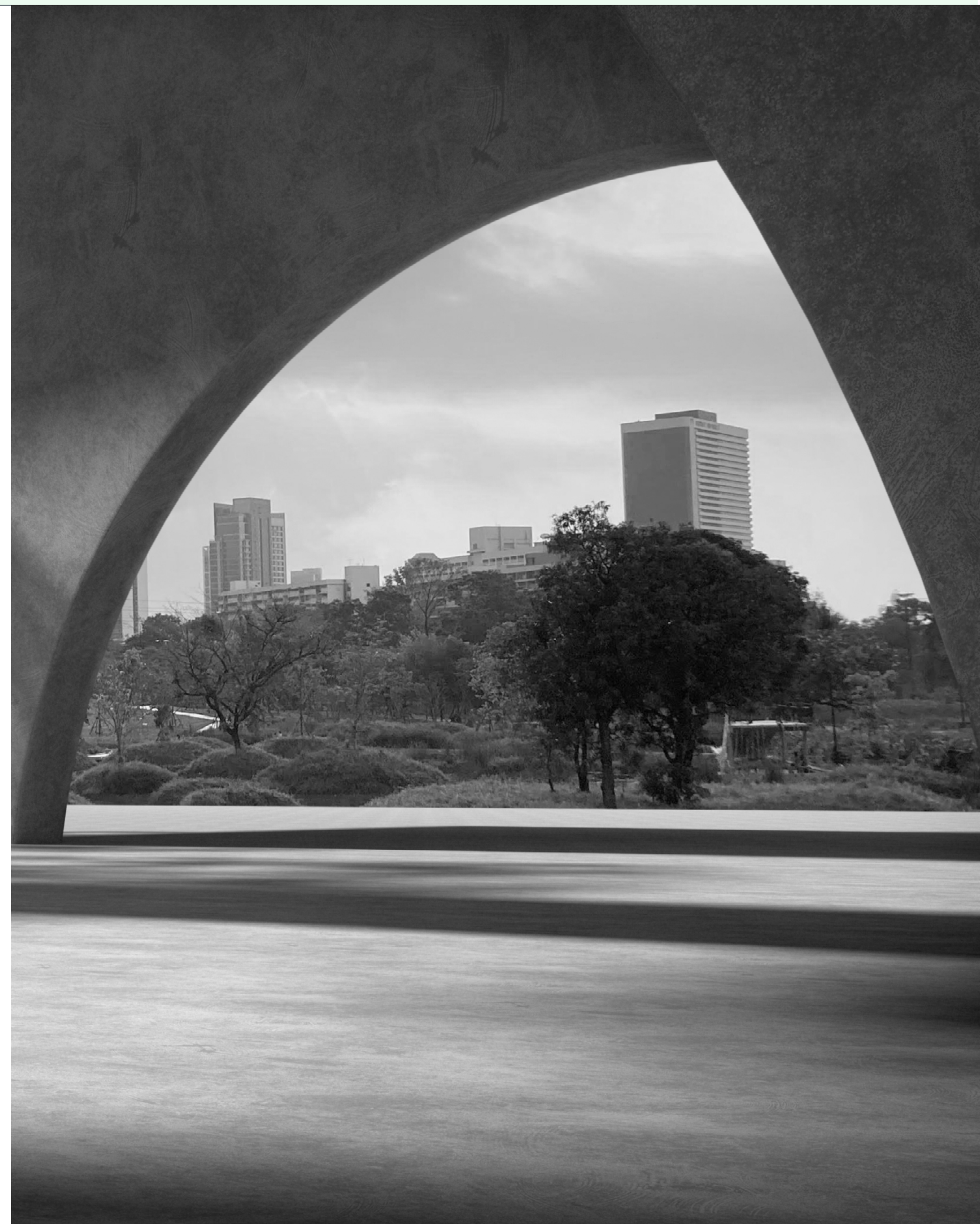
Sustainability is a central element of our strategy, Ambition 25 - Sustainable Growth. We aim to be recognised as a responsible and sustainable company by 2025, committed to decarbonisation by 2050.

We are committed to sustainability and we seek to make our economic performance compatible with the dimensions of sustainable development, namely the environmental, social and governance (ESG) dimensions, as well as the economic one.

In order to achieve our strategy, we have internally created a framework that encompasses the Environmental, Social, Governance and Economic pillars, called "ESG+E". In each of these pillars, we highlight material topics → **Chap. 7.2** that will receive special attention by 2025.

Our strategy includes several structuring points for our business:

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





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The response to global climate change is to reduce the carbon intensity of production through the circular economy and promotion of biodiversity, challenges that we accept and will overcome, with continued creation of economic value in the context of globalisation. In the communities where we operate, we aim to go beyond our stakeholders' expectations.

We manage sustainability through close relationships with communities, with our stakeholders and with institutions and institutional partners, adopting the best corporate governance practices and responding to the challenges that our activity generates in the environment and in society.

We are part of international institutions and partnerships that have also taken on this same commitment, which can be achieved through the objectives of Sustainable Development.

The **Sustainability Policy** defines our objectives and prioritises actions to contribute to a better future for all. The Policy is based on areas that we consider priorities and that we are beginning to bear in mind in our performance as a Group, including reducing the carbon intensity of production, the circular economy and protecting biodiversity.

→ [Watch the video "Secil: building a more sustainable cement industry" and learn more about our Sustainability Strategy here](#)

Framework da Sustentabilidade

Economic

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

Environmental

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

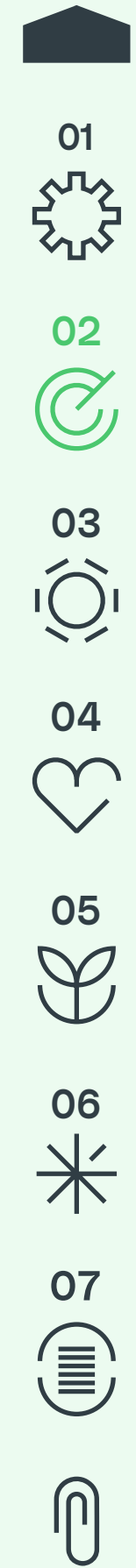
Governance

- Corporate Governance
- Organization Strategy
- Ethics, Integrity & Compliance
- Sustainability Management: Materiality assessment
- Reporting

Social

- Health & Safety
- Stakeholder Engagement
- Social Responsibility
- Equity, Diversity & Inclusion
- Human & Labor rights





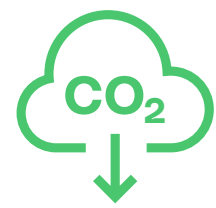
SUSTAINABILITY

Growing Sustainably

Protecting the Climate and the Environment

Valuing People and the Community

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



Carbon neutrality

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

↓ Above 20% reduction in CO₂ emissions*



Circular Economy

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

↑ Above 25% increase in the use of alternative fuels*

* Targets 2030, baseline 2020

Local Communities

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

↑ Double investment in local communities

Health and Safety

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

↓ 75% reduction in frequency rates

Diversity, Equity and Inclusion

Support equal opportunities and promote diversity in management decisions

↑ 20% increase in women's participation

Governance Principles

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



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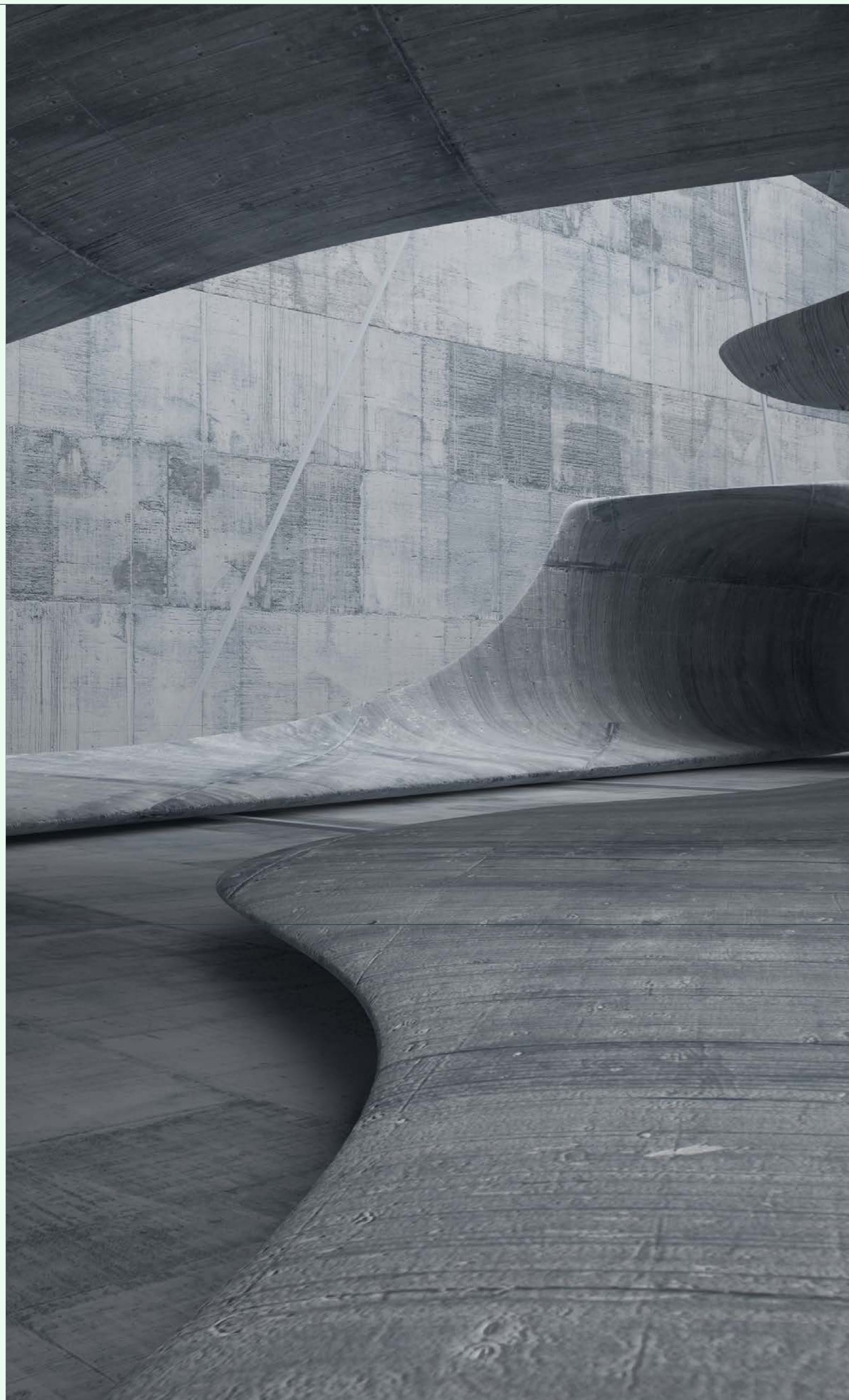
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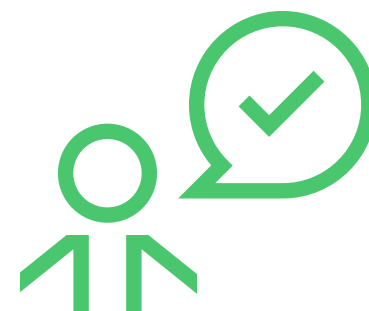
Priority Areas for the Secil Group



Environmental Aspect

We make responsible use of **natural resources** → Chap. 5.2. and **energy**, promoting **circularity** throughout the life cycle of products → Chap. 5.4.. We aim for **carbon neutrality** through the use of alternative fuels, secondary raw materials and the development of low carbon products and solutions → Chap. 5.1..

We promote the vitality and balance of the ecosystems we are part of and landscape recovery, protecting **biodiversity** → Chap. 5.3..



Social Aspect

We enrich the communities where we operate, through job creation, local contracting and **community involvement** → Chap. 4.3.. We are committed to the **talent** → Chap. 4.2.2., equal **opportunities and diversity** → Chap. 4.2.1. of our Employees, promoting merit and fair and equitable remuneration..

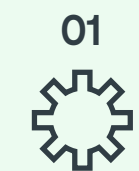
We believe that **Health and Safety** are fundamental values underpinning all our activities. We ensure means of protection and prevention for all employees, fostering a culture of Health and Safety. We are committed to zero harm to our employees, contractors and communities → Chap. 4.3..



Economic Aspect

We create value for our shareholders, customers, employees, suppliers and other partners. We seek **profitability** and **financial** balance in our operations, in order to ensure business continuity and development → Chap. 6.1..

Continuous investment in **innovation** → Chap. 6.2. of new manufacturing and management processes, creating safe solutions and **quality products** → Chap. 6.3.1., which create more value for the Group, the **client** → Chap. 6.3.2. and society. We focus on applying the best production and control technologies, aiming at more efficient and clean production.



GCCA Commitments 2020-2030

We are committed to reducing the impact of our activities on the environment, communities and people. To this end, we have started an internal process consisting of defining ten commitments to be fulfilled by 2030. We are setting targets based on the specific commitments of the different countries where we operate, in order to guide our journey towards a more sustainable future.

These commitments are aligned with our stakeholders' expectations and are consistent with the Global Cement and Concrete Association (GCCA) commitments and the United Nations Sustainable Development Goals (SDGs).

Additionally, we know that innovation is key to achieving these goals. We are therefore committed to developing innovation projects → **Chap. 6.2.** which are at the heart of the Secil Group's strategy and with which we want to achieve more sustainable processes and products.

In this way, we are contributing to a fairer and more sustainable world, while at the same time ensuring our role as a responsible company committed to its community.

Commitments until 2030

People	GCCA Pillars	SDG
<ul style="list-style-type: none"> Apply the GCCA guidelines for best practice in Safety Promote the sharing of best practices in health and well-being 	Health and Safety	
Environment	GCCA Pillars	SDG
<ul style="list-style-type: none"> Delineate a strategy to mitigate climate change, with publication of concrete targets and their progress 	Climate change and energy	
<ul style="list-style-type: none"> Implement the Environment and Nature Guidelines Set emission reduction targets and publish their progress 	Environment and Nature	
<ul style="list-style-type: none"> Foster circular economy principles in the value chain Implement guidelines for the use of fuels and raw materials in cement production 	Circular economy	
Social	GCCA Pillars	SDG
<ul style="list-style-type: none"> Publish a Code of Conduct that integrates international principles of human rights Apply social impact assessment guidelines Establish a systematic dialogue process with stakeholders 	Social Responsibility	



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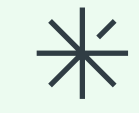
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Sustainable development goals

We follow and pay attention to the challenges of sustainable development and therefore we consider the SDGs of the United Nations in our agenda. Thus, and in alignment with GCCA guidelines, we have identified eight SDGs, three priority SDGs - 9, 12 and 13 - and five second-level or important ones - 4, 7, 8, 11 and 1.

Our contribution to priority SDG



Framework

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

Secil's response

We operate in value chains with a clear local economic impact and in areas which are vital to society.

We offer resilient solutions and products and invest in R&D → Chap. 6.2., with the aim of meeting future challenges.

Among the construction solutions we offer, we highlight sustainability throughout the life cycle. In addition, we have technical development areas focused on process and product innovation.

We support the development of infrastructure in developing countries, such as Tunisia and Angola, and contribute to the development of social projects.

In order to materialise this theme, we highlight the CCL → Chap. 2.3., Batteries 2030 and LowC-Bionic → Chap. 6.2..

With all these initiatives, we demonstrate our commitment to sustainable development and innovation, contributing to the improvement of the quality of life of the communities where we operate and to the construction of a more promising future.



Framework

Ensure sustainable consumption and production patterns.

Secil's response

We are aware that our production processes can have environmental impacts, which is why we are committed to mitigating and controlling them through environmental management systems.

We pay particular attention to efficiency in the use of resources such as water, energy and raw materials, through the reduction, control and measurement of atmospheric emissions, the reuse of materials, the reduction of consumption and the recycling of waste. In addition, we have invested in developing and extending the use of alternative, non-fossil fuels and concrete with less cement and more secondary raw materials, such as cork, as well as in the production of thermal insulation, which contributes to more efficient energy consumption in buildings.

We also follow the trends on the international agenda, particularly in measuring circularity, permanently seeking new ways to improve our processes and products, with a view to promoting the circular economy and minimising our environmental footprint.

Here we highlight the reuse of rainwater and the investments made in the facilities of Supremo Cements' operating unit in Pomerode, Brazil, which allows the consumption of potable water in this unit → Chap. 5.2.



Framework

Take urgent action to combat climate change and its impact.

Secil's response

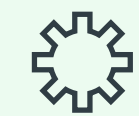
We are committed to contributing to climate change mitigation. To this end, we have been implementing a series of measures aimed at reducing our carbon footprint → Chap. 5.1.

We have adopted a clear strategy that includes concrete actions such as the reduction of admixtures, through the use of cement with less clinker (Low Carbon Clinker) and concrete with less cement, as well as the availability of a unique product - Verdi Zero Concrete - which responds to the new demands of the market. We are increasingly seeking green solutions, in line with new construction trends and the respective environmental certifications → Chap. 1.4.

In addition, we have a preference for using sea and rail transport for moving goods and fuels as a way of reducing our carbon footprint. Increasing the energy efficiency of equipment and facilities is also a priority for us, contributing to a more efficient use of available energy resources.



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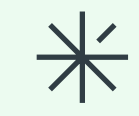
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Our Contribution to the Secondary SDG

<div data-bbox="406 377 589 559"> </div> <div data-bbox="779 377 886 499"> </div> <p>Framework</p> <p>Ensure access to inclusive, quality and equitable education and promote lifelong learning opportunities for all</p>	<div data-bbox="982 377 1166 559"> </div> <div data-bbox="1352 377 1459 499"> </div> <p>Framework</p> <p>Ensure access to reliable, sustainable and modern energy sources for all</p>	<div data-bbox="1549 377 1732 559"> </div> <div data-bbox="1909 377 2015 499"> </div> <p>Framework</p> <p>Promote inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<div data-bbox="2115 377 2299 559"> </div> <div data-bbox="2475 377 2582 499"> </div> <p>Framework</p> <p>Making cities and communities inclusive, safe, secure, resilient and sustainable</p>	<div data-bbox="2682 377 2865 559"> </div> <div data-bbox="3032 377 3138 499"> </div> <p>Framework</p> <p>Strengthening the means of implementation and revitalising the Global Partnership for Sustainable Development</p>
<p>Secil's response</p> <p>We recognise the importance of the personal and professional development of our employees and we care about attracting and retaining talent.</p> <p>Accordingly, we support Education campaigns in developing countries such as Lebanon, Tunisia and Angola, and participate in School Councils in schools in Portugal. Additionally, there are several initiatives with universities, such as the Secil Universities Prize, which aim to promote research and entry into the labour market.</p> <p>We also organise study visits to facilities, such as factories and the Maceira-Liz Factory Cement Museum, and promote activities in the communities in order to solidify the social impact, as is the case of the Casa da Cultura in Adrianópolis → Chap. 4.3.</p>	<p>Secil's response</p> <p>We have assumed as one of our objectives the conversion of the Group's energy matrix, as set out in our decarbonisation roadmap. This commitment is a response to the challenges posed by climate change affecting society.</p> <p>As part of this commitment, we are investing in hydrogen enhanced combustion processes to increase energy efficiency and reduce greenhouse gas emissions. In addition, we have developed a carbon neutrality roadmap, which aims to make our activities more sustainable and aligned with environmental preservation, through the implementation of innovative technologies and internal research projects, such as the Clean Cement Line → Chap. 1.4.</p>	<p>Secil's response</p> <p>We are a benchmark employer, both nationally and internationally, that seeks to generate value and provide decent jobs, always respecting safety, training and equity. To this end, we invest in leadership and coaching programmes in behavioural safety, in order to ensure the safety of our employees in all their activities.</p> <p>In addition, we have the TME Programme, which includes safety roadmaps for all regions, for training our human capital, having expanded its scope to a larger number of employees.</p> <p>We recently implemented Secil's annual talent monitoring calendar, which enables us to identify and develop the organisation's internal talent, ensuring that there is a robust pipeline of successors for leadership positions and critical functions → Chap. 4.2.2.</p> <p>We also invest in resource use and are committed to decoupling economic growth from environmental degradation.</p>	<p>Secil's response</p> <p>By creating more sustainable product lines with low environmental impact, we contribute directly to the goal of developing more sustainable cities and fairer communities that are less harmful to the environment.</p> <p>As a company, we are committed to more sustainable manufacturing standards, reducing the impact of our activities on the environment and promoting a more sustainable future for all.</p>	<p>Secil's response</p> <p>We interact with a wide range of civil society groups, both nationally and internationally, establishing multiple partnerships that have promoted the improvement of our performance.</p> <p>We maintain environmental monitoring committees and promote the Secil Awards, in addition to establishing partnerships with the Architects' and Engineers' Associations, universities and NGOs. We also support IPSS initiatives in the communities surrounding our plants, and we maintain a close institutional relationship with the local authorities in the areas where our plants are located, offering financial and logistical support for various initiatives. In addition, we actively participate in numerous business associations, with a view to contributing to the economic and social development of the regions in which we operate → Chap. 4.2.2.</p>



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2.3 Decarbonising the Sector



We want to decarbonise and reduce greenhouse gas emissions from our operations to achieve carbon neutrality by 2050.

Environmental issues have been of enormous concern to global leaders and have been on the political agenda of most countries in the world. In Europe, this is no exception and in 2019, the European Green Pact was launched, consisting of a package of strategic initiatives aimed at setting the European Union on the path towards a green transition, with the ultimate goal of achieving climate neutrality by 2050. This Pact aims to make the EU economy sustainable and provides a roadmap for actions to promote resource efficiency through the transition to a circular economy, restore biodiversity and reduce pollution.

The cement industry plays a fundamental and indispensable role for the European economy. As one of the most consumed products globally after water, concrete, mostly made of cement, is an irreplaceable part of several value chains. For this reason, its modernisation and decarbonisation of the cement sector are assumed to be essential for European society.

As a response to the demanding targets associated with the European Ecological Pact, Cembureau (the European Cement Association) launched the Roadmap to Carbon Neutrality by 2050 in 2021, to which we are signatories. This roadmap analyses how CO₂ emissions can be reduced along the value chain - clinker, cement, concrete, construction and re-carbonation - to achieve carbon neutrality by 2050 and proposes measures to help achieve this, such as the use of alternative fuels or the development of new low-carbon products.





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Additionally, in 2021, the Global Cement and Concrete Association (GCCA) presented its Roadmap to Carbon Neutrality by 2050, in which the world's leading cement and concrete producers (representing 80% of total production outside China) jointly committed to carbon neutrality of concrete by 2050 and also an interim target to avoid five billion tonnes of CO₂ emissions by 2030. Secil is also a member of the GCCA since its creation in 2018, having signed its letter of commitments which, among other topics, includes the Climate Change and Energy pillar.

At the same time, we actively participated in the preparation of the roadmap for the national cement sector, promoted by the Technical Association of the Cement Industry (ATIC). This roadmap aims to contribute to the implementation of Portugal's commitments under the European Ecological Pact, and is in line with the objectives of decarbonisation of the national economy.

Secil's path to decarbonisation

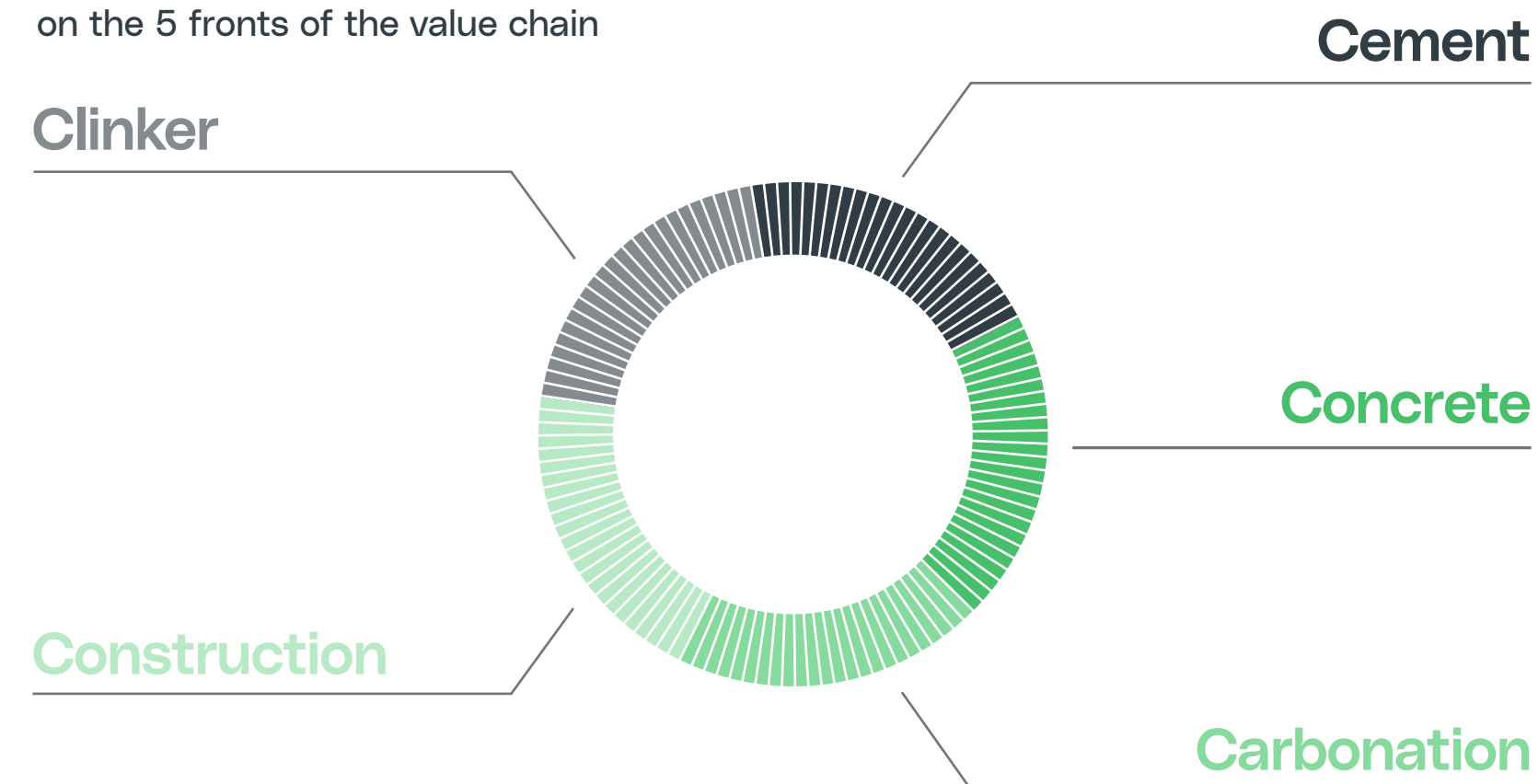
At Secil, we have made global commitments to the Roadmap for Carbon Neutrality 2050 defined by the Global Cement and Concrete Association (GCCA) - a roadmap in which the main cement and concrete producers around the world (representing 80% of total production outside China) have jointly undertaken: (1) a commitment to carbon neutrality of concrete by 2050; (2) an intermediate target to avoid the emission of five billion tonnes of CO₂ emissions by 2030. Additionally, we have aligned our strategy with the roadmap of the European Cement Association - CEMBUREAU 2050 Carbon Neutrality Roadmap - for the European cement sector and, at national level, with the roadmap of the Technical Cement Industry Association (ATIC) for carbon neutrality by 2050.

Internally, we developed our roadmap for Carbon Neutrality "SECIL Pathway to Decarbonisation", covering the various geographies, as part of our Ambition 2025 strategy. This roadmap defines CO₂ reduction targets for 2030 and 2050 and was based on the methodology used by CEMBUREAU: "5Cs" - Clinker, Cement, Concrete, Re-Carbonation and Construction (although the potential CO₂ reductions of the Construction element were not considered in this calculation).

→ [Listen to the Jornal de Negócios podcast "Conversas com CEO" on Secil's Road to Decarbonisation here](#)

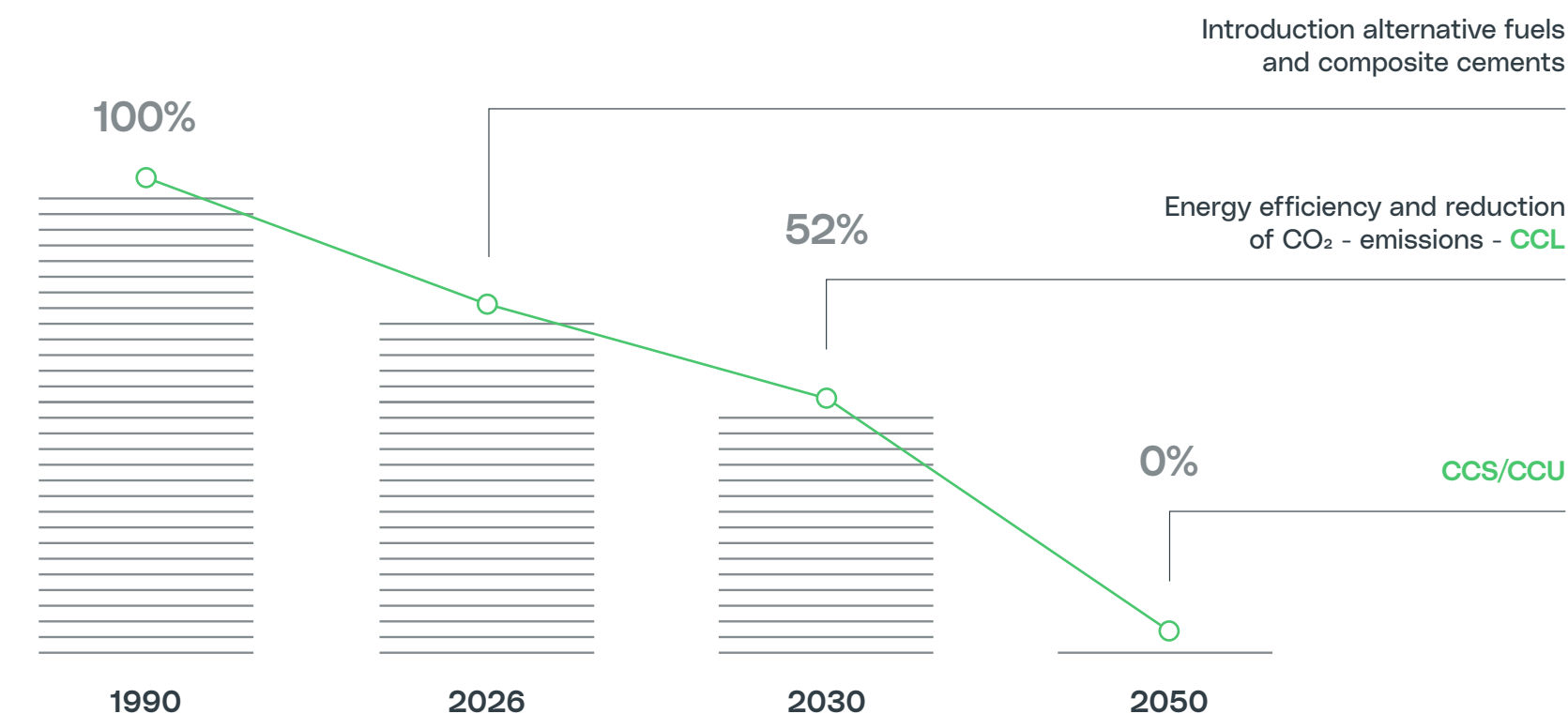
The 5 C's

Our Decarbonisation Roadmap on the 5 fronts of the value chain



The Decarbonisation of SECIL

(% CO₂ reduction)





Roadmap for decarbonisation in cement and concrete Secil

Considering the manufacturing units in all the countries where Secil operates, the roadmap set as an objective that by 2030 a reduction in CO₂ emissions of around 36% (456 KgCO₂/t cement) would be achieved, compared to the base year of 2020, throughout the entire value chain and around 22% (553 KgCO₂/t cement) if we consider the chain up to cement.

Secil's Roadmap for Carbon Neutrality is based on the following vectors:

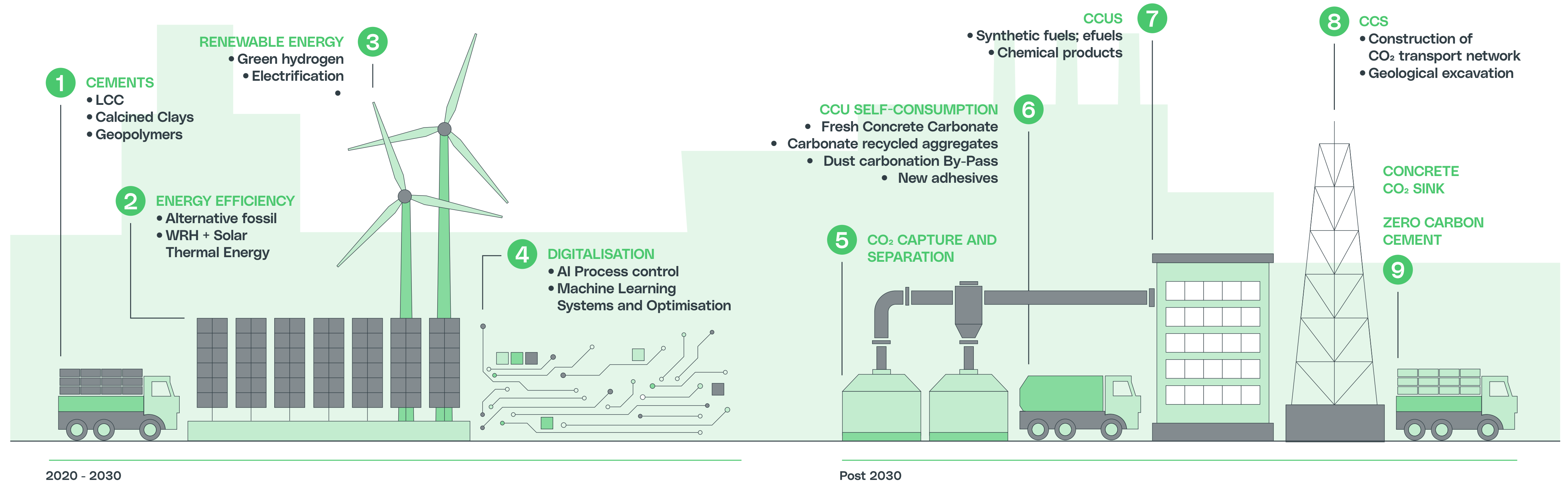
1. Implementation of more efficient technologies that will allow a reduction in thermal consumption and increase the use of alternative fuels with a higher biomass content, associated with the production of clinker. Introduction of innovative technologies resulting from internal research projects that will allow the total elimination of the use of conventional fossil fuels and

activation of existing hydropower in alternative raw materials. Increased use of alternative decarbonated raw materials.

2. Development of low carbon content cements resulting from the lower incorporation of clinker with the incorporation of alternative raw materials with hydraulicity potential in a first phase followed by the use of calcined clays with a lower carbon footprint. Reduction of the carbon content of electricity estimated in each country.

To implement these actions, a total investment of 106.8 million Euros is planned up to 2030, to which must be added 86 million Euros for the Clean Cement Line project, currently being executed in one of the plants - totalling around 192.8 million Euros.

Secil ROADMAP for Decarbonisation in Cement





It should be noted that in Secil we have installations within and outside the European Union, with very different policies in terms of climate change. This has an impact on the timing of the progress of decarbonisation, given the difficulty of justifying the high investments in units outside the European Union, due to the absence of support and the support of a CO₂ market. Also, the lack of regulation allowing the use of low carbon cements in concrete and the use of alternative fuels pose an additional challenge. Support for investments to be made in these external

units and cooperation from EU and external country authorities can help create the conditions to facilitate the necessary changes that will reduce the timing needed for the possible and necessary decarbonisation in these units.

In addition to the 2030 targets, we are committed to carbon neutrality by 2050. With a finalised and clearer legislative framework, a better understanding of the reduction potential of possible Carbon Capture, Utilisation and Storage (CCUS) technologies, better

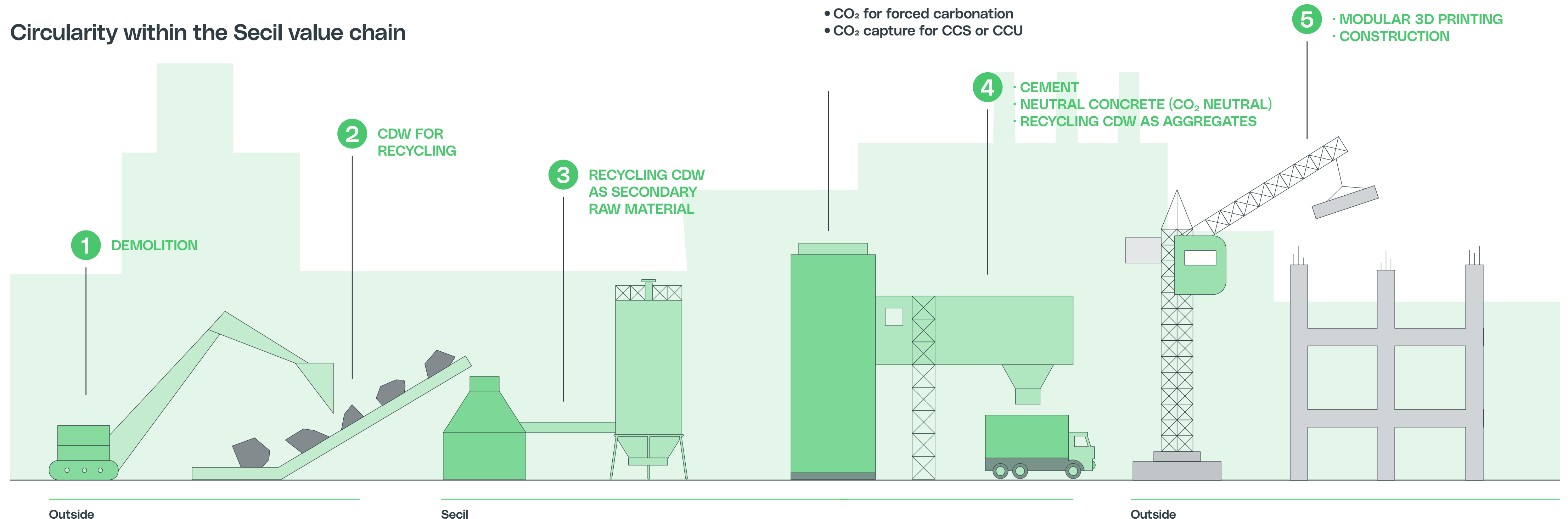
visibility of the availability of supporting infrastructure for CCUS and policy advances in countries outside the European Union, Secil will complement the current roadmap with the most appropriate measures towards neutrality in 2050.

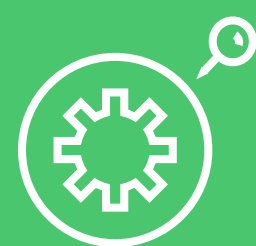
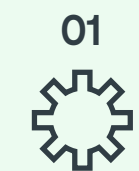
In alignment with our strategy, we have implemented various initiatives aimed at reducing the carbon footprint in its value chain, such as the production of cement with less clinker (Low Carbon Clinker) and concrete with less cement. It should be noted that,

since 2021, we are implementing a major investment in the modernisation of the Secil-Outão unit - the project referred to above as Clean Cement Line (CCL). In addition, a number of other ambitious projects are under study to meet the targets set.

It should also be noted that we have committed with SBTi to set science-based targets for 2030. With the start of the inventory study of scope 3 emissions, the publication of targets and the respective roadmap is expected in 2023.

Circularity within the Secil value chain





→ Highlighted Corporate Initiatives

Clean Cement Line (CCL Project)

The **1** Clean Cement Line (CCL) is a research, development and innovation project that will transform the Secil-Outão plant into one of the most advanced cement plants in Europe and the world. With a total investment of 86 million euros, the plant will achieve a lower carbon footprint and will be considered a benchmark.

Through complex engineering work started in 2021, this project aims to develop and demonstrate the concept of new cement production technology on an industrial scale to reduce factory CO₂ emissions by at least 20%, increase energy efficiency by 20% and generate 30% electricity using an innovative hybrid generation system through heat recovery from the manufacturing process and concentrated solar thermal energy.

The project, along with the PIN project - Project of National Interest, ID&T project and the largest project of the Portugal 2020 programme, is divided into four sub-projects, which aim to eliminate dependence on fossil

fuels, increase energy efficiency, internal electricity production, integration in the digitalisation process and reduction of CO₂ emissions. These four innovations aim to lead to the development of low carbon clinker production and consequently the creation of a range of cements with a low ecological footprint.

The CCL project is already at an advanced stage of execution, with engineering and mechanical assembly operations underway, and this phase of development and demonstration of results is expected to continue throughout 2023.

Clean Cement Line

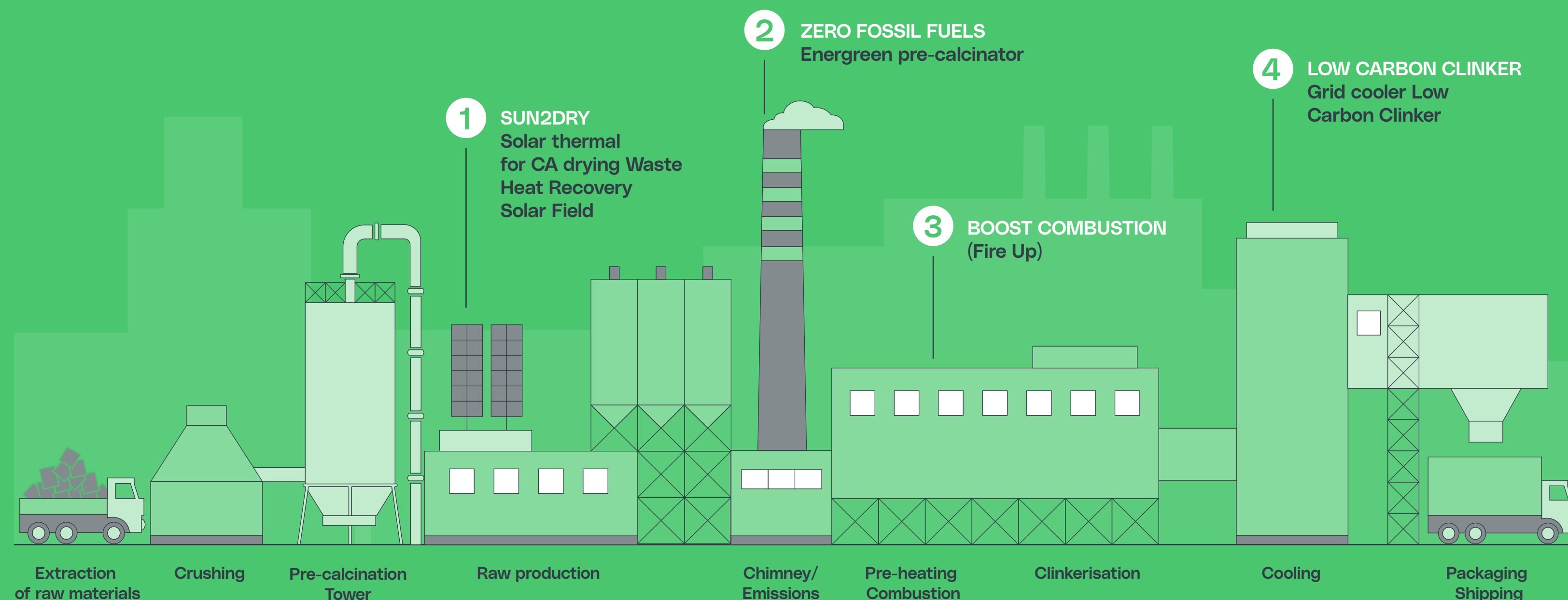
Integration of various energy efficiency projects and reduction of CO₂ emissions (combustion and process)

Overall Benefits

20%
Energy Efficiency
reduction of at least 20%

20%
Reduction of CO₂ emissions
of at least 20%

30%
Electrical energy
by reuse of operating heat and Solar Thermal energy, about 30% of the needs





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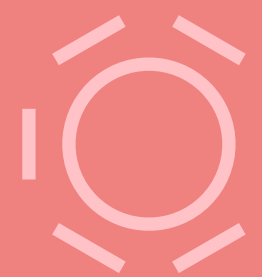
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GOVERNANCE

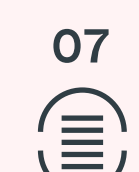
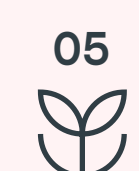
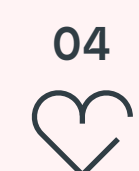
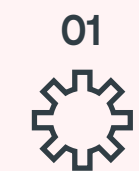


03 — GOVERNANCE ASPECT



WE EVOLVED IN ORGANIZATION

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3.1 Governance



We believe that it is only with a structured governance model that we can define our actions in a directed and focused manner towards environmental, social and economic risks and opportunities.



GRI 2-9

Secil is aligned with good governance practices with regard to its structure, maintaining a Board of Directors that assigned the management duties to the Executive Committee. The Board of Directors assesses the risk exposure related to our business.

At the end of 2022, the Board of Directors was composed by eight members: five non-executive members and three executive directors. The CEO is responsible for promoting sustainability topics in the business - namely governance topics - as well as for approving strategic objectives, initiatives and priority actions. There is also an executive director who is responsible for climate-related and other environmental topics. Social issues will, as of 2023, be ensured by the Director of Human Resources, who will be invited to all executive meetings.

→ [Learn more about Secil's Governing Bodies](#)



Board of Directors



CHAIRMAN
Ricardo Pacheco Pires



VICE CHAIRMAN AND CEO
Otmar Hübscher



MEMBER
Carlos Medeiros Abreu



MEMBER
Carlos Correia de Barros

Executive Committee



MEMBER
Sérgio António Alves Martins



MEMBER
Javier de Benito



MEMBER
Carlos Coelho Alves



MEMBER
Vítor Paranhos Pereira



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GOVERNANCE



CHAIRMAN

Ricardo Pacheco Pires

Ricardo Pires holds a degree in Business Administration and Management from Universidade Católica Portuguesa, and is specialised in Corporate Finance from ISCTE. He also has an MBA in Corporate Management from Universidade Nova de Lisboa. He began his career in the field of management consulting, from 1999 to 2002 for BDO Binder and later for GTE Consultores. From 2002 to 2008 he held several positions in the Corporate Finance Board at ES Investment, where he developed different M&A and capital market projects in the Energy, Paper and Pulp and Food & Beverages sectors. He has worked for Semapa since 2008, first as Director of Strategic Planning and New Business and afterwards, from 2011, as Chief of Staff of the Chairman of the Board of Directors. In 2014 he was appointed Executive Director of Semapa, and he also holds positions in other related companies. Since 2015, he has held positions on the board of The Navigator Company and Secil. He has been CEO of Semapa Next since 2017 and took over in March 2020 duties as Chairman of the Board of Directors in the ETSA group.



VICE-CHAIRMAN

Otmar Hübscher

Degree in Business Administration from the University of Saint Gallen HSG, Switzerland, complemented by further executive training. He joined the Holcim Group in 1991, having held numerous positions from 1998 onwards in various Latin American countries, namely CFO in Ecuador, Chile and Argentina and CEO in Argentina and Brazil, being responsible for the integration of Holcim and Lafarge in Latin America in 2015- 2016. Since 2017 he has been CEO of Secil and a member of the Board of Directors of Supremo Cements in Brazil, Ciments de Sibling in Lebanon and SCG in Tunisia. At Secil, he holds the position of Executive Chairperson and is responsible for Auditing and Internal Control, Legal, Sustainability, Business Strategy Development, Corporate Communication and Human Resources.



MEMBER

Carlos Medeiros Abreu

Degree in Electrotechnical Engineering from the University of Lisbon Higher Technical Institute, complemented with Executive Education from the Portuguese Catholic University, Kellogg University, and technical education. He joined Seal in 1981 and took office as a member of the Executive Committee in 2003. He has been a member of the Board of Directors of SCG in Tunisia since 2000, Ciments de Sibling in Lebanon since 2012 and Supremo Cements in Brazil since 2013. He represents Secil in Professional and Business Associations such as APIGCEE, ATIC and AASET. At Secil, he leads the Group's Operational Performance, being responsible for the technical areas of Innovation, Product Development, Health & Safety, Procurement and Special Projects, namely the decarbonisation of cement.



MEMBER

Carlos Correia de Barros

Degree in Mechanical Engineering from the University of Porto Faculty of Engineering, complemented by an MBA from INSEAD and further Executive Education at Wharton and MIT regarding Digital Transformation. He worked at the Kaizen Institute between 2004 and 2007 and at Mckinsey & Company between 2008 and 2014. He joined Secil in 2014 as Director of Strategy and Development. Since 2020 he has been a member of Secil's Board of Directors and Executive Committee and is a member of the Board of Directors of Supremo Cements in Brazil, and of SCG in Tunisia. Since 2021 he has been Finance Director with responsibility for the areas of Group Finance, Management Planning and Control, Accounting and Taxation and Information Systems.



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GOVERNANCE

**MEMBER****Sérgio Martins**

Sérgio Martins has a degree in Economics and a Masters in Economy and Corporate Management Mathematical Models from Instituto Superior de Economia (Lisbon), the college where he also lectured Statistics, Optimisation and Mathematical Models from 1982 to 1988. Having previously worked at Portline as Management Planning and Control Director, Sergio joined the Seal Group in 1990 as General Director and Executive Committee Director at Secil Martingança. From 1997 to 1999 he served as the Commercial and Marketing Director for Secil and in 2000 became the CEO for Société des Ciments de Gabès, in Tunisia. Having accumulated experience between 2006 and 2012 as the sole responsible for Secil's operations in Tunisia, Angola and Cape Verd, Sergio Martins became a member for Secil's Board Executive Committee. In 2022, Sergio became a non-executive board member for the Secil Group.

**MEMBER****Javier de Benito**

Javier arrives at Secil with more than 35 years of professional experience managing companies with international operations, having spent almost 30 years at Holcim in Spain and Switzerland, where he worked as Area Manager Africa Middle East. Since 2016, he has been chairman of GlobBULK, a consulting company that serves the cement industry on three continents. He also works as an independent nonexecutive at Kolos Cement (Mauricia) and as a senior advisor at Cementos Capa (Spain).

**MEMBER****Carlos Coelho Alves**

Carlos Alves has a degree in mechanical engineering from Instituto Superior Técnico and he is an Expert Industrial Manager by the Portuguese Association of Engineers. He began working as lecturer of Machine Components I and II at Instituto Superior Técnico and he was a Trainee Expert of the Works Monitoring Division at Laboratório Nacional de Engenharia Civil in Lisbon. He was an engineer of technical services at Cometna Companhia Metalúrgica Nacional, SARL, and later director in charge of manufacturing and managing director of Cobrascom S.A. (In Rio de Janeiro, Brazil). Between 1989 and 2009, he held directorship positions in Semapa, Sodim and other related companies. He was also CEO of Secil and CMP between 1994 and 2009 and held management positions at Portucel (currently The Navigator company), Soporcel, and Enersis, where he was Chairman of the Board of Directors. He was Chairman of ATIC - Associação Técnica da Indústria do Cimento between 2004 and 2009 and member of the Cembureau Steering Committee between 2004 and 2009. He has been non-executive director of Semapa since November 2015 and non-executive director of Secil since October 2020.

**MEMBER****Vítor Paranhos Pereira**

Vítor Paranhos Pereira holds a degree in Economics from Universidade Católica Portuguesa and attended AESE (Universidade de Navarra). He began working in 1982 at the company Gaipar Marques Campos Correia & C. Lda. as Financial Director until 1987. From 1987 to 1989 he was Deputy Financial Director of the Instituto do Comércio Externo de Portugal (ICEP). Vítor Paranhos Pereira joined the group 1989 as Financial Director of Sodim, and in 2009 was appointed member of the Board of Directors of that company, until May 2018. He also holds directorships in several companies related so Sodim, particularly Hotel Ritz, since 1998. From 2001 to 2016, he was Director of the Hotel Villa Magna. He has held office as Director of Sonagi since 1995. From 2006 to 2015 he was Chairman of the Audit Board of the Associação da Hotelaria de Portugal (AHP) and in April 2019 he was appointed as Chairman of the General Meeting of this organisation. From 2007 to 2016 he has been Chairman of the General Meeting of the Associação Portuguesa de Fundos de Investimento, Pensões e Património (APPFIPP). He has served as member of the Audit Board of Eurovida Companhia de Seguros, S.A. and Popular Seguros Companhia de Seguros, S.A. from 2009 to 2018. In 2014 he was appointed member of the Board of Directors of Semapa. He was appointed director of Refundos in 2005, where he has served as Chairman of the Board of Directors from 2018 to May 2020. He has held office as Executive Director of Semapa and other related companies since March 2020, and since February and March 2020 he has also held management positions at Secil and The Navigator Company, respectively.



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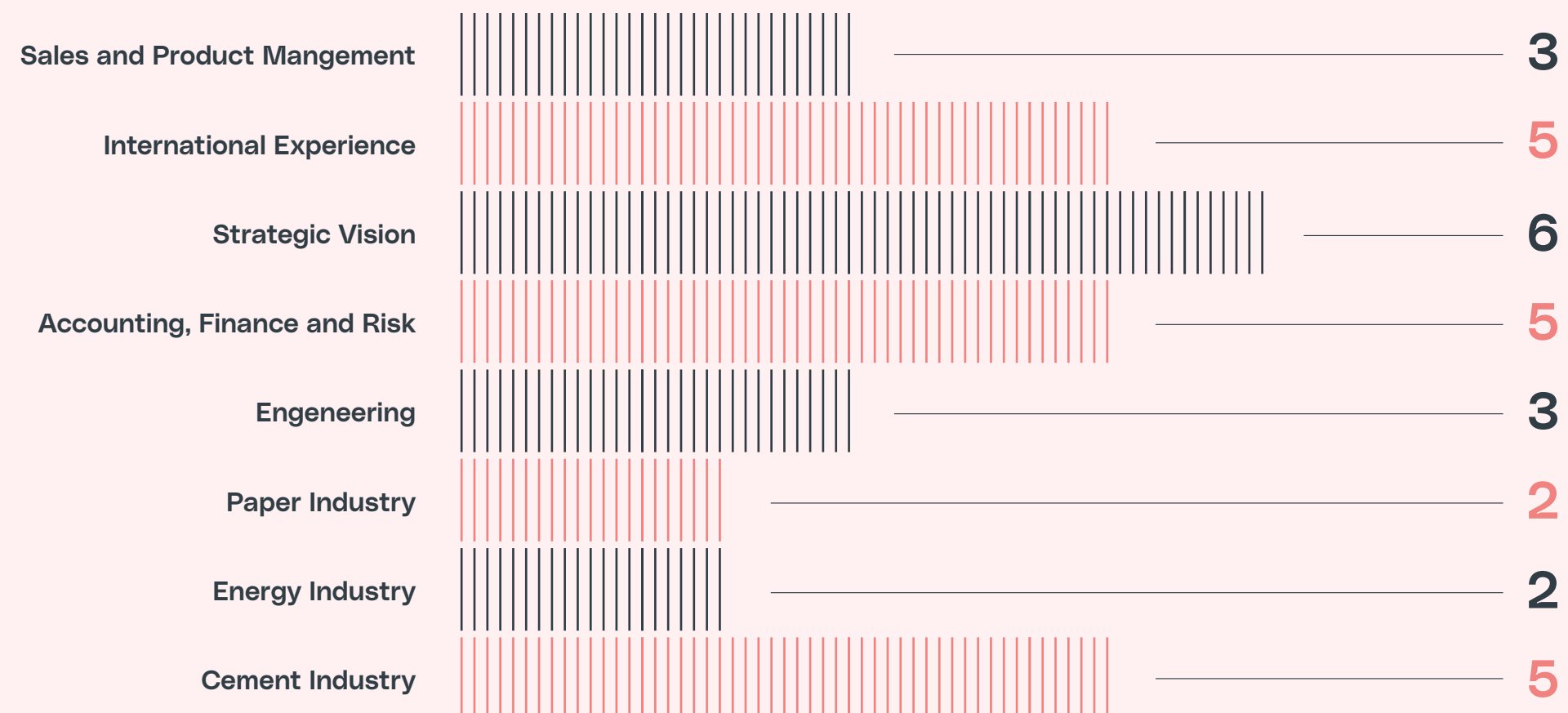


GOVERNANCE

Average years since taking office



100% participation



It should be noted that the Sustainability Committee has been in place since 2016, with the aim of identifying the main issues on the sustainability agenda, both national and international, which may represent risks and opportunities for the Group, as well as defining internal programmes and objectives related to the topic. This committee is composed of members from different departments of the Group's companies, both at corporate and local level i.e. corporate managers of the ESG+E pillars, corporate technical experts and local managers of ESG+E pillars). It should be noted that, as of 2023, the committee will be expanded to include those involved in the sustainability project and the CEO, and will meet on a quarterly basis.



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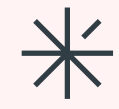
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GOVERNANCE

In 2021, when defining our Ambition 2025
 → **Chap. 1.4**, we created the ESG+E (Environmental, Social, Governance + Economic) project, which until 2025 will coordinate the entire sustainability area, in order to consolidate its management and facilitate compliance with current requirements in this area. This project has a Project Leader and a manager assigned to each pillar to each pillar - these five people make up Secil's Sustainability Project team.

Project ESG+E (Environmental, Social, Governance + Economic)

CEO



Sustainability Committee

Composed of:

- Corporate managers of the ESG+E pillars
- Corporate technical experts
- Local managers of the ESG+E pillars

Sustainability Project

Composed of: 5 People

- 1 Project Manager
- 4 Managers assigned to each (ESG+E)



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GOVERNANCE

3.2 Ethics, Integrity and Compliance



Ethics and integrity are part of our identity, distinguishing and shaping our culture.



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



GCCA COMMITMENTS 2020-2030

· Publish a Code of Conduct that integrates the international principles of human rights

Integrity and responsibility are core values for Secil, at the basis of our culture and at the heart of our activities. Throughout our almost 100-year history, we have been acting side by side with our stakeholders in a fair and transparent way, and we intend to continue in the future to cement this close relationship and ensure their trust.

In this sense, we have developed our governance model based on the principles of ethics, compliance and respect for human rights, covering all the countries where we operate. In addition, we have defined a set of mechanisms and instruments to ensure the transparency and integrity of the Group's practices, as well as the internalisation of ethical business values for all our employees at all levels.

→ [Get to know the Code of Conduct here](#)





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GOVERNANCE

Secil's Code of Conduct is a fundamental pillar of the Group and its strategy

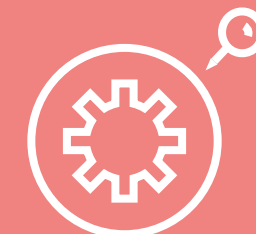
Secil's Code of Conduct is a fundamental pillar of the Group and its strategy. The document establishes a set of principles and rules applicable to all employees, ensuring compliance with high standards of business ethics and personal integrity by all the people who make up the Company, and the Group itself, in the performance of its activities. The operating principles include issues such as diligence, loyalty and collaboration, conflict of interest, gifts, civility and integrity, harassment, non-discrimination, confidentiality and legality. It also includes our commitments to stakeholders and addresses the issues of sustainability, labour rights and equality, health, safety and the environment.

We also highlight Secil's Supplier Code of Conduct → **Chap. 6.3.3**, approved in 2022, with the purpose of creating a relationship of proximity and trust with our suppliers, ensuring the highest standards of performance. It should also be noted that Secil has a plan to have described and implemented by 2025 the Policies it considers relevant in this area, such as the Anti-corruption Policy, Tax Policy, Competition Policy, among others.

At Secil, we seek to act in accordance with the legislation, standards and business responsibility practices recognised nationally and internationally. We believe that we should all be active agents in promoting integrity within the Group, including the members of our governing bodies and other Employees, our partners, customers, suppliers and other stakeholders.

In 2022, we reinforced our commitment to promoting a conduct of compliance and transparency, with special emphasis on identifying irregularities - in accordance with the new legal regime for the protection of whistleblowers, established in Law no. 93/2021, of 20 December - through the implementation of our Integrity Channel.

Finally, it should be noted that in 2022 no confirmed incidents of corruption were identified in the Secil Group.



→ Highlighted Corporate Initiatives Implementation of the integrity channel

In June 2022, we implemented the Integrity Channel in seven countries where we are present - Portugal, Brazil, Cape Verde, Spain, Holland, Lebanon and Tunisia - as a way of reinforcing our commitment to integrity and its importance to the Ambition 2025 strategy.

The integrity channel is an independent service for reporting possible irregular practices, and ensures the principles of anonymity, confidentiality, safeguarding and non-retaliation in relations with whistleblowers.

Thus, it is possible to quickly and efficiently access and investigate potential irregularities, enabling the adequate management of situations that may threaten the organisation at a reputational or financial level, as well as to accelerate the implementation of the respective improvement measures.

Through this channel, the following can be reported: violations of the code of conduct (e.g. harassment, discrimination, conflicts of interest, among others); fraud, corruption and bribery; human rights violations; non-compliance with legal and/or regulatory standards;

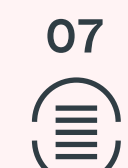
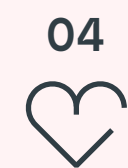


non-compliance with health and safety rules; disclosure of confidential information; among others.

In 2022, 16 communications were received in this channel, concerning 10 situations of alleged harassment (5), discrimination (1), fraud (9) and theft (1). There is a high percentage of situations that are not substantiated (80%).



→ [Learn more about Secil's Integrity Channel here](#)



Human Rights

At Secil, because we have operations in various countries, the human rights dimension is particularly relevant. At Secil, because we operate in several countries, we are aware of these issues, which are vital to ensure compliance with the universal principles established by the United Nations in the area of human rights. We believe that human rights, as universal rules of conduct, should be applied to all companies operating in the market, so as to ensure a better quality of life for all people, contributing to a fairer and more dignified society at all levels. At Secil, we reject any type of discrimination and

promote respect for the rights of all our employees and contractors in the different cultural, socio-economic and geographical contexts where we operate. In addition, we aim to influence our value chain and partners on this issue. As such, we have made progress in this area and intend to continue to work in the future, signing up to and participating in the main international initiatives related to Human Rights.

As a reflection, we have been signatories to the Portuguese version of the "CEO Guide on Human Rights", launched by BCSD Portugal, since 2019.

In the Secil Group Code of Conduct, launched in 2019, which is applicable to all our Employees, respect for human rights is expressed in the principles of action: urbanity and integrity; non-discrimination; and legality. It should be noted that the new integrity channel is an important mechanism for detecting situations of human rights violations and that the suppliers' code of conduct also includes requirements regarding compliance with human rights - e.g. health and safety at work, working conditions, freedom of association and non-retaliation, slavery, forced labour or child labour, non-discrimination.

Risk Management

Secil is part of the construction sector, which is subject to several risks that can have a significant effect on our business, our operating results, the cash flows we generate and our financial position. We therefore classify our risks into two major categories: financial risks and operational risks.

With regard to the former, financial risk management is conducted by the Group's Finance Department, based on policies approved by the Board of Directors. The Office of Financial Management identifies, assesses and carries out operations with a view to minimizing financial risks in strict cooperation with the Group's operating units. Management establishes the principles for risk management as a whole and policies covering specific areas such as exchange rate risk, interest rate risk, credit risk, the use of derivatives and other non-derivative financial instruments, as well as the investment of excess liquidity.

With regard to operational risks, these are managed by the Board of Directors, which carries out annual risk monitoring through identification of the main risks for the Group, as well as the evolution of existing mitigation measures. Operational risks can be grouped into several themes, namely: supply of raw materials; product sales price; demand for the Group's products; competition; energy costs; risks associated with climate change; risks associated with specific countries (Brazil, Tunisia, Lebanon and Angola); and environmental legislation.

→ Find out more about risk management through our Consolidated Annual Report



NEXT STEPS

To describe and implement an Anti-corruption Policy, a Fiscal Policy, a Competition Policy and a Human and Labour Rights Policy by 2025



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SOCIAL



04 — SOCIAL ASPECT



WE EVOLVED IN CONSCIENCE

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SOCIAL

4.1 Our Stakeholders



At Secil, we seek to maintain a close relationship with our stakeholders in order to meet their needs and expectations. We are an active member of several national and international institutions, both in the cement industry and in the area of sustainability.



GRI 2-29, 3-3



GCCA COMMITMENTS 2020-2030

· Establish a systematic dialogue process with stakeholders



OUR IMPACTS³

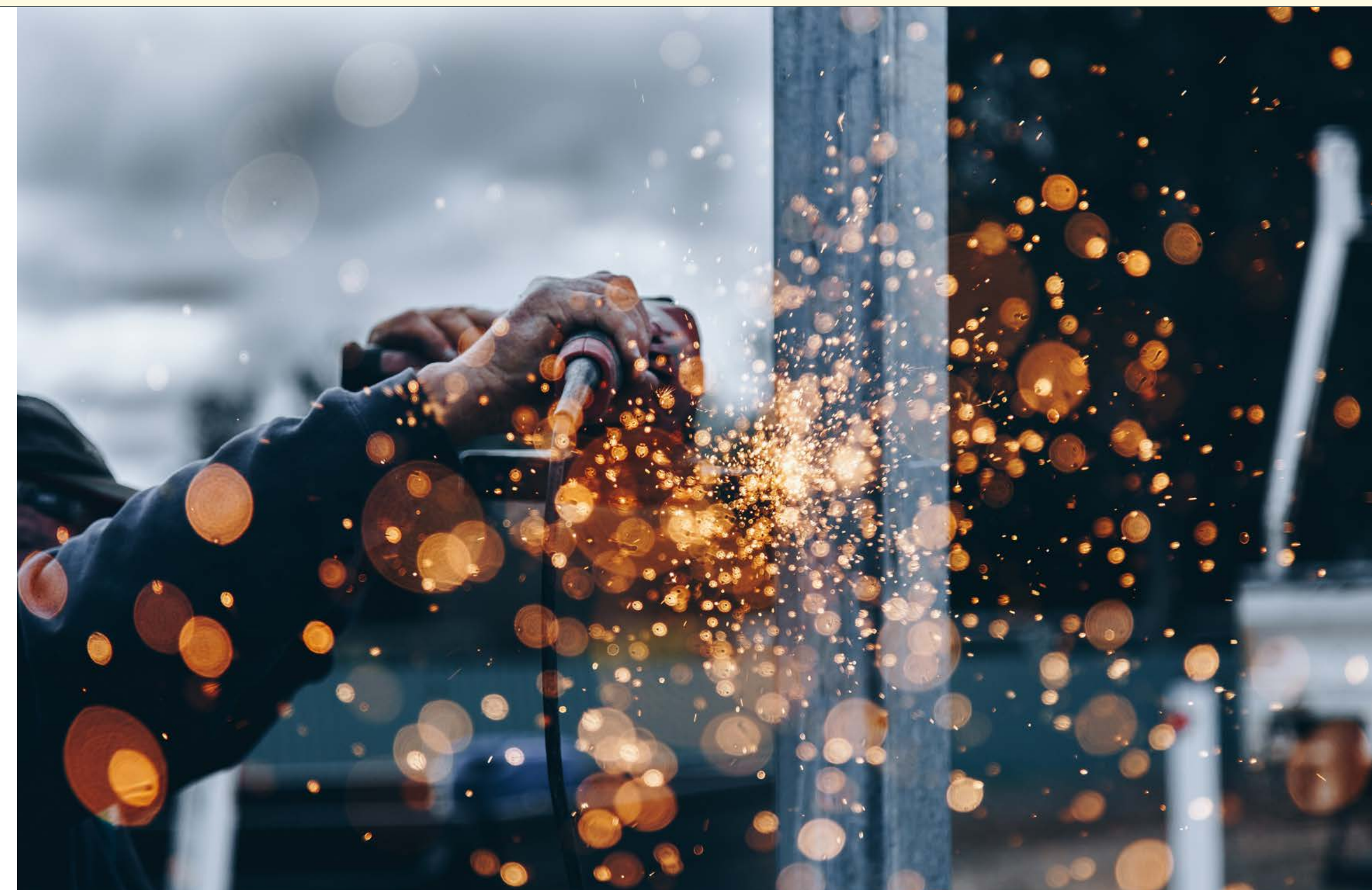
· More than 100 meetings of the Environmental Monitoring Committee of the Secil-Outão Factory since 2003

Our stakeholders are a key element in the way we manage the Group's business. Based on the latest materiality analysis we have identified six stakeholder groups.

Over the years, we have been fostering the opening of channels that allow a growing involvement of the different stakeholders impacted by our operations, and that we intend to listen to and involve as support to the decision-making processes.

The forms of communication and involvement vary according to the group of stakeholders and the needs identified, so we seek to ensure that the channels used and their frequency are appropriate to the needs. The communication channels that cut across all

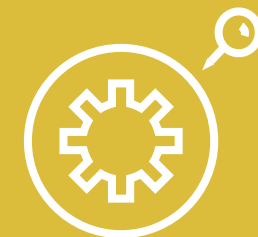
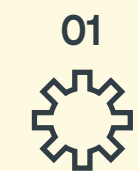
³ The other impacts resulting from the interactions with our different stakeholders are mirrored in the respective sub-chapters.



stakeholder groups include the Group's email, website and social networks, as well as the integrity channel [➔ Chap. 3.2.](#)

Among the formal mechanisms for direct interaction, we highlight the Environmental Monitoring Commissions (EAC) as a bilateral communication channel existing in various countries.

Our stakeholders are a key element in the way we manage the Group's business



→ Highlighted Corporate Initiatives

Environmental Monitoring Committees (CAA)

Held on a monthly to biannual basis, the Environmental Monitoring Committees (EMC) are made up of civil society, local government and Secil Employees and act as a channel of communication and information sharing. Secil has four AACs, two in Portugal - at the Outão and Maceira-Liz factories -, one in Brazil - in Adrianópolis - and one in Tunisia.

By holding meetings where the Group's performance and ongoing projects are shared, we create an open and transparent space to listen to the community.

The constitution of these citizenship forums is an example of a practice of regular, in-depth and transparent communication with relevant stakeholders who scrutinise Secil's performance and induce the adoption of better sustainable practices.

Among the various issues addressed at the FACs are:

- Environmental and safety performance;
- Environmental investments;
- Projects planned and underway;

- Impacts of industrial processes and activities;
- Social involvement - needs and expectations related to the community.

By way of example, we highlight the work carried out by the AAC at the Secil-Outão factory, which has carried out work since its creation in 2003:

100 meetings were held by the Secil-Outão factory Environmental Monitoring Committee

And it did:

12 entities of different types and types, which have dedicated at least,

3 000 hours of voluntary work to this forum of community participation

It is also worth mentioning the existence of the Social Committee in Brazil, which aims to promote the implementation and monitoring of social projects.



→ Highlighted Local Initiatives

Social Committee

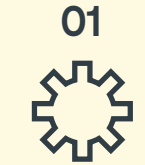
The Social Committee - an internal strategic body - was created with the objective of monitoring Secil's social projects, whether they be initiatives, partnerships or donations, ensuring alignment with internal policies, Mission, Vision and Values.

Several areas are represented on this committee, from Marketing to Human Resources, to the heads of the different manufacturing units.

As an example, and as a result of the work of this committee, the Casa da Cultura Pedro Queiroz Pereira, inaugurated in 2020 by Supremo Secil Cements, is a project focused on areas such as education, sports and culture → [Chap. 4.3.](#)

BRAZIL





Main Communication Channels and Forms of Involvement with Stakeholders



Employees

We aim to be the favorite company of the people we want to attract, retain and develop.

- Periodic consultations
- Intranet
- Newsletters
- Webinars



Customers

We want to be, in the Communities we serve, the preferred supplier of Cement based solutions for our Customers.

- Commercial activity
- Regular consultations
- Extranet
- Satisfaction surveys
- Complaints
- Secil PRO Website and App



Suppliers

We establish mutually beneficial relationships with our Suppliers.

- Meetings
- Telephone
- Technical visits



Community

We want to give shape to ideas, providing a responsible citizenship to our Communities.

- Environmental Monitoring Committees (Portugal, Tunisia and Brazil)
- Social Committee (Brazil)
- School Councils
- Protocols and patronage
- VISITS
- Portas Abertas Programme



Authorities

We act responsibly and in favor of compliance with standards and directives to which we are subject, with transparency.

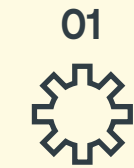
- Sharing of documentation
- Formal response to legal requirements
- Meetings and responses to notifications



Partners

Secil collaborates with several Partners, with the aim of develop synergies with the Communities where we operate.

- Environmental Monitoring Committees (Portugal, Tunisia and Brazil)
- Protocols and partnerships/patronage
- Meetings
- Visits (cement museum, factory)
- Process and Product Synergies



Cooperating for a better future

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

Some of the most relevant partners include the following:

Industry Partnerships



The **GCCA – Global Cement and Concrete Association** aims to boost the cement and concrete industry and improve the sector's socio-environmental responsibility.

From the outset, the Secil Group has been associated with the GCCA, sharing its objectives and giving continuity to the work begun in order to respond to the increasing challenges posed to the cement industry and in particular to its main product, concrete.

The GCCA's work focuses on six areas: (1) health and safety in the cement and concrete industry; (2) the future of construction and the role of concrete; (3) the value of concrete sustainability; (4) guidelines for concrete; (5) innovation in cement; and (6) best practices and reporting in the cement/concrete value chain.

GCCA has drawn up the first roadmap of sectors for decarbonisation.



ATIC – Associação Técnica da Indústria de Cimento was created to represent the Portuguese cement industry and promote better use of cement.

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

As an ATIC member, the Secil Group follows the path laid out by the Portuguese organisation for the cement industry to achieve zero net emissions in the cement and concrete value chain.



CEMBUREAU – The European Cement Association is the European cement industry's representative organisation.

This association acts as a spokesperson for the cement industry before the European Union institutions as well as other public authorities.

The Secil Group, as a member representing ATIC in CEMBUREAU, it monitors the lines of action outlined by the European association, particularly with regard to carbon neutrality or the transition to a circular economy, among other sustainability objectives.

Sustainability Partnerships



GRACE – Empresas Responsáveis is a 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 EVPA and CSR Europe networks, leaders in sustainability and corporate responsibility. These international platforms support industry sectors and companies globally in transforming and finding practical solutions for sustainable growth.

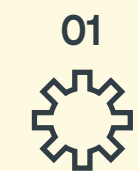


BCSD Portugal supports Portuguese companies on their journey towards sustainability, inspiring and helping them to build organisations and business models that are competitive, innovative and sustainable.

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

Involvement in the following working groups:

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



4.2 Our People



People are one of our five values, alongside: **Collaboration, Performance, Accountability and Integrity.**

People are at the heart of our Mission → Chap. 1.1 – for this reason we value diversity and promote equity and inclusion → Chap. 4.2.1, we enhance their careers → Chap. 4.2.2 and we invest in the safety and well-being of our employees in the different countries where we operate → Chap. 4.2.3.

4.2.1 Diversity, Equity and Inclusion



We work to value all our employees by mobilising their differences and similarities, making it a priority to promote gender equality in our workforce.



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



OBJECTIVES AMBITION 2025

- Support equal opportunities and promote diversity in management decisions

↑ Increase: 20% in the presence of women in the workforce.



OUR IMPACTS

- More than 2,300 employees in 8 countries on 4 continents
- 87% men and 13% women
- +5.6% more women hired compared to 2021
- 96% of women with permanent contracts (in relation to the total number of women)
- 3% of women in management positions
- 0 incidents of discrimination

As a socially responsible industrial-based company with more than two thousand employees in eight countries, the topic of Diversity, Equity and Inclusion (DEI) is relevant to us. We are aware of the importance of creating a culture of diversity and inclusion, promoting equal opportunities among our employees and in the communities where we operate.

Additionally, the promotion of an inclusive work environment, which welcomes diversity and the richness that goes with it, contributes to a good organisational climate and to the development of a more creative and productive environment - factors that contribute to Secil's positive performance and to retaining talent.



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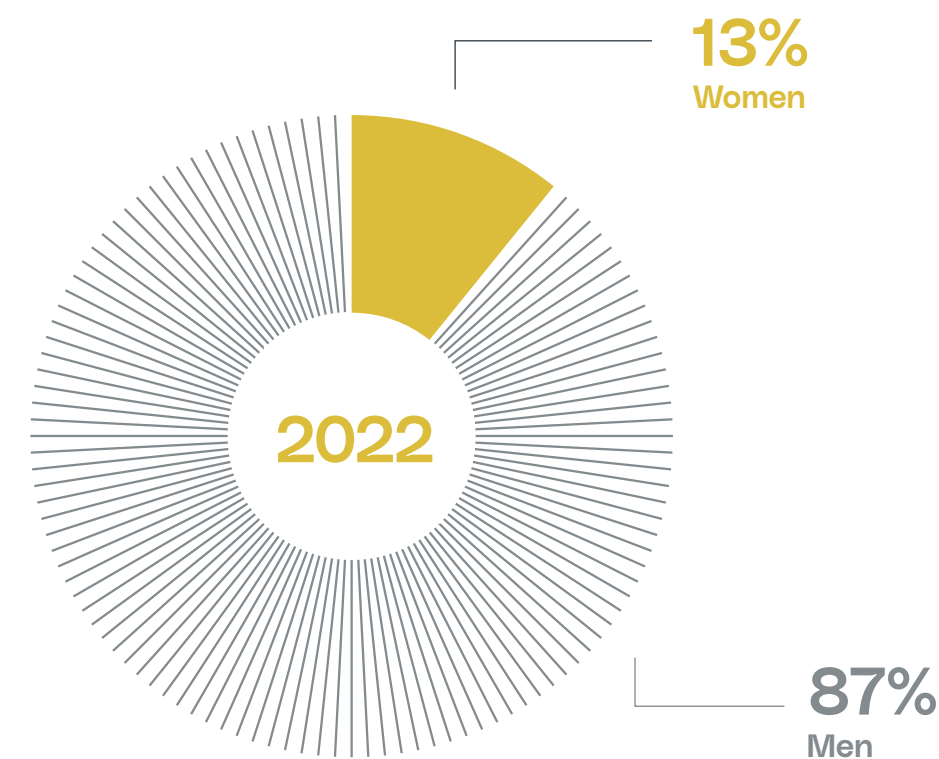
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Thus, this is a subject that the Secil Group has been working on more actively since 2021, namely by holding the DEI Days, which consisted of three webinars on the subject, to which all Employees were invited. This initiative aimed to create awareness of the complexity and importance of this emerging theme among Secil employees, as well as fostering the commitment of management to work on its agenda in the future.

In particular, the issue of gender equality is relevant in the cement industry, considering that for historical and operational reasons this is a sector eminently male, with women representing between 13% and 18%⁴ of the global workforce in the sector.



In 2022, women represent around 13% of the Secil Group's workforce and 3% are in management positions⁵.

Under the new strategic cycle [Chap. 1.4](#), the issue of DEI is being dealt with under the Social pillar of the overall Sustainability project, with gender equality as the main priority. In this context, we highlight the

definition of a new global objective: to increase the presence of women in the workforce to 20% by 2025.

The year 2022 was marked by the recognition of Engineer Ângela Nunes, Executive Director responsible for Secil's Cement Application Development Centre, with the prestigious Maria de Lurdes Pintasilgo Award, in the Role Model category. The Role Model category honours a former student for her professional and social achievements. This award, established in 2016 by the Instituto Superior Técnico, aims to promote gender equality and recognise the crucial role that women play in all areas of Engineering.

With vast experience in the cement and concrete area, Engineer Ângela Nunes has been a protagonist in promoting innovation in the Secil Group. She has also been one of the great names in national construction where she was involved in the Vasco da Gama Bridge, Expo'98, Casa da Música, Paula Rego's House of Stories, the US Embassy in Beirut and the Lisbon Cruise Terminal projects. In the latter, she contributed to the development of a new concrete with cork aggregate. Her work in the area of standardisation also stands out, in ATIC, CEMBUREAU, the Order of Engineers, RILEM and INNOVANDI [Chap. 4.3](#).

We are very pleased with this significant public recognition of Ângela Nunes, who has decisively contributed to Innovation at Secil throughout her long career in the Company. All colleagues who have worked with her are well aware of her great dedication to the Company, her love of Science and Engineering and her role in leadership and valuing her younger colleagues.

⁴ Source: data released by the [World Cement Association for 2021](#).
⁵ To measure the percentage of women in management positions, the functional categories of Corporate Bodies and Managers were considered, compared to the total number of women.

Indicators of Diversity at Secil

Distribution of employees by country 2022





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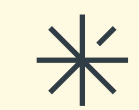
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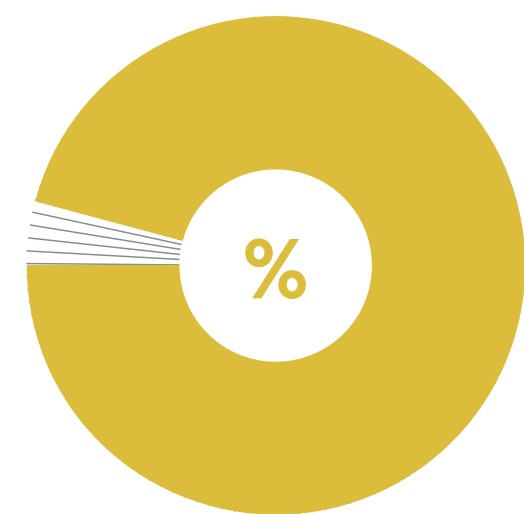


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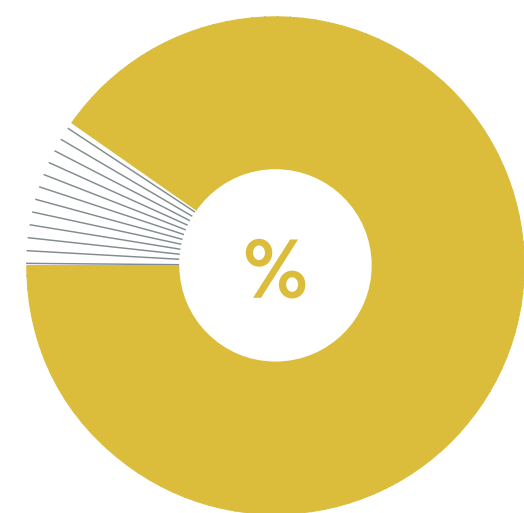


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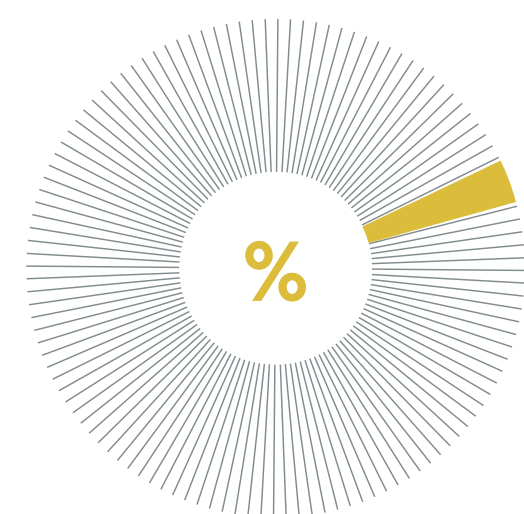
Indicators of Diversity at Secil



95.7%
of women with permanent contracts
(in relation to the total number of women)



90.2%
of men with permanent contracts
(in relation to the total number of men)



3%
of women in management positions¹

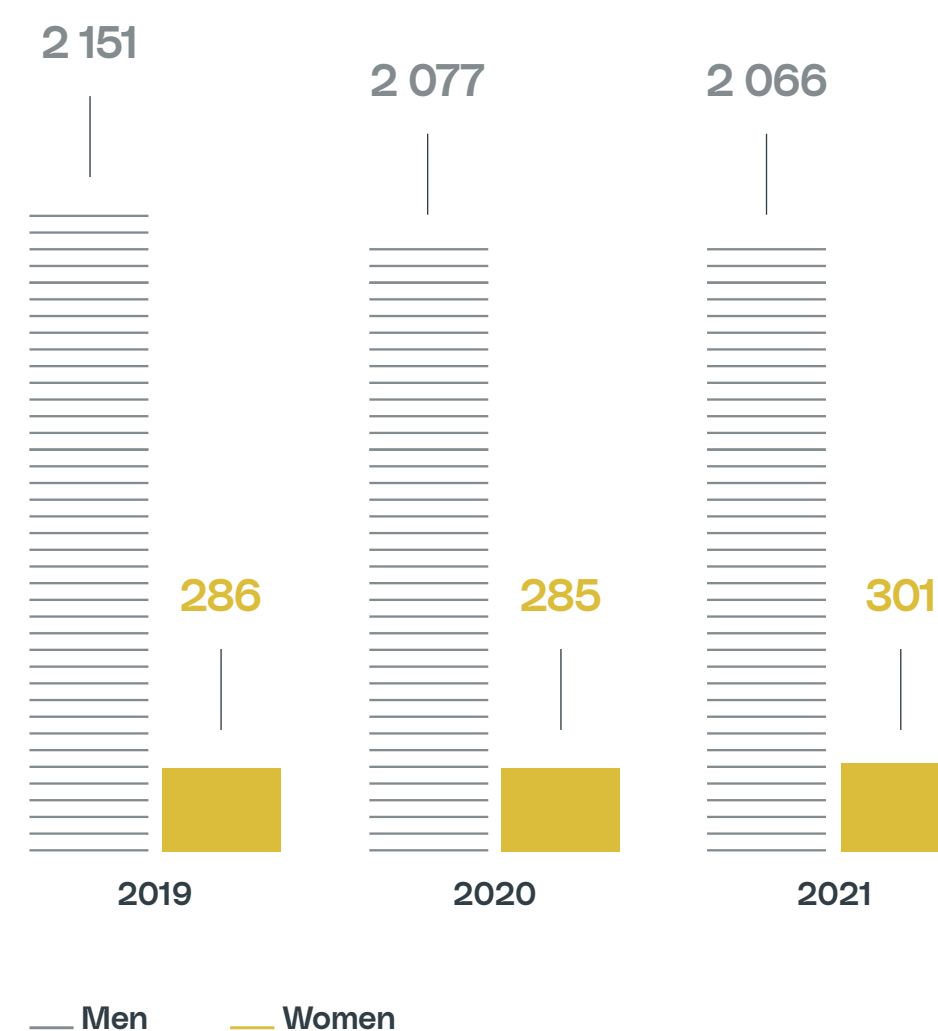
¹ To measure the percentage of women in management positions, the functional categories of Governing Bodies and Managers were considered, compared to the total number of women.

² Does not include trainees, members of the Corporate Bodies, or employees of Secil Angola (3) and Tercim Lebanon (18).

³ For the calculation of this indicator, only wages in Portugal are recorded. Secil does not differentiate salaries between men and women, and the entry salary is the same for both genders, male and female. The salary ratio presented considers the macro level framework aggregator, so naturally and for each of these levels, there are different framework subgroups, as well as distinct professional paths, which impact on the average values obtained for the salary ratio and, as such, on the reported values.

⁴ This category includes the Executive and Non-Executive Board Members allocated to Secil and the members of the Supervisory Board. It should be noted that this designation differs from that given in Secil's Annual Report, where they are presented as the Board of Directors.

Distribution of employees by gender²

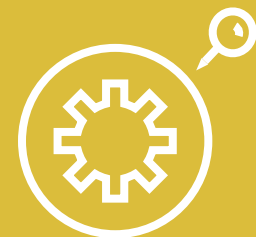
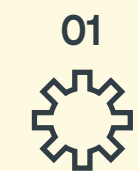


Ratio of wage and salary between women and men³



Diversity in governance bodies and employees

Functional category	Gender		Age		
	Men	Women	< 30	30 a 50	> 50
Corporate Bodies ⁴	87%	13%	0%	13%	87%
Managers	84%	16%	0%	26%	74%
Senior Management	80%	20%	0%	53%	47%
Middle Management	73%	27%	10%	70%	20%
Administrative	66%	34%	17%	49%	34%
Executives	97%	3%	7%	57%	36%



→ Highlighted Corporate Initiatives

Celebrations of International Women's Day

Because gender equality is our priority within DEI, we celebrated International Women's Day by circulating an email from the Group CEO to all Employees, and by holding a webinar. All Secil employees were invited to attend the session, which was attended by the CEO of Ambev's Future Beverages & Beyond Beer BU, Daniela Cachich. In this webinar, the guest shared her professional and personal trajectory and talked about her purpose of female empowerment in organisations - in line with her motto of "one rises and pulls the other".

This initiative, in which 150 Employees took part in two sessions (one in Portuguese and another in English), not only gave visibility to the gender equality issue but also contributed towards bringing the women of the Group closer together through the sharing of life stories and information on female empowerment.


In addition, Secil also participated in the GCCA campaign, the purpose of which was to celebrate International Women's Day by presenting different women who are part of the sector. This campaign - #BreakTheBias - served to show solidarity and support when it comes to denouncing prejudice, discrimination and inequality.

gc ca BUILDING A *DIVERSE* CONCRETE FUTURE

"A woman must be able to do what she wants and must not be prevented from fulfilling her dreams. There are no male or female professions, there is work and realisation.

The future workplace we want in cement and concrete is a more diverse, equitable and inclusive one. I am proud to be part of this change and to be able to inspire others to join this challenge."

Ana Paula Rodrigues
Head of Health and Safety, SECIL





→ Highlighted Local Initiatives

Round of debates: participation of women in the staff of Supremo

Due to the constant need to promote awareness of gender equality in our workforce, throughout the year conversations and debates on women's participation in the labour market were promoted at Supremo.

In 2020, 12.7% women were part of the workforce, rising to 16.7% in 2022, which corresponds to an increase of 31.5% in the number of women.

BRAZIL



As part of our International Women's Day celebrations, we marked it this year by releasing a CEO email and hosting an online webinar.

In addition to corporate initiatives, actions promoting awareness of gender equality are also carried out in the different countries. In 2022, we highlight the cycle of debates held in Brazil on the participation of women in the workforce.



NEXT STEPS

Carrying out pay-per-gender analysis, in order to monitor this indicator and work on the preparation of action plans to minimise the possible gaps identified (2023).

Establishment of specific roadmaps for each geography, as well as annual targets, in order to achieve the global objective for 2025 (2023).



4.2.2 Talent Management



We have over two thousand employees who contribute daily to our operations around the world and enable us to bring our products to market successfully.

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

- OBJECTIVES AMBITION 2025**
- To be the preferred company for the people we want to attract, develop and retain in order to operate and thrive.
 - ↑ **Development:**
Invest EUR 700 per person in training.
 - ↑ **Retention:**
Voluntary turnover of 9.2%, compared to total turnover.

- OUR IMPACTS**
- 2 367 direct jobs⁶
 - 78.4 million in Employee salaries and benefits
 - 90.9% of employees with permanent contracts
 - 30 580 hours of training
 - 68.6% of employees with performance assessment

⁶ Does not include trainees, members of the Corporate Bodies, or employees of Secil Angola (3) and Tercim Lebanon (18).

Talent management is a priority issue for us - in an increasingly competitive and global market, being able to attract and retain the best talent to contribute to our competitive advantage and the success of our operations is a determining factor. Through our hiring and labour practices, we generate social and economic impact, particularly in the communities in the various countries where we operate.

To achieve our “Ambition 2025” for Sustainable Growth → **Chap. 1.4**, we want to become the preferred company for the people we need to attract, develop and retain in order to operate and grow with excellence. To help us along this path, we have four structuring projects for people management: **Talent, Performance, Remuneration and Culture & Organisational Climate..**

For the different lines of action defined, our objectives are to develop policies and processes for performance, remuneration and talent management to support the Group's strategy and ensure that the business needs - attracting, developing and retaining the best talent.

Additionally, we want to define and implement a roadmap of the priorities of culture and organisational climate - in order to support the new strategic cycle - and a toolkit of business management routines, in order to support leadership and improve management efficiency in all geographies.



Talent management

The objective of talent management is to develop a management policy and process that ensures the attraction and retention of talent, driving the development of our employees' skills, ensuring the enhancement of people and succession through internal mobility.

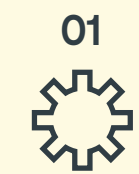
Currently, our workforce is made up of a total of 2,367 employees, with a positive trend in the entry rate.

The year 2022 recorded a total of 30,580 hours of training, with a decrease in the number of hours compared to the previous year. Through the implementation of the **Secil Academy** - a project which aims to provide the development of Employees' skills - we intend to increase the number of annual training hours.

The year was marked by the implementation of the annual calendar for monitoring Secil talents, which takes place in two major moments - People Day and the Talent Review. The Talent Review is responsible for the succession plans, with a focus on valuing talent, promoting internal mobility and defining the individual development programmes that allow professional progression.



Secil's main focus in relation to People is to develop, recognise and empower talent.



People Management Approach

Talent Management

Boosting the development of Employee skills and leadership skills (Secil Academy), ensuring the valorisation of people and succession through internal mobility, as well as meeting the organisation's objectives.

Remuneration Management

To ensure that there is internal equity and external competitiveness in decisions on remuneration, and that, in this way, the conditions are created to increase employees' satisfaction and motivation to work for Secil.

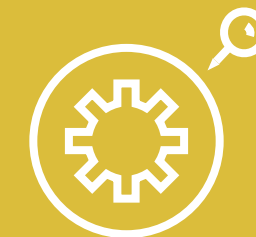


Performance Management

Boosting the capacity and autonomy of management to guide and give feedback to their teams, with a view to the continuous improvement of performance and the recognition of all those who stand out in the results and behaviour associated with the culture desired at Secil.

Management of Organisational Culture and Climate

To contribute to the development, empowerment and recognition of our people, acting in a more collaborative manner for the results of the group and the teams, focused on the well-being of our Employees and the satisfaction of our Customers.



→ Highlighted Corporate Initiatives

Implementation of the annual calendar for monitoring Secil talents

In 2022, we implemented the annual calendar for monitoring Secil talents, which takes place in two major stages:

- 1 Os People Day**, which are sessions held at the beginning of the year where leaders have the opportunity to present their people's performance to their peers, as well as receive feedback;
- 2 The Talent Review**, through mid-year sessions where leaders analyse the talent of their teams and propose potential successors for leadership positions and critical functions.

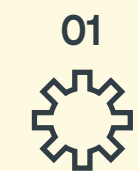
The Talent Review allows the Executive Committees to reflect on the evolution of their managers, optimising their performance - technical mastery of the themes in their sphere of activity - attitudes and growth potential.

For the mapping of the positioning of the first lines of management, the 9 Box methodology was used, making it possible to: improve the visibility of the internal talent available; execute the succession plans and recruitment strategy; execute the medium and long-term development plans for the potential successors identified.

The last Global Talent Review meeting was held face-to-face in Lisbon, involving the Executive Committee, the Country CEOs and the Human Resources leaders from all geographies, including the Talent Centre of Expertise. In addition to the Global Talent Review meeting, meetings were also held with around 100 leaders from across the organisation and the Human Resources teams.

It should also be mentioned that, since last year, we have implemented the Corporate Onboarding in Portugal - an occasion for welcoming a new colleague and which aims to establish the bases of mutual trust, openness, commitment, understanding and support between the Employee and Secil. This is a pilot

initiative that we intend to implement in all regions in this new strategic cycle. In 2022, two editions were held, bringing together some 33 new comers.



Secil's Human Capital Indicators

2 367

Employees¹

+0.2% compared to 2021

68.6%

of employees with performance assessment

-2.3% compared to 2021

Performance Management

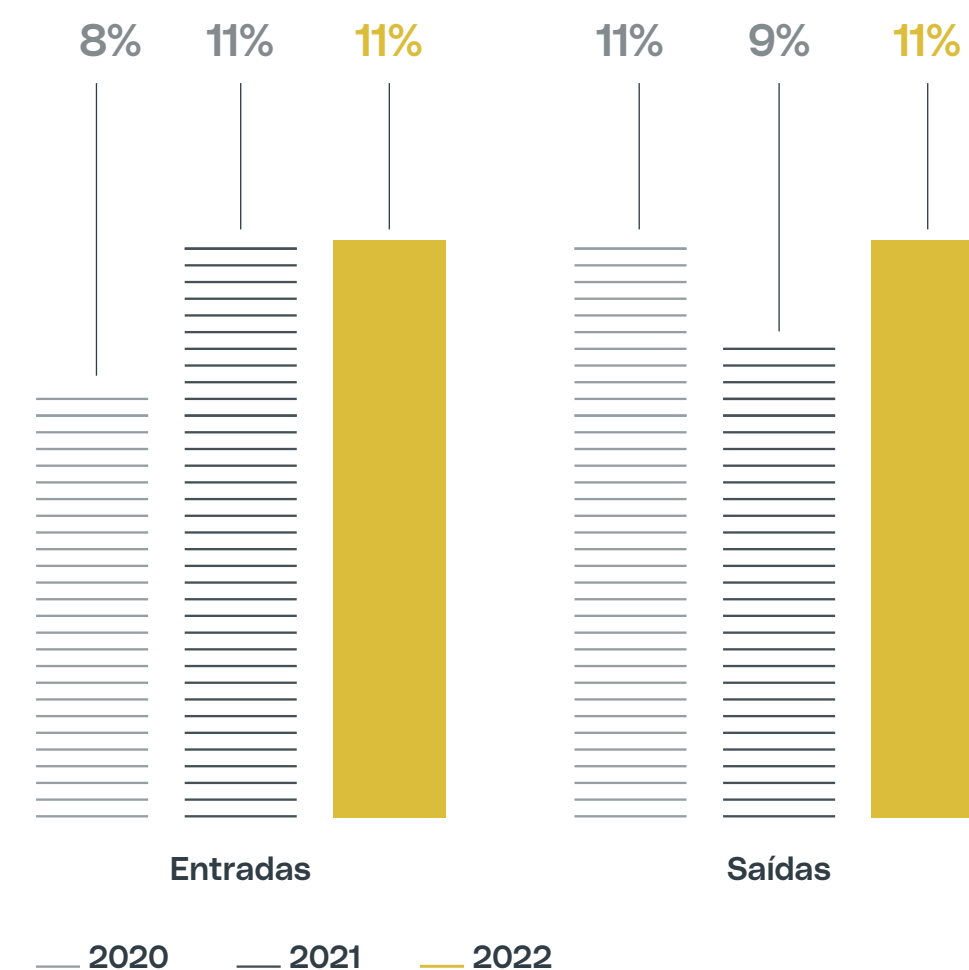
At Secil, we transversally promote the development of our People's skills as a relevant instrument in the management of human capital.

Through performance management we ensure alignment between individual, business and strategic objectives. It also allows for continuous follow up and feedback and recognition of individual contributions.

¹ Does not include trainees, members of the Corporate Bodies, or employees of Secil Angola (3) and Tercim Lebanon (18).

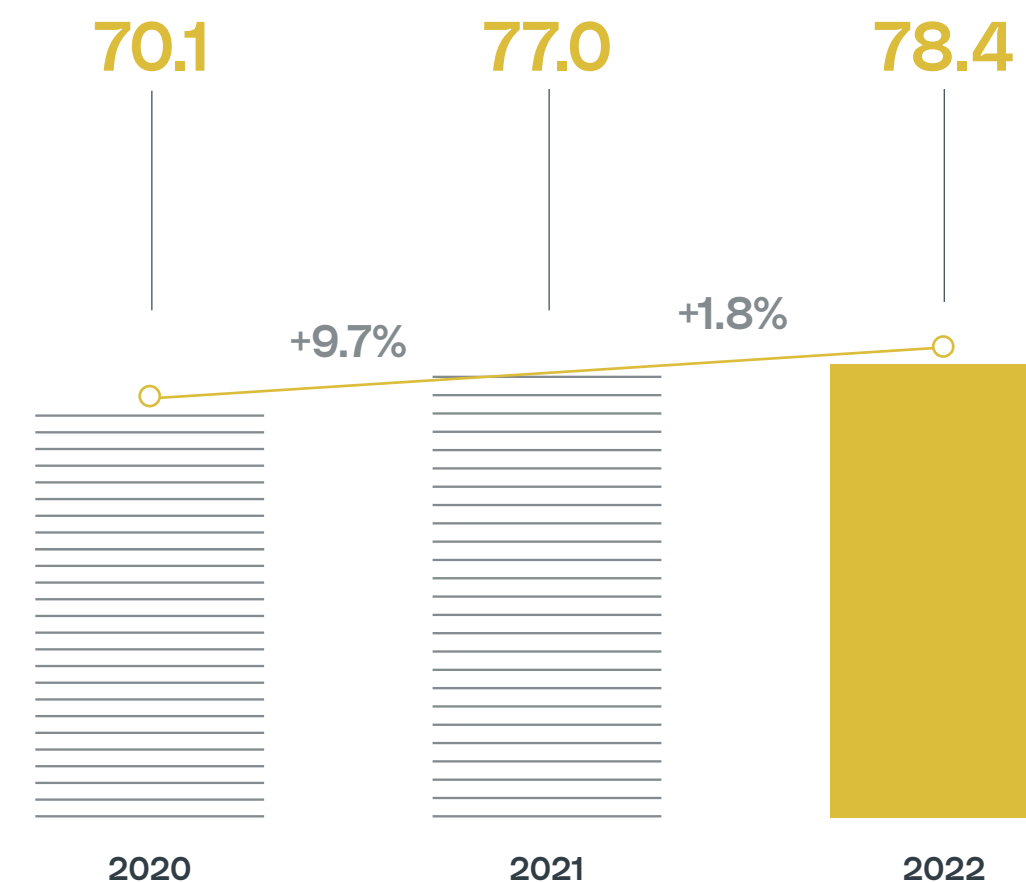
Note: These indicators do not include data relating to the members of the Board of Directors.

Evolution of entry and exit rates



Our leadership development programme - Build Up - works through a 360° Feedback tool, which promotes a deep understanding of each employee's performance, through the view of other colleagues with whom they relate within their function. This is not an exercise for evaluation but rather for self-reflection, improvement and commitment. It is one of the most powerful "tools" for individual improvement, because it gives an insight into "blind spots" that can only be seen from another perspective. It should be noted that every year all Build Up participants develop an Individual Development Plan.

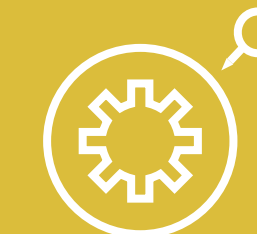
Employee salaries and benefits evolution (millions of euros)



In order to ensure that the strategic objectives are cascaded appropriately throughout all levels of the structure, in 2022 we carried out a pilot project with the CFO - Chief Financial Officer - teams, using the "Stract to Action" framework of the Hoshin methodology.

Remuneration management

Compensation management establishes the guidelines for the compensation and benefits policy. In 2022, job grading, which began the previous year with the



→ Highlighted Corporate Initiatives

Hoshin methodology for defining and monitoring objectives

Within the scope of performance management and to ensure that the strategic objectives are cascaded appropriately throughout all levels of the structure, a pilot project was carried out with the CFO - Chief Financial Officer teams, through the use of the "Stract to Action" framework, based on the Hoshin methodology. This methodology aims to assist the process of defining objectives for the areas, as well as the monthly monitoring of action plans and associated KPIs that ensure the determining annual objectives for the strategic objectives.

This methodology was implemented in 13 face-to-face sessions between March and April and involved the participation of around 60 people, including the CFO himself and the respective leaders of the Financial, Accounting & Tax, Planning & Management Control and Information Technology (IT) areas.

It is intended that, by 2023, all top leaders will have their objectives defined using this methodology, thus ensuring the execution and monitoring of the strategy through annual individual and team objectives.



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first leadership lines, was continued, now extending it to all positions. This initiative aims to ensure that there is internal equity and external competitiveness in decisions about remuneration, and that in this way the conditions are created to increase the satisfaction and motivation of our Employees. With the inputs from this initiative it was possible to carry out the internal equity and external competitiveness analysis that will be used as criteria for the salary review planned for 2023.

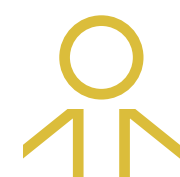
Management of organisational culture and climate

The Culture & Climate Project - launched in 2021 in the five⁸ regions where we are present - defines three pillars to focus cultural change in the coming years: People; Collaboration; and Customer Focus.

In alignment with the Ambition 2025 strategy → **Chap. 1.4**, we have defined as a priority the contribution to the development, empowerment and recognition of our people, acting in a more collaborative way for the results of the Group and the teams, focusing on the well-being of the employees and the satisfaction of our customers.

To ensure focus on the desired behaviours for cultural change in 2022, a set of workshops were held with leaders to define the core competencies of Ambition 2025. Recognising leaders as one of the main drivers of change - alongside strategic direction, organisational competencies and performance management - the "Group Meetings - Cultural Priorities" were held.

Culture & Climate Project



People

Developing, empowering and valuing our People.



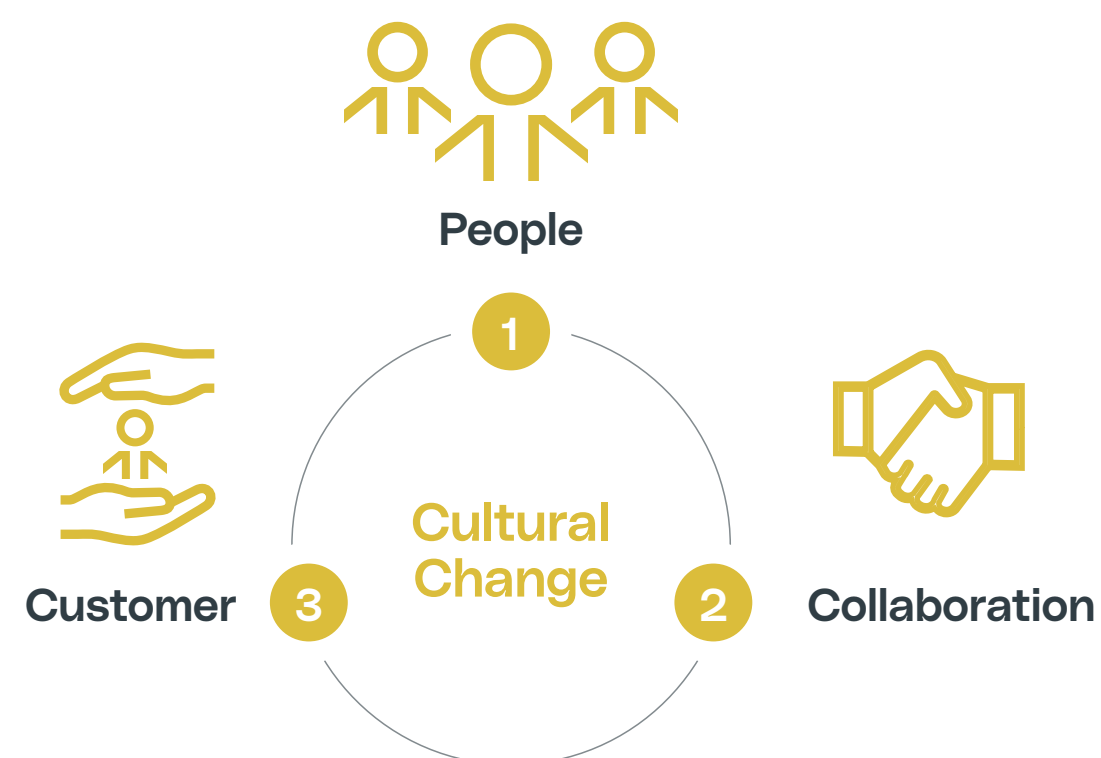
Collaboration

Fostering Collaboration to leverage synergies and agility.



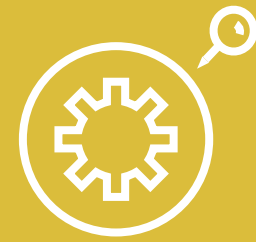
Focus on the Customer

Driving change with a focus on Customers.



⁸ Portugal (consolidating operations in Cape Verde, Spain and Holland), Tunisia, Angola, Lebanon and Brazil.





→ Highlighted Corporate Initiatives

Definition of Ambition 2025 core competencies

The main axis of the cultural change project is to work on behaviour as a way of encouraging change.

To define the behaviours to be changed, the Ambition 2025 core competencies were identified.

The exercise of defining competencies was carried out at two different moments: firstly, in the past strategic cycle - in a top-down manner - and, in 2022, in a second moment, with about 50 employees from various countries - in a bottom-up process. In this way, it was possible to include the various levels of employees in the process and thus ensure a greater involvement of the organisation's people in this path of cultural change. The virtual meetings made it possible for people from other regions where

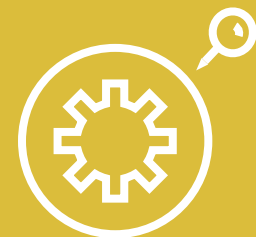
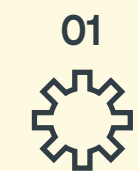
Secil is present, such as Tunisia, Lebanon and Brazil, to participate.

At the end of the year, six core competencies were identified to be promoted, and which will be integrated in the performance management of Employees:

1. develop people;
2. promote teamwork;
3. promote change;
4. promote customer focus;
5. lead performance; and
6. foster adaptability and learning.

AMBITION Sustainable Growth | 2025 CORE COMPETENCIES





→ Highlighted Corporate Initiatives

Group Meetings – Cultural Priorities

Recognising that cultural change must start at leadership level - as a fundamental aspect for the successful involvement of the whole organisation - we promote group meetings dedicated to cultural priorities.

In 2022, the 45 main leaders of the Secil Group met face-to-face twice, and on each occasion one of the cultural priorities was worked on.

In June, during the Secil Meeting - an annual management meeting - the priority of "Collaboration" was worked on to leverage synergies and agility. Over two days, the leaders carried out a set of challenges in teams, and the success of these challenges could only be achieved through the sum of all efforts.

The Group Meeting in October worked on the empowerment dimension of the cultural priority "People". In this context, the leaders attended an inspirational talk by one of the crew members of the submarine that originated the book "Turn the Ship Around - A True Story of Turning Followers into

Leaders", and that gave the motto for the discussion on how Secil's leaders can further empower their own teams. This discussion was facilitated with the help of a pack of cards, developed in-house, with questions on cultural priorities.



Secil Meeting, 2022

In 2022, the 45 main leaders of the Secil Group met face-to-face twice



NEXT STEPS

Employer Net Promoter Score (eNPS) measurement - indicator measured for the first time across the Group in 2021 (eNPS=35) - plus twice more until 2025.

- Target of 39 (2023)
- Target of 50 (2025)

Implementation of the Secil Academy for the development of Employees (2023).

Salary review based on job grading data and analysis of internal equity and external competitiveness (2023).

Inclusion of the Ambition 2025 core skills in the People Performance Management Cycle (2023).




4.2.3 Health and Safety at Work




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


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

 **OBJECTIVES AMBITION 2025**

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

 **OUR IMPACTS**

- 4 228 people covered by the Occupational Health and Safety Management System
- 42 Accidents at work with sick leave
- 5.3 Accident frequency rate at work
- 1 348 lost days
- Zero confirmed occupational diseases
- ZERO FATALITIES

 **GCCA COMMITMENTS 2020-2030**

- Apply best practice guidelines on Safety.
- Encourage the sharing of best practices in Health and Wellness.

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

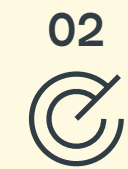
All components associated with wellbeing management can have positive or negative impacts. The lack of balance between personal and professional life is one of the major causes of tension and mental ill health, and one of the greatest risks, which can lead to indefinite sick leave, with a negative impact for both the Employee and Secil.

By conducting business responsibly, in addition to motivating employees and boosting their performance - contributing towards improving their health - we reduce the costs associated with Occupational Health and Safety (OHS) issues, thus ensuring a positive impact on Secil. In this sense, the implementation of an OHS culture is one of our priorities.

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

1. Leadership;
2. Operational Safety;
3. Management Systems;
4. Communication;
5. Training.





We have an Occupational Health and Safety Management System (OHSMS) certified in accordance with the ISO 45001 standard in all our geographical areas, with the exception of Brazil. The management system is formally certified in the cement business, covering 82% of all employees (including indirect employees).

With the new strategic cycle at Secil, the Health and Safety area follows the Ambition and, for 2025, we have defined new objectives and a Health and Safety Roadmap - a global and transversal tool that unifies the Group's strategy concerning health and safety at work. The main objectives of this Roadmap are to:

Ensure and Disseminate

that matters related to Occupational Health and Safety are a priority for implementation in a systemic way.

Establish

the responsibilities of managers and supervisors with regard to Occupational Health and Safety.

Define (IPAR)

and implement technical risk analysis tools.

Improve

communication and dissemination of security issues.

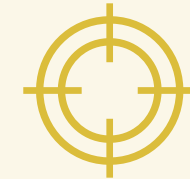
Implement

safety rules and procedures for the various operational activities, namely for key activities.

Attribute

skills to Employees in the area of Safety through technical and behavioural training.

Secil Health and Safety Policy



Purpose

The Secil Group considers Health and Safety to be fundamental values which must be integrated into all their activities.



Commitment

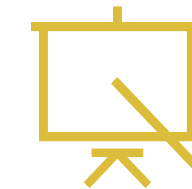
The Group is committed to achieving zero harm to its Employees, contractors and communities.

It aims at the highest level of awareness raising and promotion of the continuous improvement of its processes, through the implementation of an effective management system and strong leadership.



Leadership

Develop a culture in which the value of safety is embedded at all levels of the company. Shaping leaders with the ability to translate safety objectives into reality and to promote safety culture.



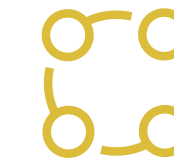
Training

Ensuring that each employee receives regular training, develops personal safety awareness, safe behaviour and responsible attitude in the workplace, and contributes to the safety culture.



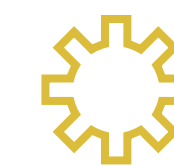
Communication

Provide transparent and effective information to Employees, contractors and communities, using appropriate tools for accident reporting and analysis, as well as sharing best practices and recommendations.



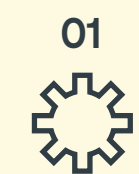
Operational Safety

Ensure that all plants, facilities and equipment are designed, operated and maintained to minimise risk and carry out regular assessments to monitor employee health and safety. Ensuring that for all activities the identification of dangers and periodic risk assessment is carried out, ensuring the implementation of measures that allow the prevention of accidents and occupational diseases.



Management Systems

Implement management systems that are subject to regular audits and periodic updates to enable continuous improvement. Develop procedures in relation to key issues, assess risks and apply risk control to ensure active safety in the workplace.



Each country has its own roadmap with actions common to the Group and specific to the location, and is responsible for their execution. A quarterly follow-up of these Roadmaps is promoted with each geography/business, as well as the sharing and dissemination of initiatives and good practices.

On the path to building a more solid and consolidated health and safety culture, a consultation was carried out with all Employees in 2022. This consultation made it possible to evaluate the last five years and identify strengths and areas for improvement. The study concluded that there was a positive evolution, with an alignment between geographies and hierarchical positions. Among the initiatives with the best contributions, the following stand out:

Daily Safety Dialogues (DDS)

DDSs are daily, informal style dialogues that focus on a particular safety issue. They are usually short - around 10 minutes - and can cover a range of topics relevant to daily work tasks and the work environment.

The main objective of the DDS is to create a dialogue routine among Employees, thus promoting a safety culture at Secil.

Safety Walks (SW)

SW consists of a tour of the premises, where a safety talk is held (between the "Walker" and the performer/collaborator").

The aim is, through visible leadership on the ground, to encourage safe behaviour and attitudes by Employees in their daily tasks.

Safety Moments

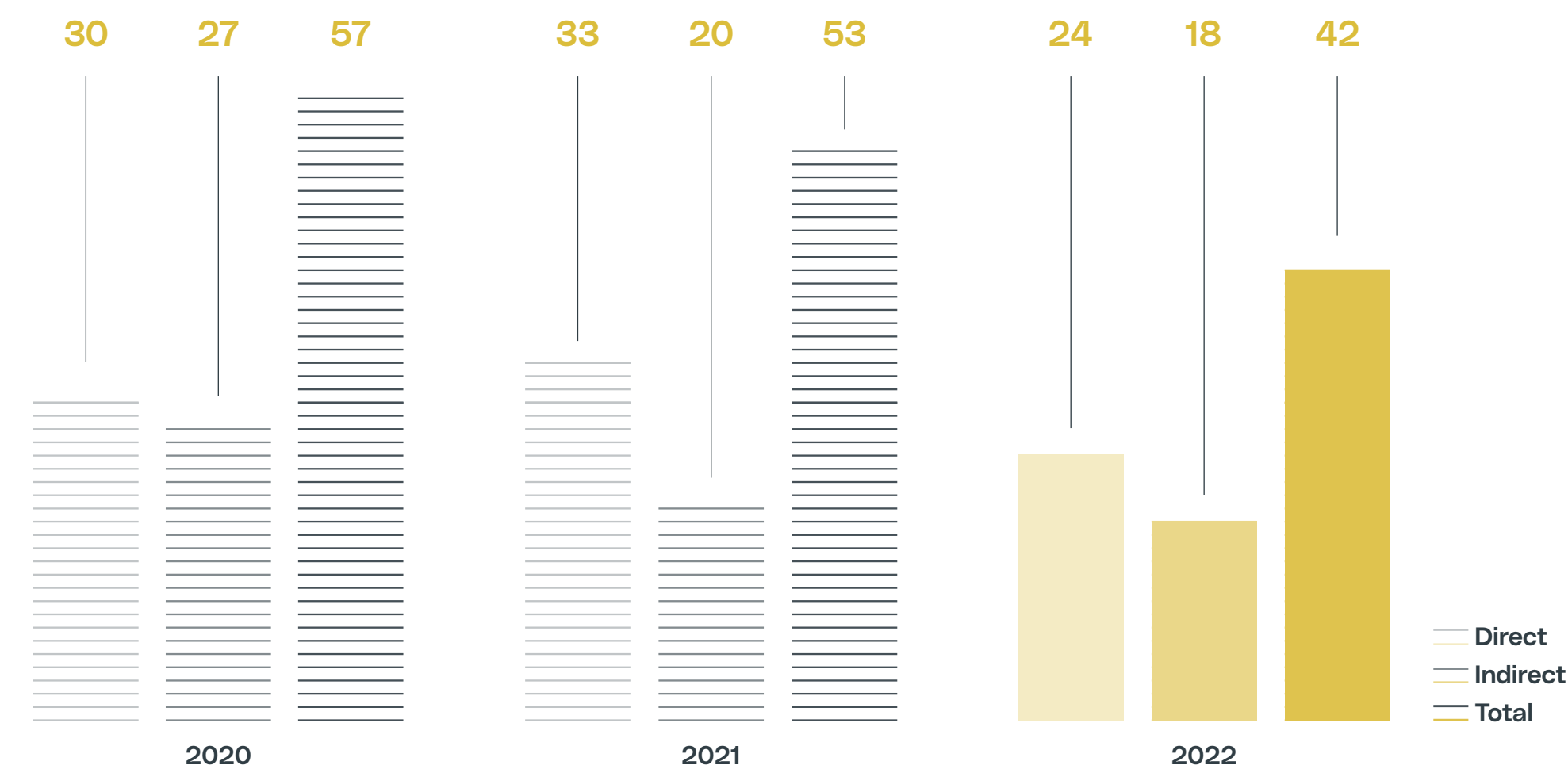
These are brief periods - 5 to 10 minutes - as the first item on the meeting agenda, where a security issue is addressed. The Safety Moment can be performed by the person organising the meeting.

STOP/GO Card

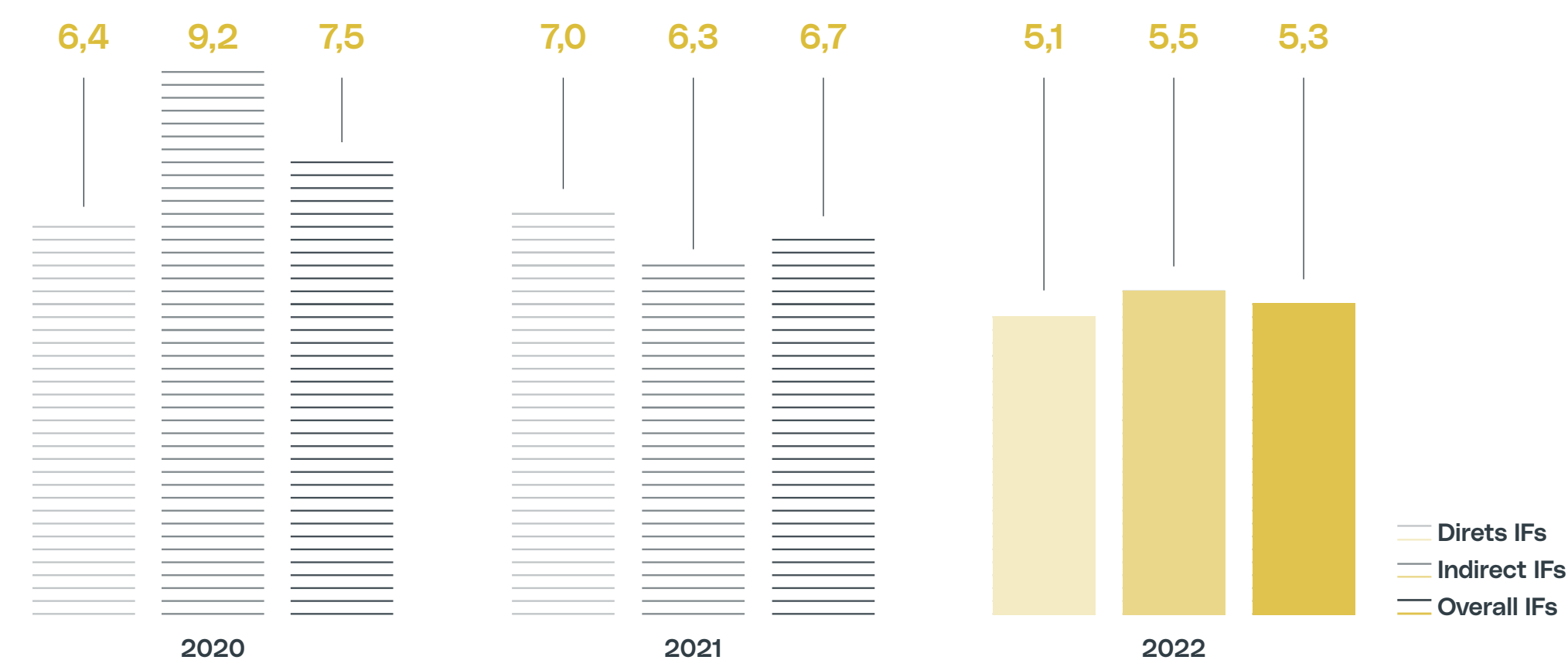
The STOP and GO card is intended to give authority to all workers to identify and stop unsafe situations or conditions, as well as to commend safe situations. The right of refusal is integrated in the concept of the STOP/GO card.

Accidents at Work and Occupational Diseases

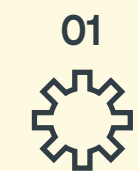
Number of Accidents at work with sick leave



Accident frequency rate¹



¹For the calculation of the Work Accidents Frequency Index, accidents with sick leave were accounted for and the normalisation factor of hours worked of 1,000.00 was used.



Accidents at work with sick leave

Direct causes of accidents

Slipping, tripping, falling from heights	38%
Other causes or multiple causes	17%
Stuck in or collisions with fixed equipment	14%
Falls from heights (<1.80m)	10%
Falls from heights (> 1.80m)	5%
Hand or power tools or electric equipment	5%
Falling or moving objects	5%
Projection of fragments and/or particles	5%
Burns due to heat, chemicals or incandescent material (thermal contacts)	2%

Root causes (TOP 10)

Other causes	20%
Multiple Causes	17%
Weaknesses in or absence of risk assessment and control	17%
Inadequate working space	10%
Poor working space	7%
Deteriorated facilities	7%
Breaches of security procedures	7%
Work equipment breakdown	7%
Poor order and cleanliness	7%
Incorrect use or non-use of PPE ²	3%

Occupational diseases

Total number of	2020	2021	2022
Deaths resulting from occupational diseases	0	0	0
Cases of occupational diseases reported	0	8	3
Cases of occupational diseases confirmed	0	1	0

² Personal Protective Equipment

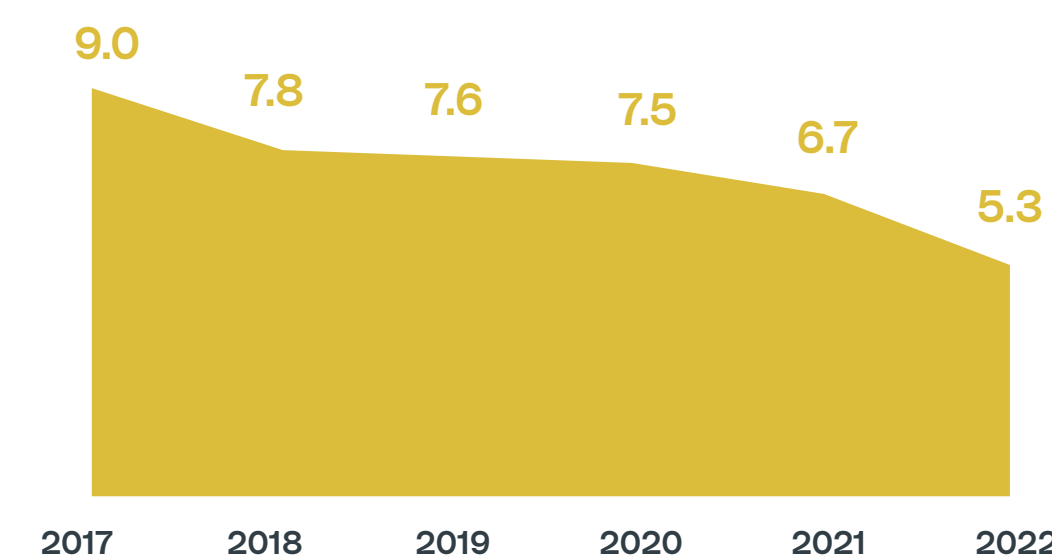


Accidents at work and occupational diseases

At Secil, we have a zero harm policy for our Employees, contractors and the community in which we operate. Identifying the hazards and assessing the risks arising from our activities is the cornerstone for preventing and mitigating the dangers associated with accidents at work. Its review and updating is relevant and it is through the implementation of the measures deemed necessary in the action plan that the reduction of negative impacts is ensured.

In 2022 we recorded a decrease in the number of accidents with sick leave, compared to the previous year (-20.8%) and, consequently, a lower frequency index (5.3). It should be noted that the most frequent cause of accidents at work is falls at ground level, which represent 38.1% of accidents in 2022.

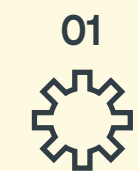
Frequency index/year



We highlight the continuous decrease that has been seen in the frequency rate of work accidents since 2017. The reduction in accidents in the Secil Group is related to a more proactive, rather than reactive, approach through:

- Commitment to safety training;
- Initiatives that reinforce the increase of the safety culture (e.g. SW, Safety Moments and the ELO Programme, mentioned above);
- Leadership commitment and involvement of the various business and facility teams, security ELOS and operational teams.
- Development of tools/initiatives that contribute to a better communication between teams and to a transparency of security issues;
- Improvement in accident investigation, with the integration of the operational teams, in order to identify the root cause of accidents and thus improve the effectiveness of the measures implemented;
- Greater sharing of lessons learned across the Group and better monitoring of serious accidents, with assessment of the scope and implementation of measures at all Secil facilities;
- Improvement in the risk perception of all employees in operations;
- Continuous improvement of the system and processes, integration of risk assessment into the processes and performance of operations.

With regard to occupational diseases, 3 cases were reported in 2022, none of which was confirmed. The main occupational diseases to which Employees are exposed are: hearing loss and musculoskeletal disorders.



Promotion of workers' health and well-being

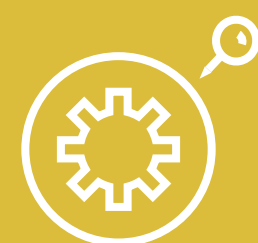
Health services are largely provided by occupational medicine and cover all workers. In some cases there is also curative care in addition to occupational medicine.

We also have a plan for periodic consultations and examinations, which we monitor and in which measures are taken regarding deviations registered, in order to ensure full compliance.

In the field of awareness and promotion of issues related to health and well-being, different initiatives are carried out, both in Portugal and in the different countries. An example of this were the "Colourful Quarter" initiatives in Brazil and the Sibline marathon in Lebanon.

Regarding the issue of psychosocial risks, this is integrated in the Safety and Health Roadmap 2021-2025. Secil's goal is to have the diagnosis of all geographies by 2025 and to define an action plan based on its results. It should be noted that this has already been carried out in Portugal.

It should also be noted that the issue of mental health - the deterioration of which is one of the short-term risks identified by the World Economic Forum, with an impact on the productivity of companies - has been accompanied at Secil both through the provision of medical support to specialists and through regular consultations with the teams, such as with wellbeing questionnaires.



→ Highlighted Corporate Initiatives

ELOS Project: Operational Liaison Officer

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

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

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

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

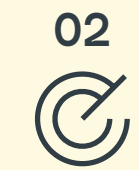
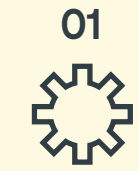
The intention is to form a chain of ELOS and thus "bind together" the Health and Safety culture in the care of others.

October, Health Month

With the aim of fostering sharing and debate on the theme of health and well-being, October was celebrated as Health Month.

Throughout the month, initiatives were developed in our various geographies, as well as the "Health Talks".

The Health Conversation Routes were an efficient and powerful way to learn, inform and bring out collective intelligence. With the participation of 6 to 8 people, and lasting from 15 minutes to an hour, the talks were programmed to develop around an important and meaningful topic for the group, namely: mental health, nutrition, physical exercise, cardiovascular diseases, among others.



→ Highlighted Local Initiatives

Coloured Quarter Programme

In the last quarter of 2022 the "Coloured Quarter" was celebrated at Brazil's Supremo units.

The aim of this project was to develop awareness programmes for Employees, focusing on the themes of health and quality of life. It included lectures on breast cancer, cervical cancer and prostate cancer, as well as regular screening examinations.

BRAZIL

Safety Training for Supremo employees

During 2022, various training actions, talks and guidance were held with the aim of encouraging a culture of safety and accident prevention.

These actions took place in the factories, offices and concrete plants of Supremo Secil Cements in Brazil, and included employees and contractors, in order to make them aware of the accidents that occurred and how to prevent them.

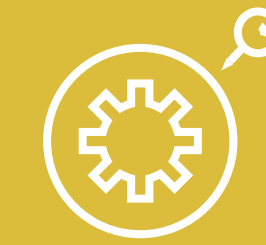
A total of 28.9 hours of training/employee was achieved.

LEBANON

Marathon in Sibline

In October 2022, a marathon was held at Sibline - Secil's company in Lebanon - which brought together more than 200 Employees to run for health, committed to a strategy of ambition and concern for their well-being.

This aimed to raise awareness of the benefits of exercise for physical health and mental well-being. In addition to the marathon, moments of interaction were organised between employees with a view to strengthening their relationships as colleagues (e.g. tribute to the winners).



→ Highlighted Corporate Initiatives

Annual Safety Training Plan

The annual training plan has defined different themes within the scope of OHS.

In 2021, we will promote specific training on Risk Perception, and in 2022, on Preliminary Risk Analysis. In the future, the theme will be Hazard Identification and Risk Assessment.

This training was given to all Group Employees and was included as a global Health and Safety objective for the various countries.



It should be noted that a total of 10.4 hours of safety training were provided in 2022.

OHS Training

All Employees receive regular training, reinforcing the importance of adopting safe behaviour in their day-to-day work. The training provided covers mandatory actions, arising from legal requirements, as well as voluntary ones, namely in the area of behavioural and safety leadership.

At corporate level, there is a defined annual plan with different themes to be taught each year. It should be noted that a total of 10.4 hours of safety training were provided in 2022.

It should be noted that, as a result of the Employee Consultation carried out in 2022, the aspect of training was identified as an area for improvement. The training courses held in the area of OHS sought to respond to this concern of the Employees, reinforcing the need to continue to invest in this topic, associating it with Health and Safety performance.



NEXT STEPS

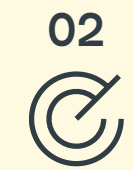
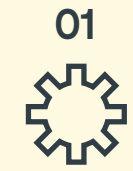
Launch of the Boots on Ground initiative - part of the Secil Operating Model project - which aims to bring operational leaders closer to their teams in the field (2023).

Completion of the Safety Framework project, a safety initiative that identifies and describes all the elements relevant to our Health and Safety at Work culture, allowing us to assess the state of maturity of our facilities/businesses/geographies (2023).

Encourage all geographies to initiate or repeat their psychosocial risk assessment (2023).

Strengthening Employee Training (IPAR 2023).





4.3 Our Community



We promote a close relationship with the communities in the countries where we operate, supporting initiatives that encourage local development.



GRI 3-3, 413-1



GCCA COMMITMENTS 2020-2030

· Apply social impact assessment and guidelines.



OBJECTIVES AMBITION 2025

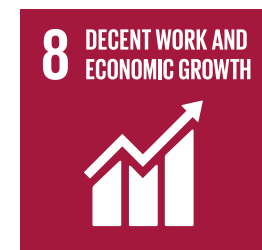
· Develop strong local synergies and create value for our stakeholders.

↑ Double: the investment in local communities.



OUR IMPACTS

· 565 thousand Euros in community investments +4.7% compared to 2021



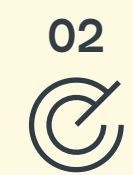
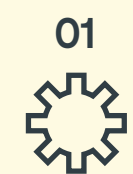
At Secil, we have, over time, built up a close relationship with the communities that are located in the vicinity of the geographical areas where we operate.

We are aware that our presence in different regions gives us the responsibility and the challenge of contributing to the creation of value and well-being of the neighbouring communities, as they are impacted, positively and negatively, by the operations associated with our business.

In our Mission Statement → Chap. 1.1 we have defined a commitment to responsible corporate citizenship in the communities where we operate. This commitment

is taken seriously through a robust practice of community engagement with our Environmental Steering Committees → Chap. 4.1, with local authorities, with local associations of all kinds, with the academic community and with various other public authorities.

We support community initiatives at a local level and, to this end, we have invested in a series of social responsibility actions that take the form of support for associations and social programmes for the community, as well as a desire to strengthen the close relationship between employees and the community through voluntary work.



On the other hand, we have also invested in the technical and scientific dissemination of knowledge. We participate actively in multiple business associations in our sectors of activity and we hold the **Secil Awards**.

Approach to Relations with Communities



Associative support and social programmes for the Community (includes donations in cash and in kind)



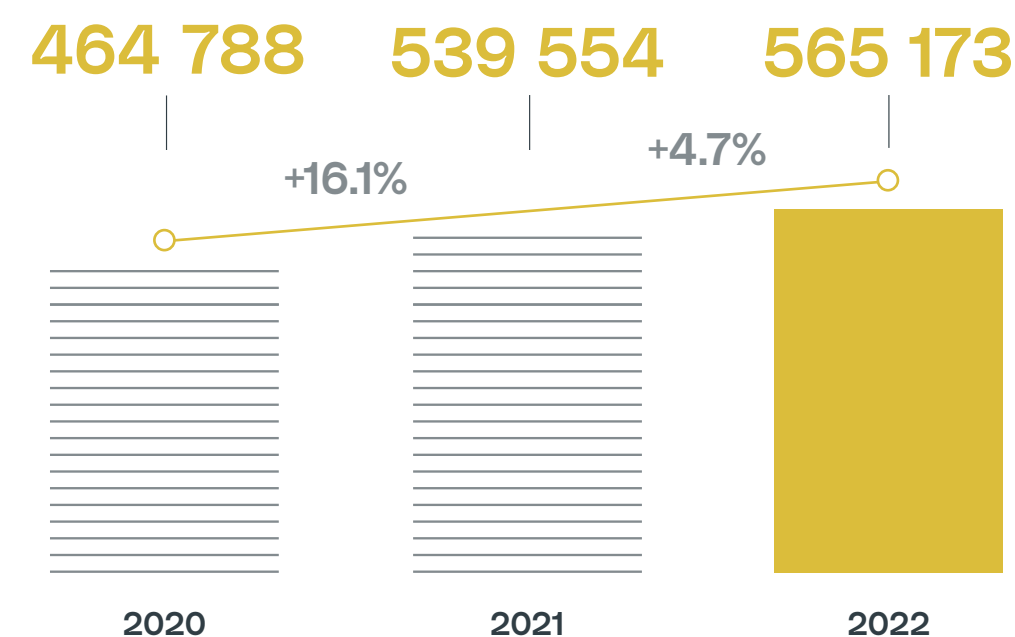
Technical and scientific dissemination of knowledge



Volunteering

It should be noted that the value of investment in the community has been increasing over the last three years.

Evolution of investment in the community (euros)



Associative support and social programmes for the Community

In 2022, we continued the policy of social responsibility that we have been presenting since our foundation. As this is a core element of our Mission, Vision and Values → **Chap. 1.1**, we have once again sought to act responsibly towards local communities. We grant a number of supports, as a result of long-term partnerships, which seek to make communities more dynamic, developing a close relationship with our neighbours and stakeholders. This support covers environmental, sports, cultural and social aspects, with special focus on donations to associations and sponsorship of various events.

It should also be noted that we have a Donations Policy for one-off projects. This includes support for the Hospital Santiago de Outão, environmental education initiatives by Quercus or the Liga dos Amigos de Setúbal e Azeitão, as well as occasional donations of cement or concrete to associations and the donation of computers - discontinued in their operations - to community centres, associations or schools.

In 2022, in Portugal, among the various support for associations, the following stand out: the donation to the Maceira Voluntary Fire Brigade for the acquisition of a new fire engine; and the 19th edition of the protocol support to the Setubal Associative Movement, which was celebrated through an event attended by representatives of more than 80 local sports, cultural and social solidarity associations,

which renewed the protocol signed with Secil. In addition, we renewed the protocol signed with the Maceira Parish Council.

In the social area, we supported the victims of the war in Ukraine; and the Santiago do Outão Hospital in Setúbal, through donations in kind and monthly donations, which helped to cover the costs related to water and construction, with a view to improving its facilities.



PORTUGAL

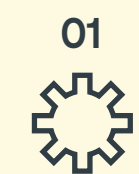


→ Highlighted Local Initiatives Solidarity with Ukraine war victims

In a year marked by the conflict in Ukraine, Secil carried out a number of its own, and partnership, initiatives with the aim of contributing, as far as possible, to mitigating the collateral effects of the war in Ukraine.

The reception of Ukrainian families displaced by the war was carried out in the Maceira-Liz factory quarter, in order to provide temporary housing. Financial support was given to the initiative of sending a van, by the Setúbal Rugby Club, with supplies to the Ukrainian border.

As part of the Christmas campaign, in partnership with the other companies in the Semapa Group and UAPT - Ukrainian Association in Portugal, a collection of toys for Ukrainian children was organised.



We seek to support culture in the communities where we operate. The offer of seats for the Bocage Auditorium - a S. Sebastião Parish Council and Setúbal City Hall project- is an example of this support. In 2022 we granted sponsorships to several cultural events - such as the Leiria Musical Festival, Cistermúsica, FESTASSO Festival in Setúbal, Bocage Literary Prize - and the Casa de Cultura da Maceira.

On an environmental level, and almost without interruption since 2007, we have continued the collaboration and financing protocols with the ICNF - Instituto da Conservação da Natureza e das Florestas (Institute for Nature Conservation and Forests), with the aim of studying and restoring the seagrass beds of the Luiz Saldanha Marine Park, adjacent to the Arrábida Natural Park.

These seagrass beds play a critical role in promoting marine biodiversity by providing a refuge for species and their reproduction, while also acting as an important carbon sink.

Secil's long-term support for this project has enabled ongoing research by the Centre for Marine Sciences (CCMAR) of the University of the Algarve and ISPA on seagrass beds, speeding up the acquisition of essential scientific data to define measures to safeguard and promote this important ecosystem.

The year 2022 was marked by support for the study of the Sado marine prairies, in what was the first cartographic survey dedicated to an estuary in Portugal.

In the different countries, we have also developed various social support initiatives.

In Angola, over recent years, we have actively interacted with society, supporting and participating in various activities, namely recovery programmes and the construction of various schools, support to Lobito Municipal Administration and Communal Administrations in their social initiatives.

In Brazil there is a set of projects developed for the community, namely: the Casa da Cultura Pedro Queiroz Pereira, inaugurated in 2020 and open to the general public; the Open Doors programme; and the Aluno Supremo programme, which enables the training and empowerment of young people. Additionally, within the scope of the Environmental Education Programme, there is also the ECOAR project, which encompasses a set of educational activities on the appreciation of the environment and local heritage.

In Tunisia, the focus has been on children and their education, as well as supporting families in need during Ramadan.

In Lebanon, the Sibline company remains focused on promoting the involvement of employees with the local community, as well as, in the field of health, on awareness and prevention of diseases, especially diabetes and breast cancer. In terms of social support, we continue to contribute to social and urban development through donations to hospitals, clinics, the Red Cross, local municipalities, sports

clubs, social organisations and schools. In 2022, a meal donation event for the children of the Islamic Orphanage Social Assistance Institution stands out.

→ [Discover all other Secil social responsibility initiatives here](#)



→ Highlighted Local Initiatives

Donation of meals to the children of the Social Assistance Institution - Islamic Orphanage

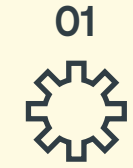
In 2022, Sibline organised a meeting with the group of children from the Islamic Orphanage Welfare Institution to offer them a meal as a way of breaking their fast during the holy month of Ramadan.

Ramada is the ninth month of the Islamic calendar, in which most Muslims practice a ritual fast - the fourth of the five fundamental pillars of the Islamic religion.

This initiative is part of the set of Sibline's social responsibility initiatives, and at the end of the meal the children had space to play in the games area and received some gifts.



LEBANON



→ Highlighted Local Initiatives

BRAZIL

Casa da Cultura Pedro Queiroz Pereira

The Casa da Cultura Pedro Queiroz Pereira, inaugurated in 2020 by Supremo Secil Cements, promotes free activities in the Adrianópolis community (municipality in Paraná), aimed at all ages - a project focused on areas such as education, sport and culture.

In 2022, various activities and workshops were promoted on the themes of teaching, recreation, culture, sport and leisure, free and open to the entire community.

- The House of Culture involved:**
7 workshops with weekly activities
2 talks: one on domestic violence and the other on traffic education
3 256 visits, corresponding to 30% of the local population



Portas Abertas Programme

The Open Doors programme aims to bring the community closer through visits to the factory.

This initiative is aimed at: schools, with the purpose of offering knowledge and awakening the interest of children, through visits from educational institutions; the families of the Employees, so that together they can learn about the cement manufacturing process, the environmental programmes developed at the plant and, basically, enjoy a moment of socialisation between families.

- Portas Abertas impacted:**
540 people, of which:
- 421 students
 - 88 relatives of Employees
 - 31 community residents
 - 17 educational institutions from 4 municipalities



Supremo Student Programme

In 2022, the Supremo improved the Aluno Supremo (Supreme Pupil) programme, through the implementation of a training and qualification course for young people from the Adrianópolis (a municipality in Paraná) and Ribeira (in São Paulo) communities, enrolled in the 3rd year of high school.

Weekly meetings were held, with various volunteer educators, where different topics related to professional development, competencies and skills were addressed.

The aim of the programme is to encourage young people in the region to seek professional training, providing them with support training on the labour market.

- The programme involved:**
115 students from 2 municipalities, students belonging to **5 state schools** and their respective directors
29 volunteer educators



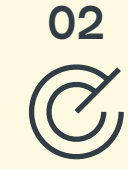
Environmental Education Programme - Project ECOAR

In 2022 face-to-face activities were carried out with 4th and 5th grade students from the Adrianópolis municipal primary school (in Paraná). In these activities, besides the exhibition on the theme "Preservation of water resources in Vale do Ribeira", practical workshops on ceramics and rock art were held.

The aim of this project is to disseminate and promote the appreciation of local environmental heritage and to train multipliers who will make this knowledge resonate in the region.

- So far, the project has achieved:**
6 municipal schools
49 educators
695 students





Technical and scientific dissemination of knowledge

Over the last 30 years the Company has shown special interest and dedication in supporting the technical and scientific dissemination of knowledge in the field of Civil Engineering and Architecture, through sponsorship and support given to seminars, conferences and technical meetings, and also within the scope of the publication of scientific works in these fields.

Investing in culture and heritage

Within the scope of our strong connection to architectural, cultural and art heritage, we are promoters of the **Secil Awards** – an initiative created with the aim of encouraging and promoting the public recognition of the quality of works made by Portuguese people, using the material that is at the heart of our activity, cement.

Integrated into its social responsibility policy, the awards aim to acknowledge the best in Architecture and Civil Engineering, and are organised in collaboration with the national representative bodies of the professions involved: the Architects' and Engineers' Associations (Ordem dos Arquitectos e a Ordem dos Engenheiros).

This initiative has two distinct competitions - National and Universities - and from its very first edition it was awarded the honourable High Patronage of the Presidency of the Republic, thus becoming the benchmark award in Portugal in the area of Architecture and Civil Engineering.

In addition to the prizes we have awarded, it is also important to highlight the **Cement Museum**. It is a historical testimony to cement production at the Secil Maceira-Liz factory over the ages. With eight exhibition centres, the Museum covers various areas and themes, such as archaeology, geology, technological and industrial evolution, as well as current environmental concerns. We also provide, through a digital platform, the entire documentary collection of the Cement Museum - the **Historical Archive of the Maceira-Liz Factory**.

During 2022 and after a period of interruption of activity due to the pandemic, the Museum reopened and welcomed a total of 541 visitors, exceeding the results obtained in 2018.

Secil Academy

Additionally, and through the **Secil Academy**, we share knowledge with the market through webinars on the most varied topics in the world of construction. This virtual space is aimed at all interested stakeholders, whether they are builders, retailers, operators, architects, designers, students or the general public.

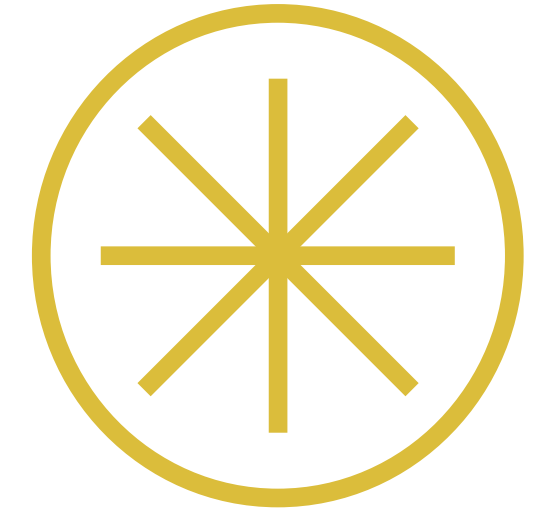
In 2022, three webinars were held on the themes:

- Waterproofing solutions - cementitious and elastic;
- Isodur thermal plaster - for rehabilitation and new construction;
- Verdi Zero Concrete - the first carbon neutral concrete in Portugal **Chap. 6.3.2**.

→ **Find out about the national level Secil Award-winning projects national level and university**

Volunteering

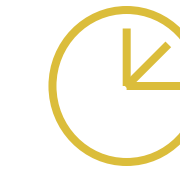
Through the Volunteer Policy, we intend, within our perspective of integration and social responsibility, to commit to supporting, creating and/or collaborating in volunteer projects in the geographical areas where we operate. It is with this purpose that we created the project "One Secil, One Community". The main objectives of this project are:



Strengthen the spirit of solidarity and sharing in our DNA.



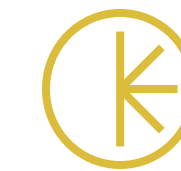
Be a benchmark Company in Solidarity



Reinforcing the cohesion and bonds that exist between Employees.



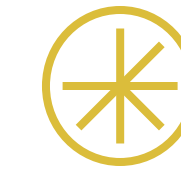
Contribute to solve and/or minimise existing problems in society.



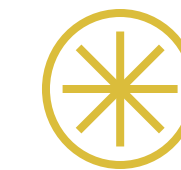
Enlarge the scope of our commitment and social responsibility.



Embrace a more diverse portfolio of causes.



Reinforce the close link with the community.



Promote the voluntary participation of Employees.



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SOCIAL

Through this project, we support and encourage Employees who wish to volunteer more often, helping them to include this practice in their daily routine. In this sense, Secil's Volunteering Policy gives our Employees the opportunity to dedicate up to two of their weekly hours to volunteering initiatives, with the following included: travel insurance; meals; and an identification kit.

→ See the video about our Secil Voluntary Work Policy - One Secil, One Community here

We want to strengthen the close relationship between employees and the community, promoting a responsible corporate culture and citizenship with solidarity and participation.

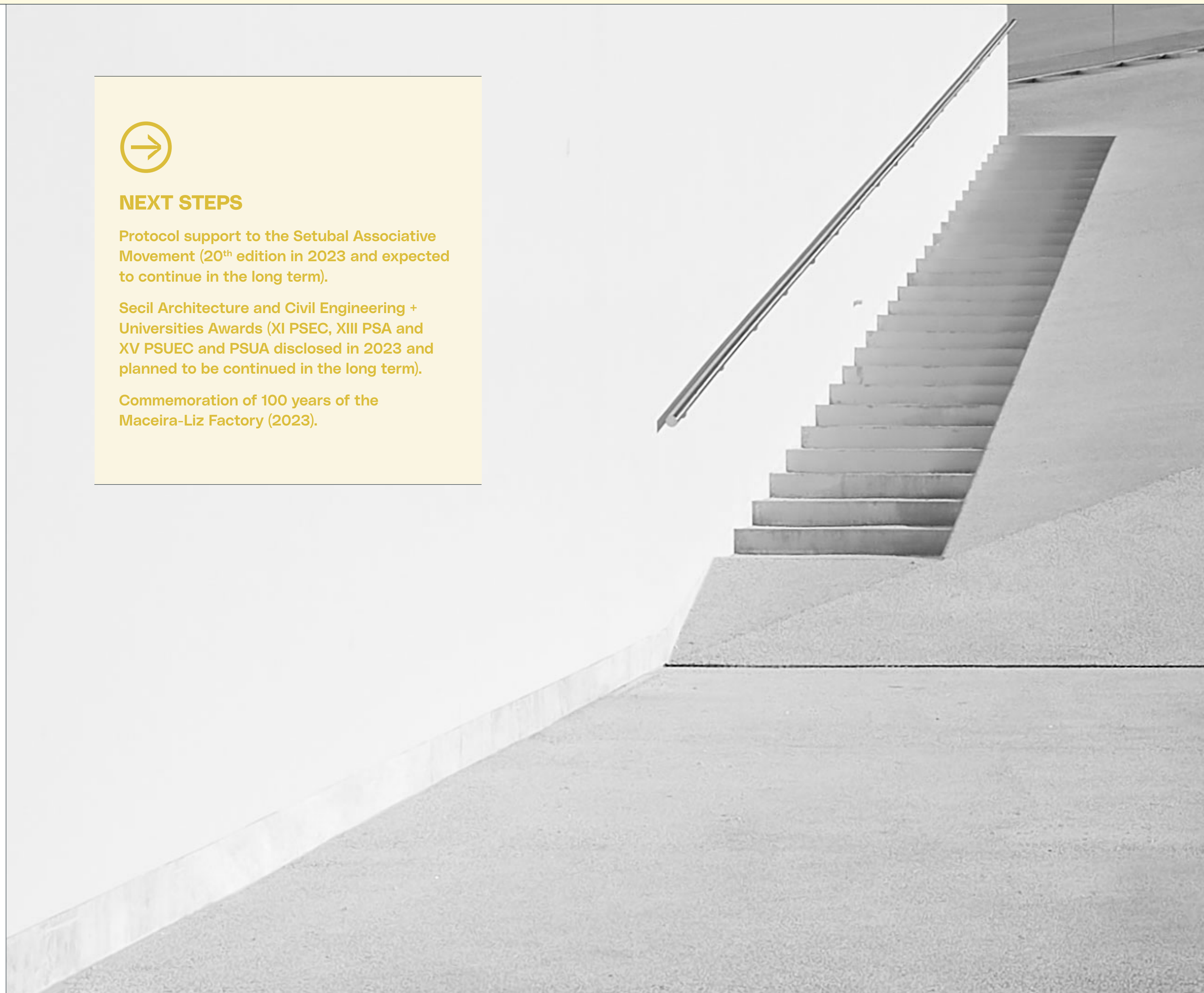


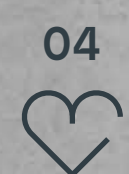
NEXT STEPS

Protocol support to the Setubal Associative Movement (20th edition in 2023 and expected to continue in the long term).

Secil Architecture and Civil Engineering + Universities Awards (XI PSEC, XIII PSA and XV PSUEC and PSUA disclosed in 2023 and planned to be continued in the long term).

Commemoration of 100 years of the Maceira-Liz Factory (2023).





05 — ENVIRONMENTAL ASPECT



WE EVOLVED IN THE COMMITMENT

5.1	Climate Change, Energy and other Emissions	78
5.2	Water Use and Management	82
5.3	Biodiversity	86
5.4	Circular Economy and Waste Management	91



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ENVIRONMENTAL

5.1 Climate Change, Energy and other Emissions



Reducing our carbon footprint and contributing to the fight against climate change is one of our short, medium and long-term priorities.



GRI 3-3, 302-1, 302-3, 305-1, 305-2, 305-4, 305-7



GCCA COMMITMENTS 2020-2030

- Delineate a strategy to mitigate climate change, with publication of concrete targets and their progress.
- Foster circular economy principles in the value chain
- Implement the guidelines for the use of alternative fuels and secondary raw materials in cement production.
- Set emission reduction targets and publish their progress.



OBJECTIVES AMBITION 2025

- Achieving carbon neutrality along the value chain by 2050.
- 22% reduction of CO₂ emissions by 2030.



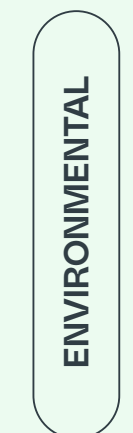
OUR IMPACTS

- Total energy consumption 16 583 373 GJ.
- Total emissions of 3 250 351 t CO₂e (scope 1).



Climate change has been a recurring theme on political agendas around the world. The increase in average global temperature that has been seen has significant effects on our climate, impacting on ecosystems and the quality of life of populations, especially the most vulnerable. For this reason, concrete responses are needed at a global level and appropriate actions at a local level, including reducing greenhouse gas (GHG) emissions and adapting the economy to foreseeable changes.

According to the Global Cement and Concrete Association (GCCA), the cement industry, of which Secil is a member, is responsible for 5 to 8% of total CO₂ emissions into the atmosphere at a global level. These emissions have significant impacts on air pollution (and consequently on human health), and cause imbalances in the greenhouse effect of the atmosphere, contributing to climate change and other associated impacts.



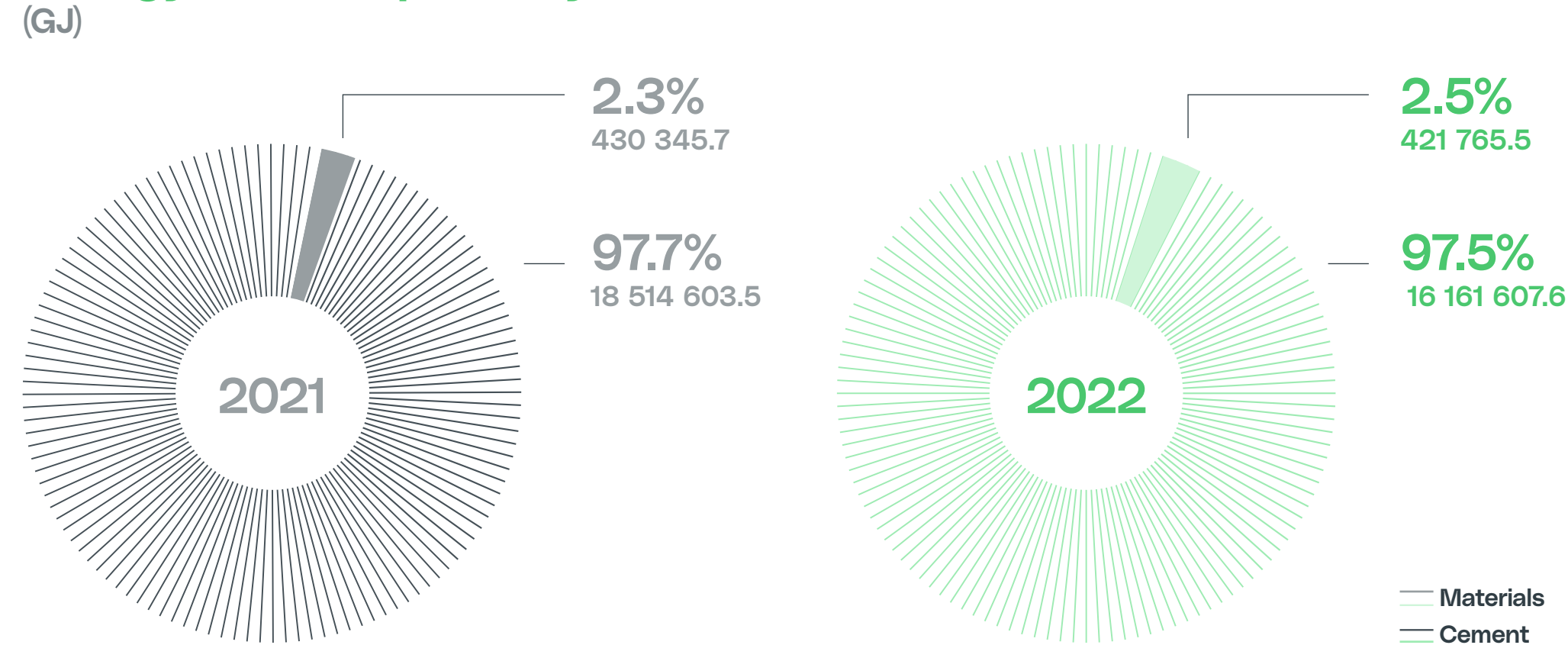
As a way of minimising these impacts resulting from our activity, in Secil we have been developing and implementing a set of measures and initiatives aimed at reducing our carbon footprint in our value chain, which include, for example, increasing the incorporation of energy from renewable sources and alternative fuels, or promoting energy and resource efficiency.

In parallel, we are strongly committed to innovation and R&D, in search of new products and alternative processes that enable us to reduce the carbon emissions associated with our operations, such as the production of cement with less clinker (Low Carbon Clinker) and concrete with less cement. It should be noted that, since 2021, the company is implementing a major investment in the modernisation of the Secil-Outão unit - the project referred to as Clean Cement Line (CCL).

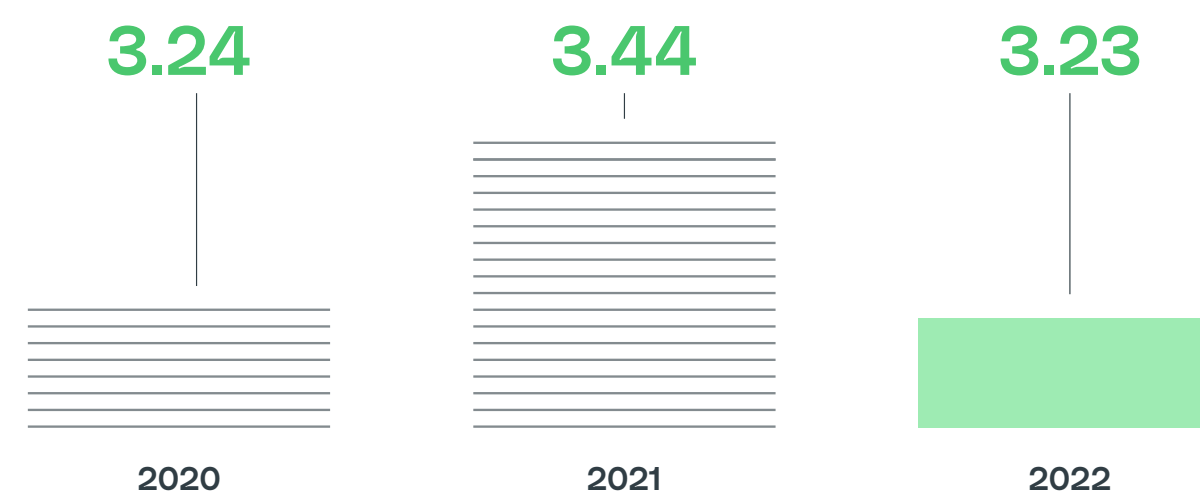
For residual emissions that cannot be eliminated with traditional technologies or processes, we implement various offset measures by obtaining emission rights (CO₂ certificates) or by capturing or using and storing CO₂ (carbon capture and storage).

It should also be noted that Secil is covered by the European Emissions Trading System (CELE), a mechanism that defines GHG emission limits per installation and establishes a limit for the emissions of all installations and air operators covered. CELE allows companies to negotiate between themselves the licenses issued, within the assigned global limit. In this context, we continued our work to combat climate change in 2022 and developed Secil's Roadmap for Carbon Neutrality "Secil Road to Decarbonisation", in conjunction with the Group's various geographies.

Energy consumption by Business Area (GJ)



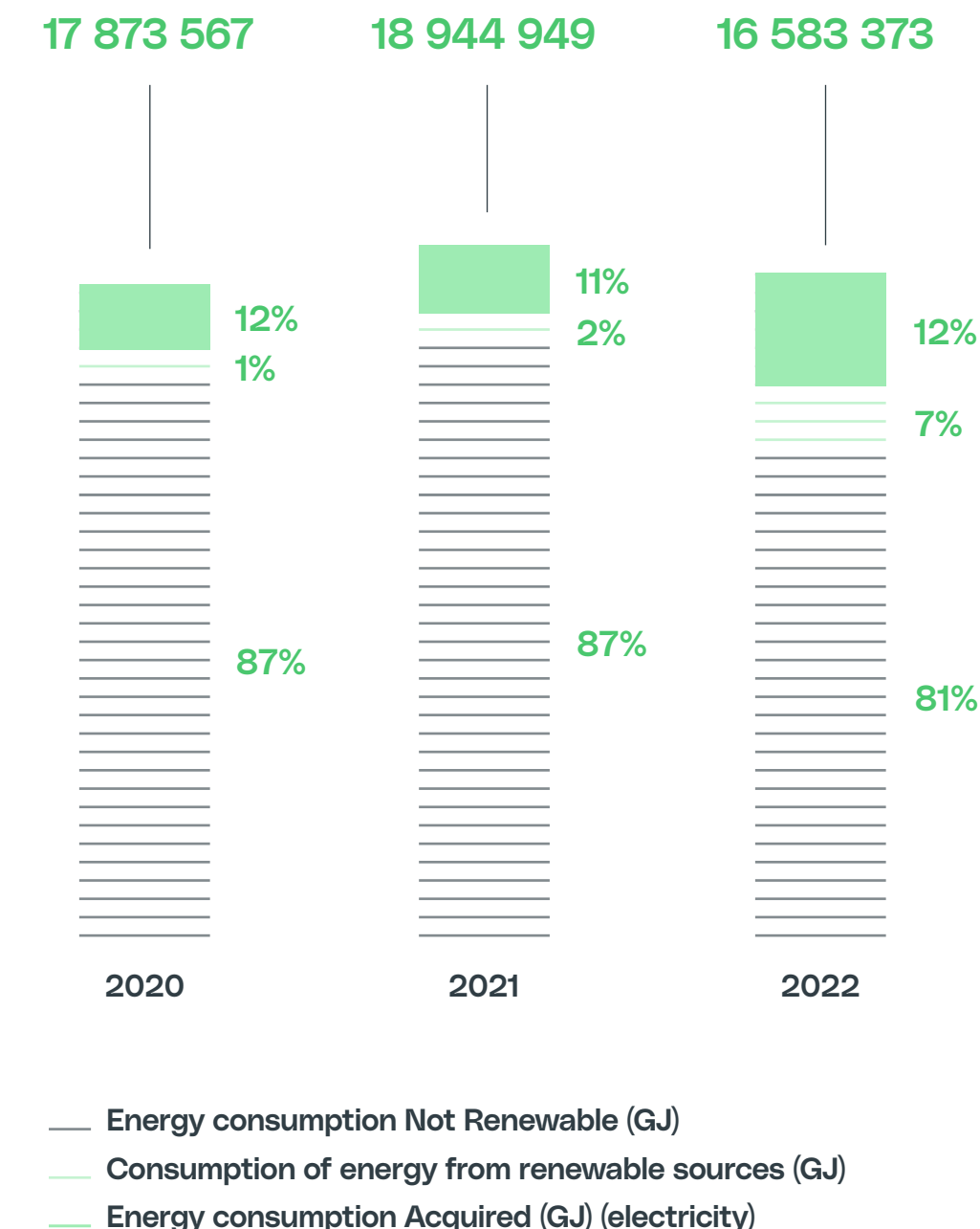
Energy intensity (GJ/t cementitious product)



This roadmap, mentioned in chapter 2.2, defines the CO₂ emissions targets for 2030 and 2050 in the cement and concrete value chain and was based on the methodology used by CEMBUREAU. Furthermore, in May this year Secil committed with SBTi to set science-based CO₂ emissions targets for 2030. With the start of the inventory study of scope 3 emissions, the publication of targets and the respective roadmap is expected next year.

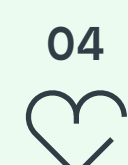
As a result of our commitment in this area, this year we have achieved very positive results regarding the group's energy consumption and CO₂ emissions. With regard to energy consumption, in 2022 a total of 16 583 373 GJ of energy was consumed, a reduction of around 12% compared to the previous year and 7% compared to 2020. Although energy from non-renewable sources continues to be the predominant energy source in our operations, there has been an increase of over 300% in the consumption of energy

Energy consumption by category (GJ)

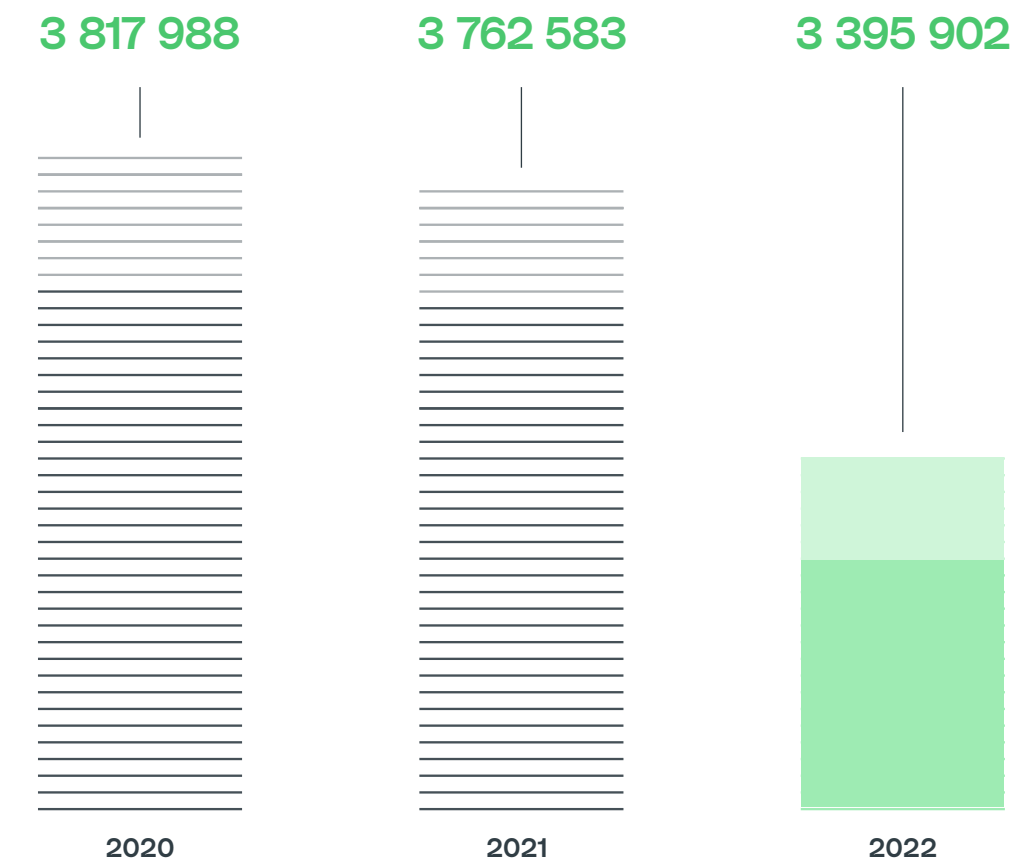


from renewable sources compared to 2021. As a result, the energy intensity also decreased compared to 2021, standing at 3.23 GJ/t cementitious product, demonstrating once again the increased efficiency of our production processes with regard to the consumption of natural resources.

With regard to energy consumption by business area, the Cement area has the largest share, accounting for 97% of total energy consumption.

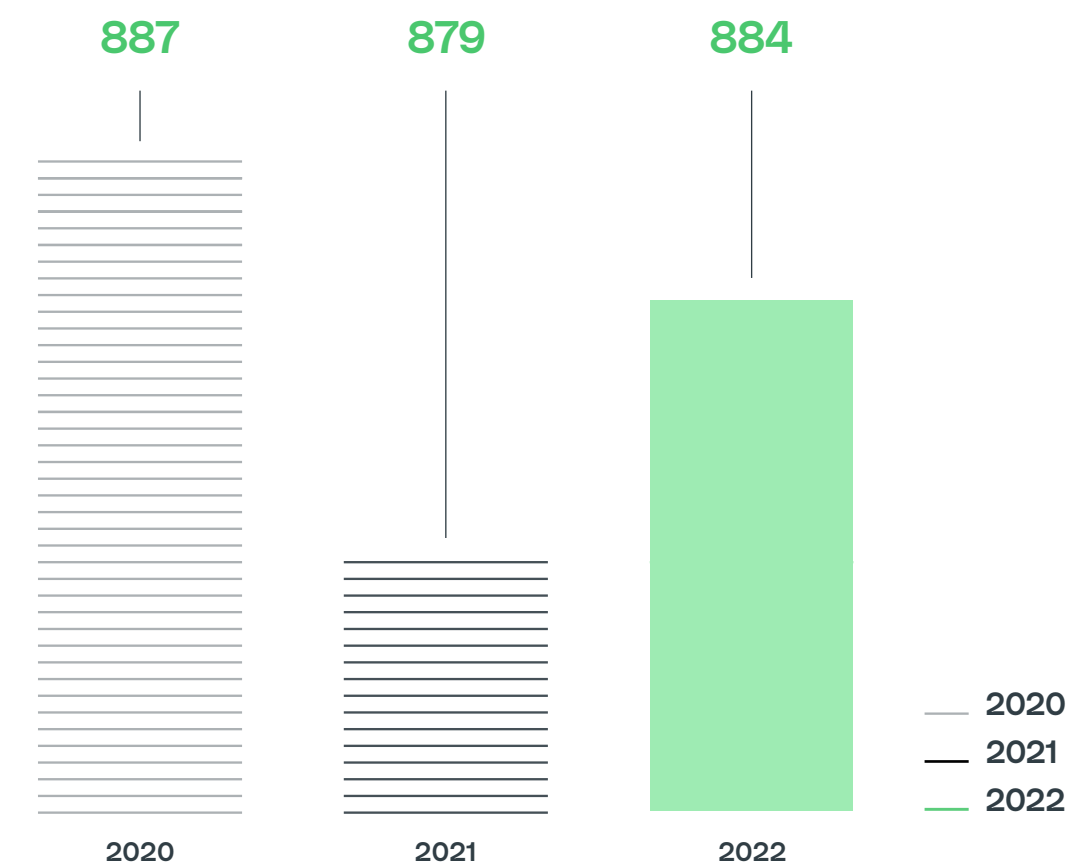


Total CO₂ emissions (t)

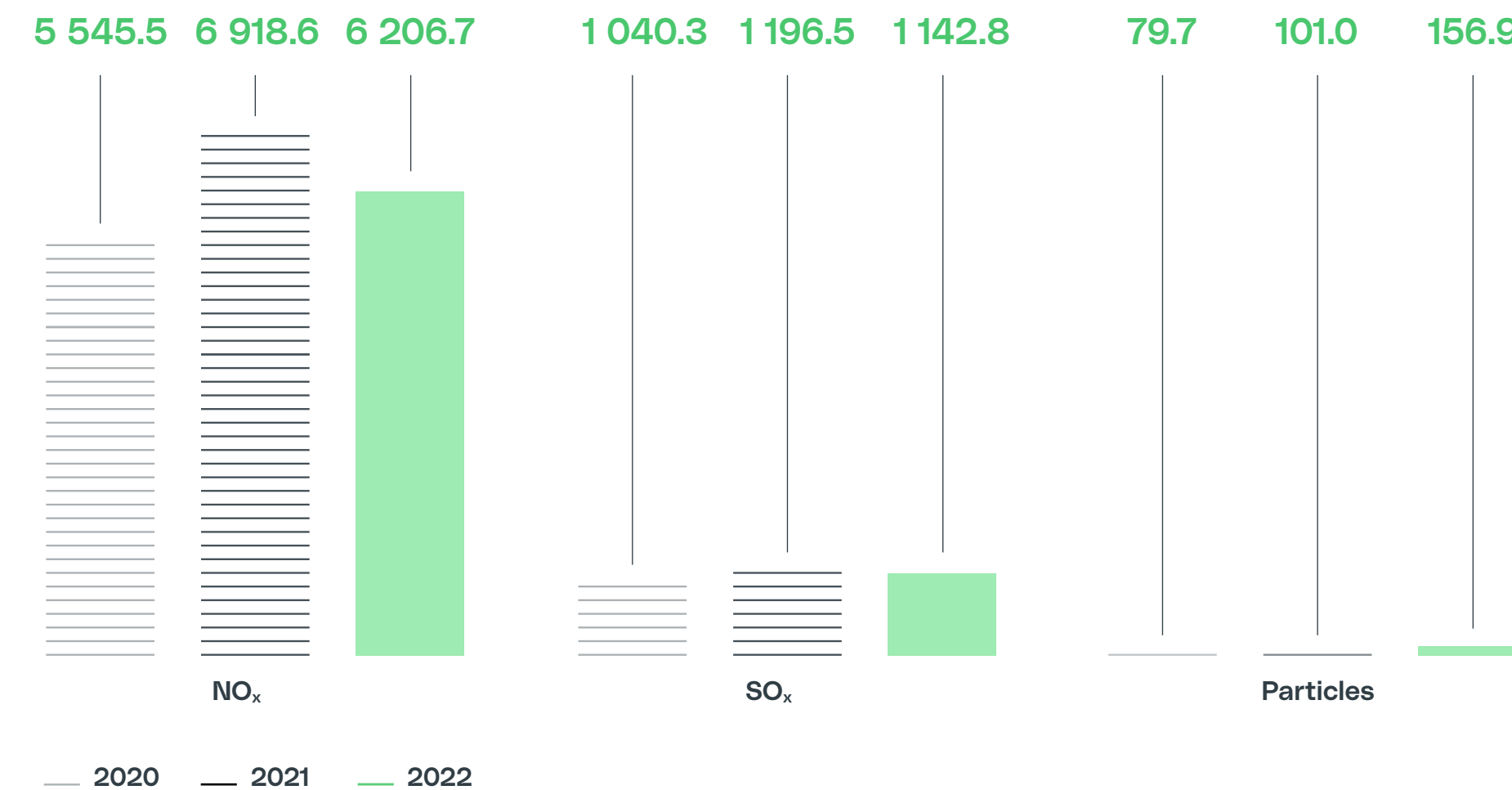


— Direct CO₂ emissions (scope 1)
 — Indirect CO₂ emissions (scope 2)

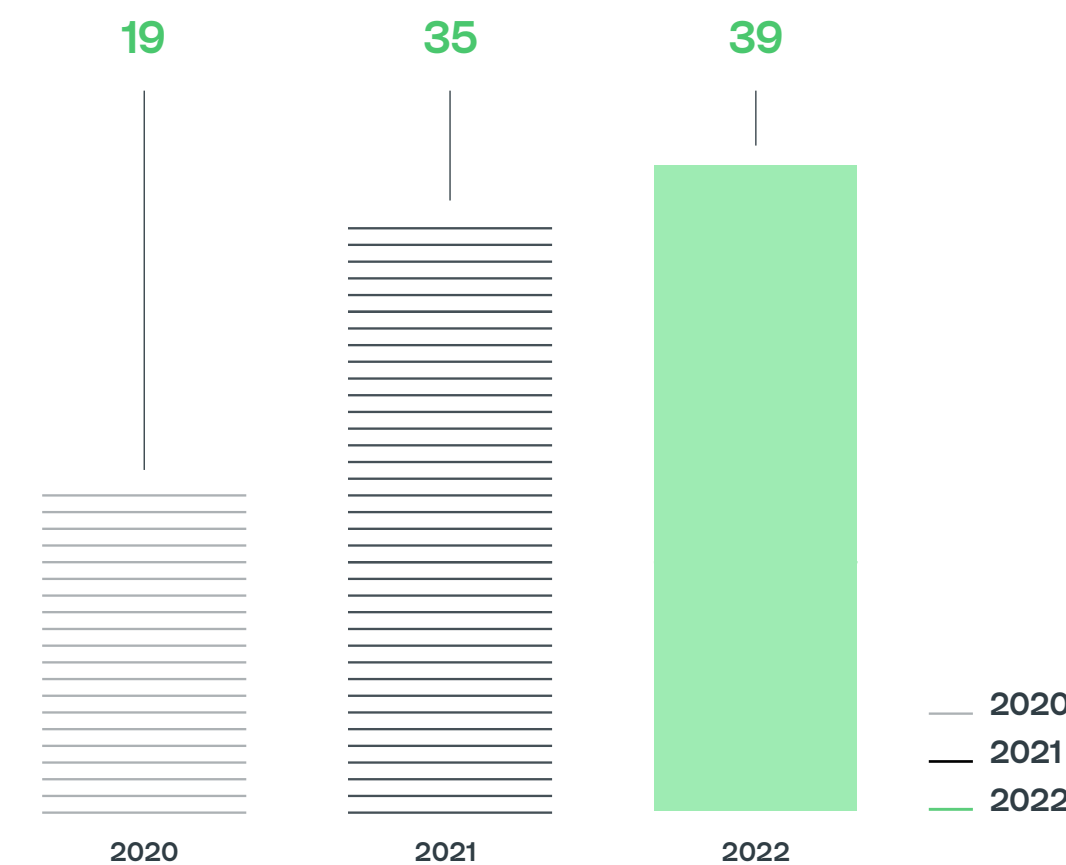
Emissions Intensity (kg CO₂e/t clk)



Atmospheric emissions (t)



Mercury Emissions (kg)



in order to reduce this impact, we have been investing over the last few decades, in solutions to control and reduce the emissions of these pollutants.

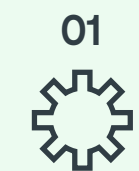
With regard to CO₂ emissions, reductions were registered in both direct emissions (scope 1) and indirect emissions (scope 2), registering a total value of emissions of 3 395 902 t CO₂e, a reduction of around 10% in relation to 2021. However, despite this, the intensity of emissions saw its value increase to 995 kg CO₂/t produced of clinker. It is important to note that these results relate to the Cement business area

Other atmospheric emissions

In addition to Carbon Dioxide (CO₂) emissions, our production processes are responsible for the emission of other highly polluting gases, which jeopardise atmospheric air quality. Nitrogen Oxides (NO_x), Sulphur Dioxide (SO₂) and Particulates are the most prominent gases, but other gases are also emitted, with impacts on human health.

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

It should be noted that the cement plants in Portugal have their environmental management system certified by NP EN 14001:2015 and EMAS certification.



ENVIRONMENTAL



→ Highlighted Corporate Initiatives

Environment and Nature GCCA Webinar - Emissions

In January 2022, the 5th webinar was held, promoted by the SAFE department, in conjunction with CTEC, with the aim of disseminating the work developed by GCCA - Global Cement and Concrete Association and contributing to the sustainability performance of the Secil Group.

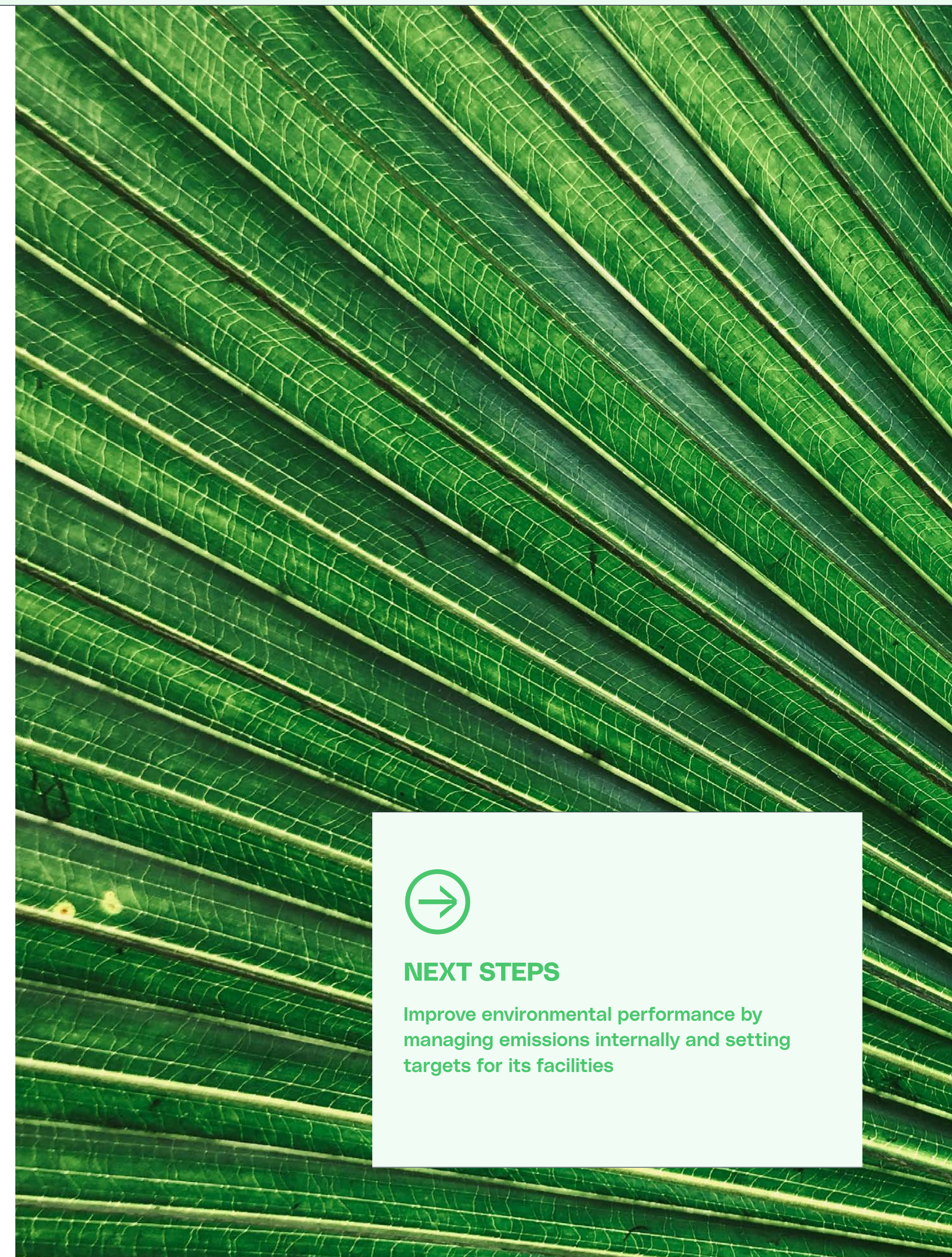
This 5th webinar was dedicated to one of the five pillars of the GCCA "Environment and Nature - Emissions", and focused on emissions resulting from the cement manufacturing process, namely the control, monitoring and reporting of emissions, as well as the legal framework and indicators used in their monitoring.

The event was attended by a total of 56 people and featured several moments of interaction, where participants were invited to share ideas on how to reduce the main emissions in the cement manufacturing process.

Within the scope of the Environmental Management System, the determination of environmental aspects and impacts and the determination of risks and opportunities associated to environmental aspects are carried out. The factories in Tunisia and Lebanon also have ISO 14001:2015 environmental certification, which include the management of natural resources.

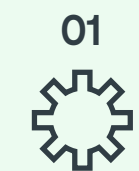
In addition to management at installation level, Secil has signed up to the GCCA - Global Cement and Concrete Association charter of sustainability principles, which provides for the annual validation, by an independent third party, of each manufacturing installation for the production of cement, with regard to atmospheric emissions (Particulates, NO_x, SO₂, Volatile Organic Compounds (VOC/THC), Mercury, Heavy Metals (HM1 and HM2), Dioxins and Furans), in accordance with the GCCA Guide to monitoring and reporting of emissions from cement production. At the same time, a specific guide for mercury was developed by CTEC-Environment with the objective of guiding Secil's Cement Factories in the monitoring, control and reduction of mercury emissions in cement manufacturing.

As a result of our investment, in 2022 there was a decrease in both nitrogen oxides and sulphur oxides, with reductions of around 10% and 4%, respectively, compared to the previous year. With regard to particulates, the results show that there have been increases in their emission since 2020, with 157 t emissions in 2022. As for mercury, there was an increase of about 10% in its emissions compared to the year 2021, placing this value at 38.6 kg.



NEXT STEPS

Improve environmental performance by managing emissions internally and setting targets for its facilities



5.2

Water Use and Management



Water is an essential resource for our activities, and therefore, its preservation and efficient management is fundamental.



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



GCCA COMMITMENTS 2020-2030

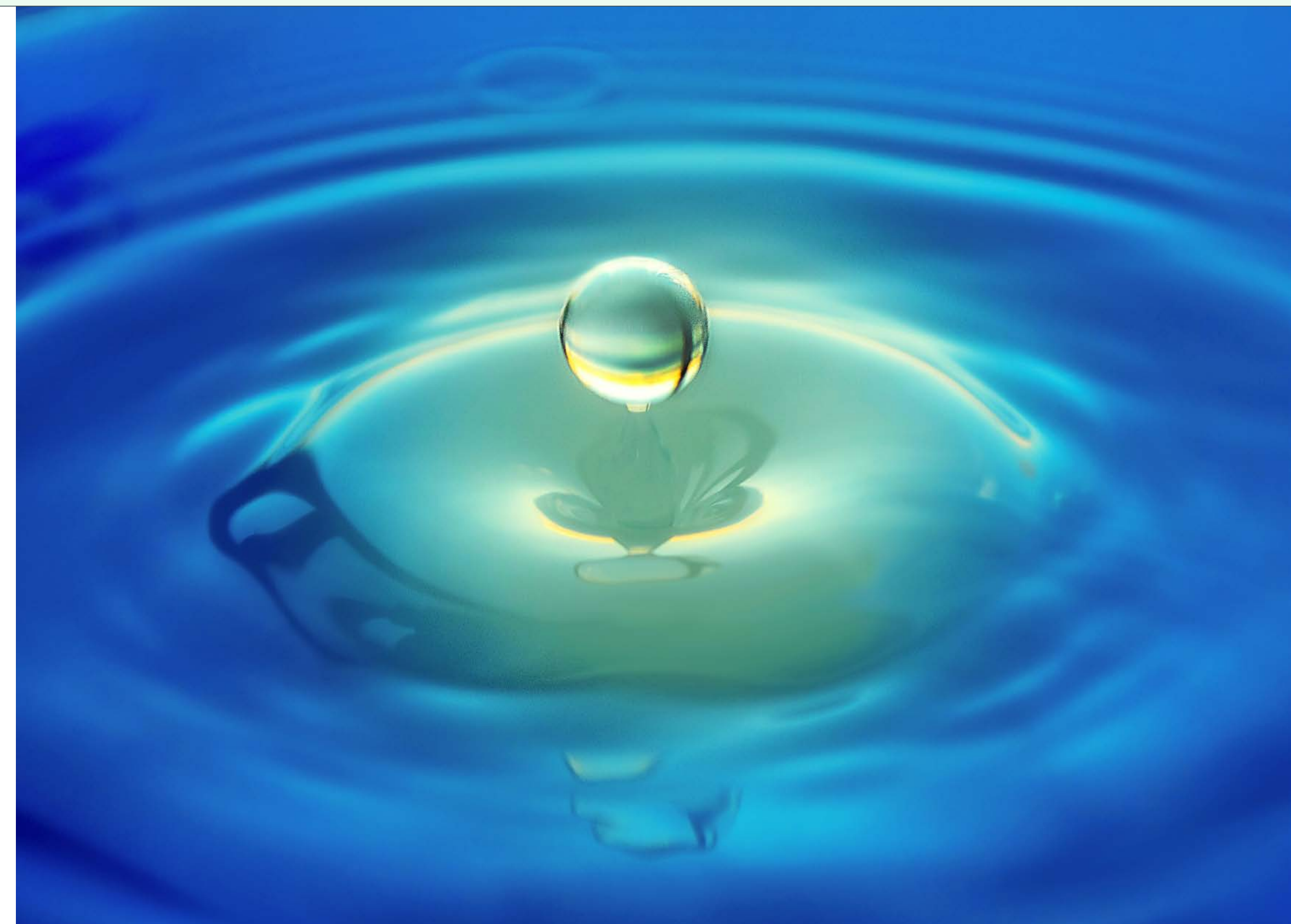
· Implement the Environment and Nature Guidelines.



OUR IMPACTS

- 1 689 ML of water collected .
- 1 509 ML of water consumed.
- 181 ML of water returned to the receiving environment.

Water is a natural resource essential to life on the planet, influencing the maintenance of ecosystems and the development of human activities, including agriculture and industry, for example. However, due to the increase in its consumption and the decrease in its quality (mainly due to water pollution from domestic and industrial sewage), there has been a reduction in the availability of water globally. Additionally, the increased pressure on water bodies due to climate change contributes to uncertainty regarding the availability of water resources in the future.



At Secil, water is an essential resource for the various stages of our industrial processes. This is used in the production of cement - its first component, representing about 25% of the mixture - aggregates and concrete mixtures, as well as in crushed stone washing, the manufacture of sludge, furnace gas conditioning, vehicle cleaning and the cooling of machinery and equipment. Other uses of water include washing and wetting roads, reducing diffuse particulate emissions, irrigating green areas and landscaping quarries.

Secil's dependence on water has an impact on the availability of this resource, contributing to a greater risk of susceptibility associated with its scarcity. Furthermore, the environmental impacts resulting from poor water management can lead to serious economic and social losses for our Group and stakeholders, putting businesses, ecosystems and communities at risk.



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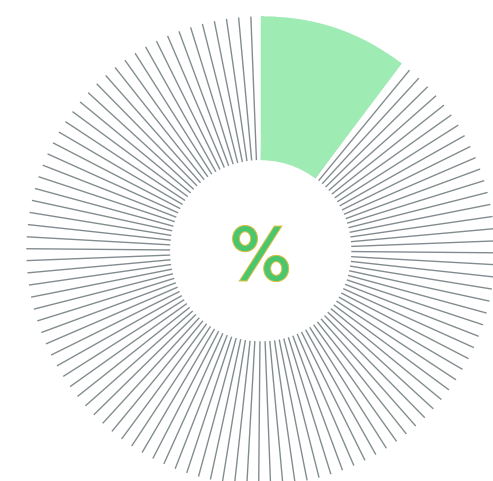


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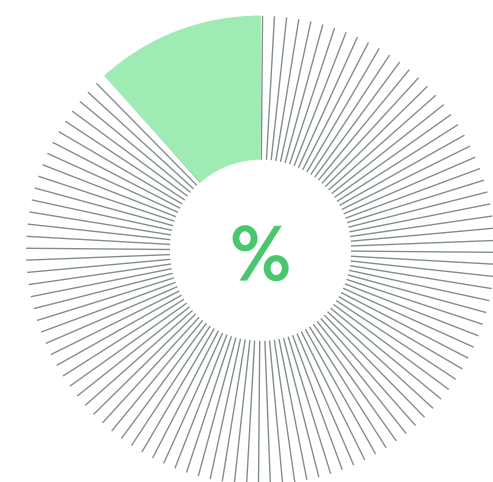


ENVIRONMENTAL

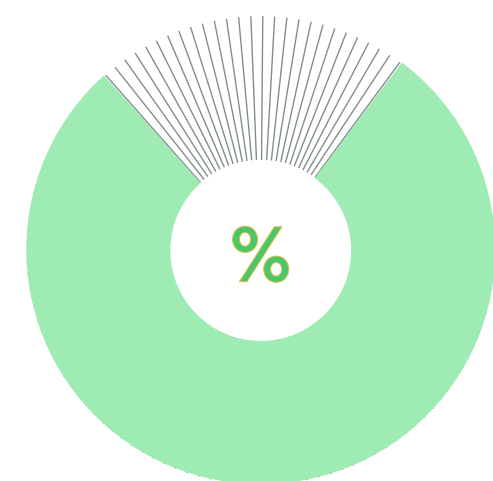
Distribution of water collected (m³)



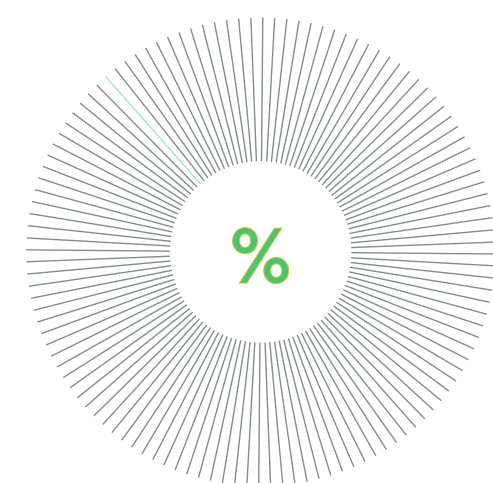
Superficial
176 295
(10.4 %)



Acquired from third parties
192 607
(11.4 %)

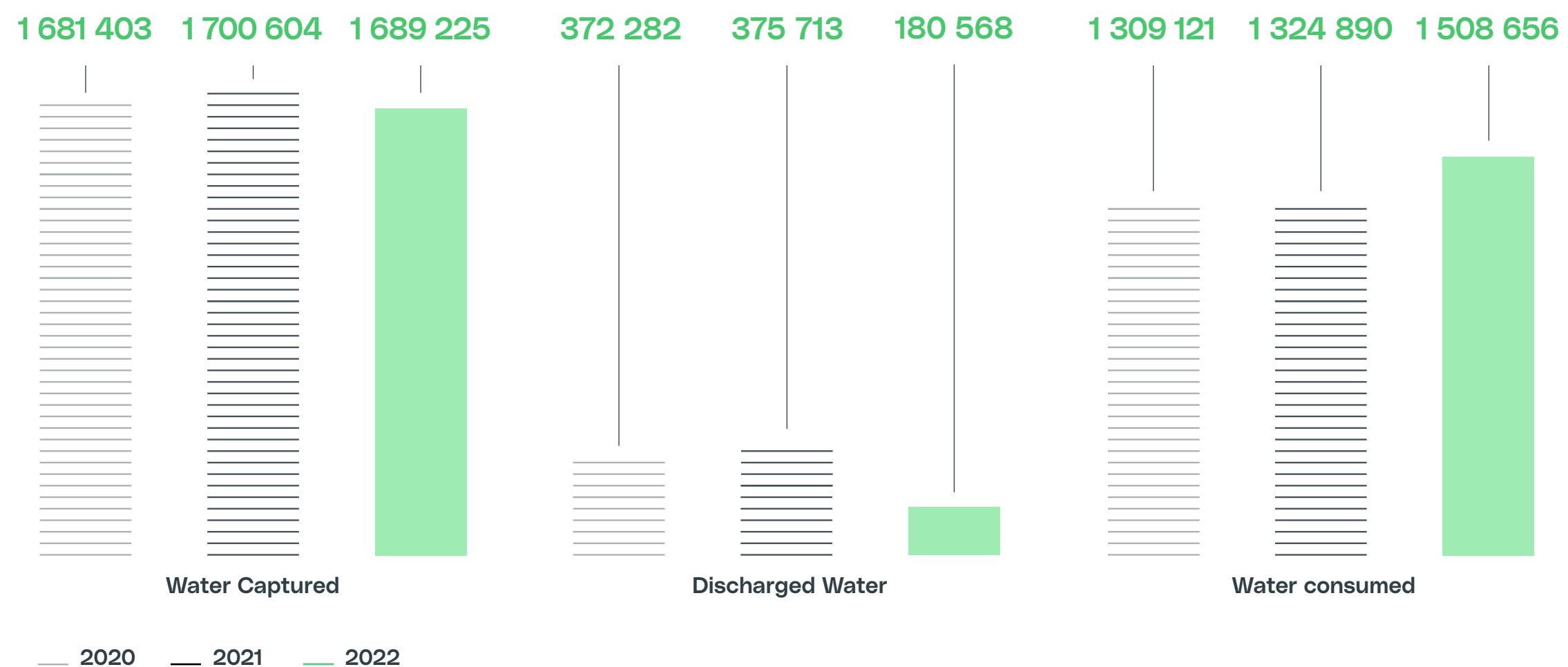


Underground
1 316 803
(78.0 %)

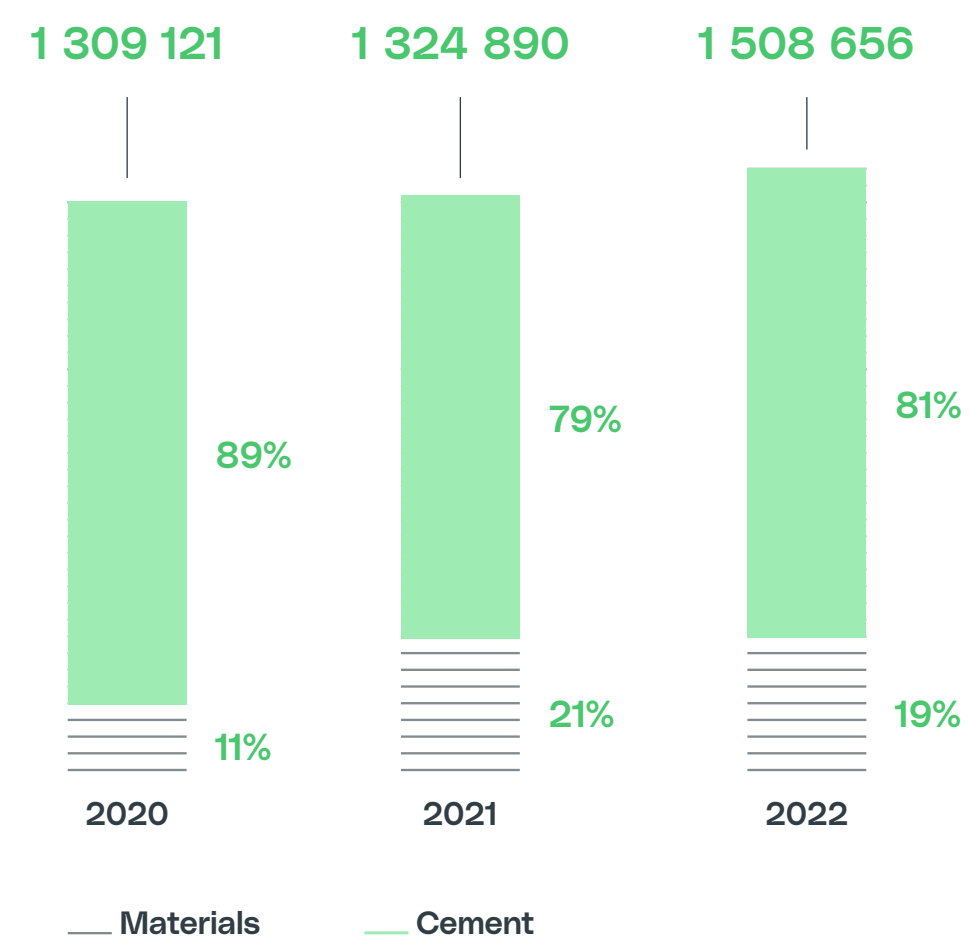


Production water
3 520
(0.2 %)

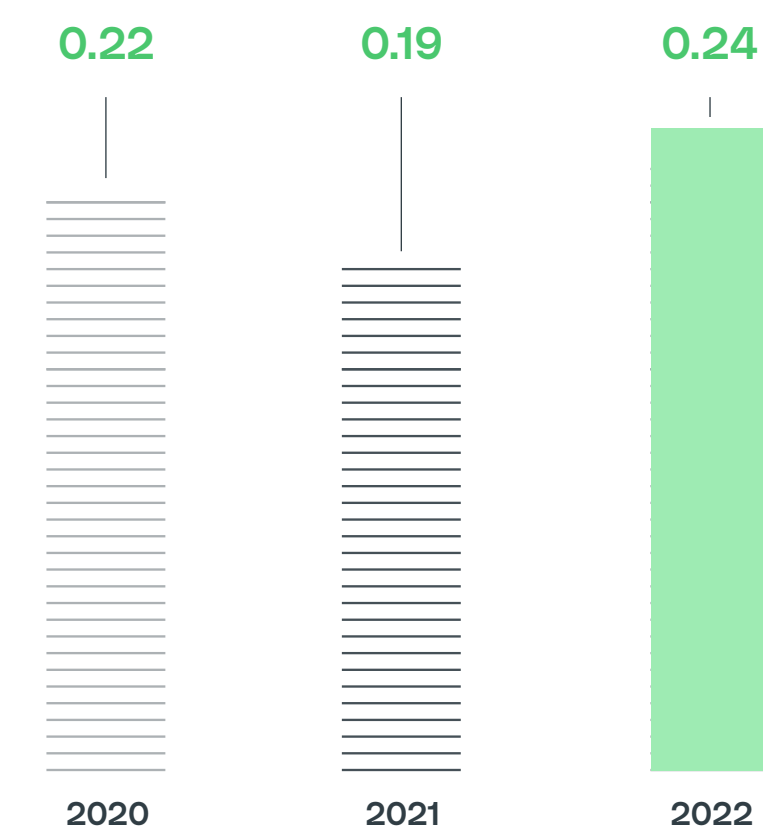
Water Use (m³)



Consumption of water (m³)



Specific water consumption (m³/t cement)





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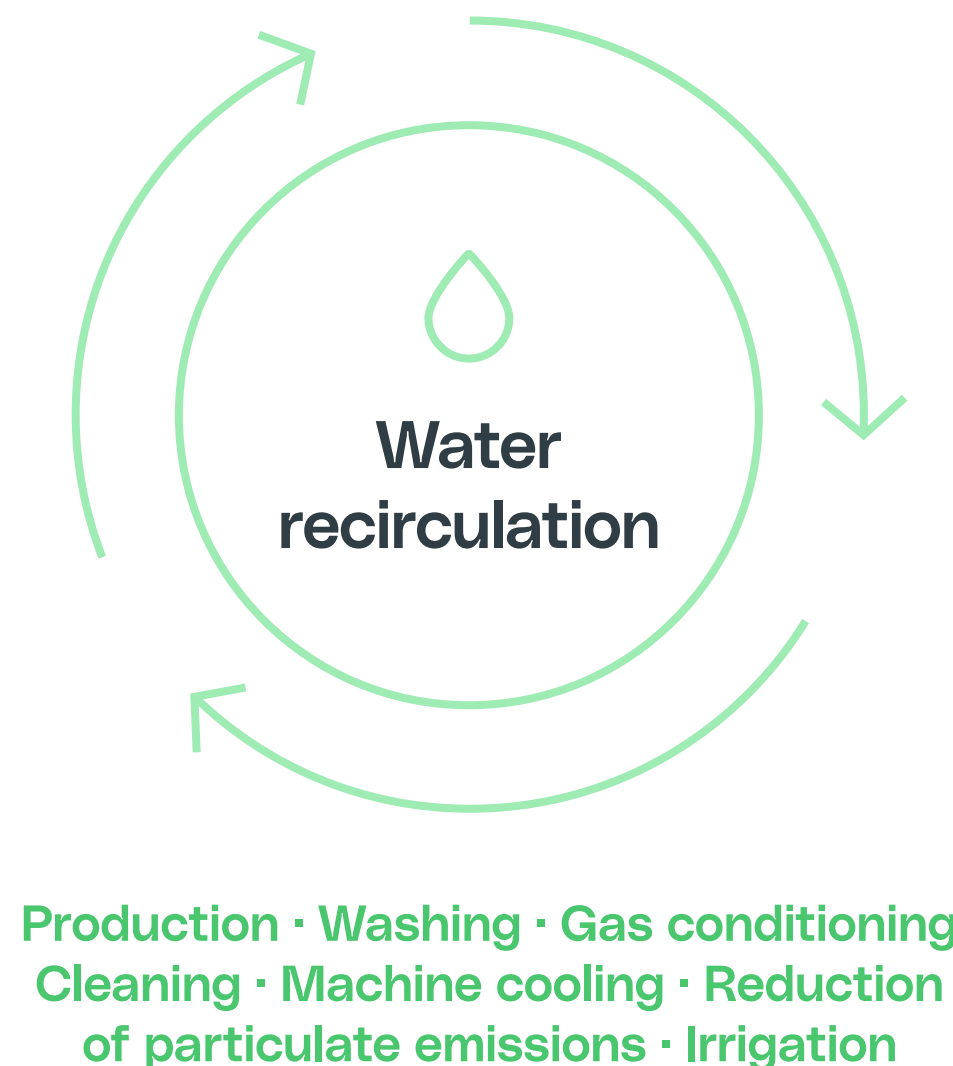
07



ENVIRONMENTAL

Water Intake

Superficial	176 295 m ³ (10.4%)
Underground	1 316 803 m ³ (78.0%)
Production water	3 520 m ³ (0.2%)
Acquired from third parties	192 607 m ³ (11.4%)



Superficial	133 306 m ³ (73.8%)
Subsurface	22 288 m ³ (12.3%)
Off-site water treatment	24 851 m ³ (13.8%)
Beneficiaries	124 m ³ (0.1%)

Water Disposal

Our approach to managing water resources is reflected in our "Ambition 2025 for Sustainable Growth", where we are committed to resource efficiency, namely the use of water and the definition of targets for reducing its consumption. As such, we have developed internal guidelines at corporate level for cement plants, which specify the requirements for monitoring water consumption as well as the most relevant performance indices for the business. In addition, we have implemented procedures in our operations that allow the reuse of water (and consequent reduction in consumption), namely the cooling systems of machinery and equipment that work in closed circuit.

With regard to water discharge, we ensure the appropriate treatment of effluents in all Group companies, complying with the legal requirements for discharge of treated effluents into the receiving body of water, minimising the impacts of industrial activities on the quality of water in ecosystems.

Additionally, under the sustainability charter of the GCCA - Global Cement and Concrete Association, to which we subscribe, an annual validation of water consumption for cement production is performed, including water intake and discharge. This validation, conducted by an independent entity, covers the Group's

manufacturing facilities in the Cement business area and applies to the entire production process, including the manufacture and extraction of raw materials, in accordance with the GCCA Guide for the monitoring and reporting of water in cement production.

As a result of our commitments in this area, in 2022 the volume of water abstracted fell by 1% compared with the previous year. However, with regard to water consumption, there has been a progressive increase over the years, and this year's figure was 1,508,656 m³, which corresponds to an increase of around 14% on the previous year. This result can be explained by

the investments made related to water reuse, which enabled a reduction of more than 50% in the amount of water discharged compared to 2021, with a total volume of 180 568 m³.

With regard to the specific water consumption for 2022 (which includes the cement business area plants), its value increased compared to the previous year, reaching a value of 0.24 m³/t cementitious products.

In terms of initiatives developed in 2022, the continuity given to internal webinars, started in the corporate centre the previous year, with the aim of



→ Highlighted Local Initiatives

Rainwater Reuse

In the Supremo Cements plant in Pomerode, Brazil, rainwater is collected, treated and reused for several uses.

These include water discharges from toilets, fire hydrants and the cooling of some machinery and equipment.

This is a practice that has existed since 2010, however, with the creation of the Internal Commission for Environmental Sustainability in 2022, several opportunities were identified to increase the points of water reuse and thus decrease the consumption of potable water.

During the year, investment was made in the installation of several water points for washing machines (forklifts, trucks and other machinery), for cleaning and diluting chemical products in the tank of the Wastewater Treatment Plant (WWTP) and for cleaning the outside of the office with a high-pressure washer. Additionally, some potable water points were replaced

by rainwater points and several water discharge points were also corrected.

These measures have allowed drinking water consumption at this unit to be reduced by 36% in 2022, compared with 2021.

These measures have allowed drinking water consumption at this unit to be reduced by 36% in 2022, compared with 2021.

BRAZIL

PORTUGAL

World Maritime "Day Campaign"

Within the scope of the "World Sea Day" celebrations in September 2022, several dialogues were held with the teams from the various areas of Secil's factories, with the aim of raising the awareness of the operatives on the importance of protecting the water resources that are in the proximity of our industrial establishments.

This campaign also included the distribution of leaflets on the subject and the dissemination of information by e-mail, with a view to reinforcing the best daily actions and behaviour to adopt in order to prevent the contamination of water resources, and how to act in the event of occurrences. A total of 139 employees from the Maceira, Pataias and Outão cement plants were involved.

disseminating the work developed under the GCCA and contributing to the improvement of Secil's sustainability performance, stands out. Among the various topics covered, the webinar "Environment and Nature - Water" stands out, which focused on the GCCA guidelines for monitoring and reporting water in cement production, namely: sources and bodies of water relevant for quantification; and reporting water information. In this context, the topics of water-stressed areas and water as a central element of sustainable development, critical for socio-economic development, energy and food production, healthy ecosystems and for human survival itself were also addressed.

As far as local initiatives are concerned, we highlight the celebration of World Sea Day in Portugal and the practice of reusing rainwater in Brazil.



NEXT STEPS

Strengthen the commitment to the efficient use of resources, namely the use of water and the definition of targets for reducing its consumption (2025).



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ENVIRONMENTAL

5.3 Biodiversity



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



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



GCCA COMMITMENTS 2020-2030

- Implement the Environment and Nature Guidelines



OUR IMPACTS

- 419 ha in or near protected areas or areas of high biodiversity value
- 56 ha total restored habitats⁹

Biodiversity plays a fundamental role in supporting life on the entire planet, influencing the basic needs of all species and the various human activities, which includes Secil's activity. However, with the occupation of more and more territories by Man, natural habitats

⁹ Cement business area.
¹⁰ IPBES (The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services). 2019. Global Assessment Report on Biodiversity and Ecosystem Services. Secretariat of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.



and the variety and number of organisms present therein are threatened and becoming extinct at an alarming rate¹⁰. The protection and enhancement of biodiversity has thus deserved special attention on international, agendas, and requires the commitment of governments and companies in order to reverse this problem.

We know that our activities, intrinsically dependent on the extraction of natural raw materials, have profound negative impacts on the areas where we operate.

The visual and ecological impact, the degradation of ecosystems, habitat fragmentation, the removal of soil and vegetation, the decreased availability of resources for fauna, changes in terrain and hydrology, pollution caused by particles and noise from our operations, are some examples of impacts on biodiversity.



As the spontaneous recovery of these areas and ecosystem processes can take hundreds of years, it is therefore essential to minimise these impacts and speed up the natural colonisation process, especially in areas of high conservation value.

Thus, we have developed efforts to minimise these impacts, as well as strategies to promote the recovery, protection and safeguarding of biodiversity in areas affected by our operations.

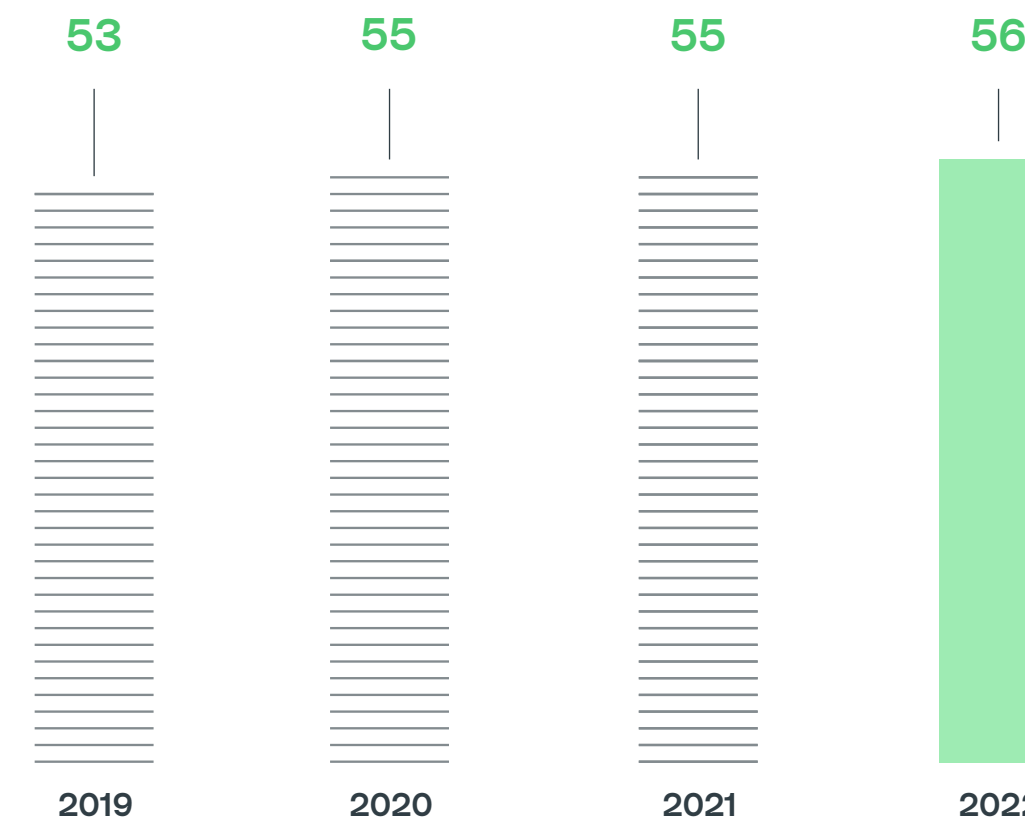
We have been implementing programmes to recover the structure and functioning of the flora and fauna communities and the original ecosystems, and which go beyond the merely aesthetic objective of restoring the landscape.

Among the strategies developed are:

- The Recovery Plans for Quarries owned by the Group (quarries for cement and aggregate production), in order to restore the areas affected by the exploration and extraction of raw materials.
- Biodiversity Management Plans in areas with a high biodiversity index, as is the case of Secil-Outão.

It should be noted that Outão (Portugal) was one of the first quarries in the world to have progressive recovery during exploration, from the 1980s-90s. The native species used in revegetation are produced in the plant's own nursery, created by the company in 1983, where 17 native species are currently propagate.

Area of recovered habitat (ha)



Note: The cumulative area since the beginning of operations refers to the cement quarries for cement production in Portugal..

Some of the areas where we operate are very sensitive from an ecological point of view. At Secil we have 491 ha of property that lies within or close to protected areas or areas of high biodiversity value, namely the Arrábida Natural Park and the Madeira Natural Park in Portugal. Although this figure has remained constant over the years (as no new quarries have been acquired in protected areas), we have instead increased efforts in the restoration of our quarries, with the aim of re-establishing natural habitats. As a result, by 2022 we will have achieved a total of 56 ha of recovered area, a positive variation of around 2% compared to the previous year.



→ Highlighted Corporate Initiatives

CEMBUREAU Biodiversity Roadmap

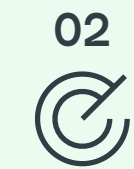
In 2022, CEMBUREAU, launched its first **Biodiversity Roadmap** with the aim of defining a vision for biodiversity in quarries and their surroundings in the coming decades. With this roadmap, the Association and its members aim to contribute to the overall objective of "Positive Nature" by increasing the ecological value of the areas exploited and protecting and restoring ecosystems, to provide sustainable business growth in harmony with the natural world. The roadmap is a tool developed to help, guide and influence companies in managing biodiversity and inspire collaboration between the cement sector and other stakeholders.

Prepared by the CEMBUREAU Task Force (TF) for Biodiversity, in which we actively participated, the roadmap defines a set of targets and actions to be achieved by 2030, which are grouped into four areas of action: (1) restoring ecosystems and ecosystem services; (2) promoting the EU pollinators initiative; (3) invasive species; and (4) protected species.

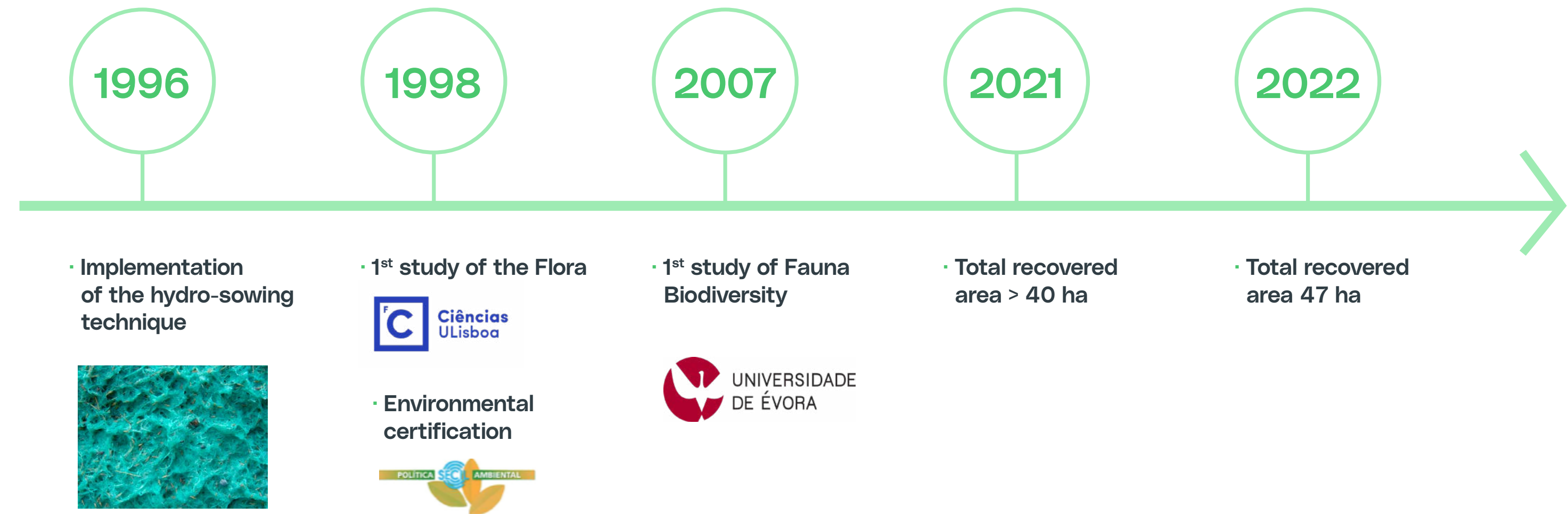
The Roadmap was launched in an online event, integrated in the European Green Week, which counted with more than 100 participants from 26 countries and whose presentation was in charge of Secil, through Alexandra Silva who acts as TF Chair. There was also a panel discussion with speakers from CEMBUREAU, European Commission, Birdlife, Society for Ecological Restoration (SER Europe) and, representing the cement industry, the Director of Secil, Carlos Medeiros Abreu.

→ Watch the presentation of the CEMBUREAU Biodiversity Roadmap

Secil has been a member of CEMBUREAU through ATIC - Associação Técnica da Indústria de Cement, since 1965.



Long collaboration with universities ensures knowledge of the arrábida ecosystem and its environmental recovery



It should also be noted that the issue of Biodiversity is integrated in one of the five pillars of our Sustainability Policy, the Environmental Pillar, and therefore in 2022 nature conservation remained at the centre of our concerns and we began to define a specific internal roadmap in this area. It should be noted that, as Chair of the Biodiversity Task Force of CEMBUREAU (European Cement Association), we were one of the participants in the preparation of the association's first Biodiversity Roadmap, which aimed to define a vision for biodiversity in quarries and their surroundings in the coming decades. The roadmap, aligned with the European Biodiversity Strategy 2030, aims to guide and influence cement sector companies in the management of biodiversity and inspire collaboration between companies on this issue.

Scientific research in the protection of Biodiversity

The development of scientific studies and the interconnection of multidisciplinary teams play a fundamental role in the management of Biodiversity at Secil. It is through scientific research and partnerships with academia that we have managed to find new processes and techniques for the recovery of our quarries.

Since 1998, we have been proactive in the ecological management of our quarries, recording, in collaboration with universities, the capacity and experience to successfully manage Recovery Plans and the management of biodiversity.

In this sense, we have been bringing scientific knowledge and environmental innovation to the quarries and to environmental recovery for more than two decades, through protocols established with the Faculty of Sciences of the University of Lisbon (FCUL) since 1998 and with the University of Évora (UE) since 2007.

These collaboration agreements include three-year/ biannual action and monitoring plans and have been successively renewed up to the present and are expected to continue.

It is at the Outão factory, located in the Arrábida Natural Park (Portugal), where most of the studies and

scientific projects are carried out, which are divided into two main lines of research:

1. one more focused on the restoration of quarries, in the flora component; and
2. another more focused on the fauna component.

This scientific knowledge, resulting from the study of recovery processes of biological communities and ecological succession, has proved essential in defining recovery strategies and evaluating the effectiveness of techniques and measures already implemented. For this reason Secil and the exploitation of the Outão quarries are considered a successful example worldwide.



→ Highlighted Local Initiatives

Protocolo com a FCUL

Within the scope of several research projects, an extensive team of researchers from the Faculty of Sciences of the University of Lisbon (FCUL) has been carrying out scientific monitoring of the areas recovered from the Outão quarries since 1998, based on continuous assessment.

As a result of these projects, Secil and FCUL signed a protocol (2019-2022) with the aim of integrating and modelling in space and time various ecological indicators to assess the resilience of the ecological restoration areas in Outão, in order to contribute to resilience-based management, namely: the similarity, composition and taxonomic diversity of the vegetation; the structure and functional diversity; the connectivity at different scales; the regulating ecosystem services; the control of invasive species; the species important for conservation; the demography of woody species used in

restoration; and the role of biological soil crusts in restoration.

In 2022, this protocol ended, however, due to the importance of this partnership for the management of biodiversity for Secil, we aim to continue the research work. Since the start of the protocol, a total of 78 sites have been sampled (59 in restoration areas and 19 in natural vegetation).

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PORTUGAL

Protocol with the University of Évora

Fauna plays an important role in the restoration of quarries, acting, among other functions, as seed dispersers or assisting in the pollination processes of various plant species, promoting the regeneration and spontaneous proliferation of vegetation. As such, in 2007 Secil introduced the fauna component in the Outão Recovery Plan with the addition of a team of researchers from the University of Évora. This team is assessing the evolution of the fauna communities in the recovered and natural areas, monitoring the fauna Action Plan (which aims to create medium and long-term conditions to promote the process of natural fauna (re)colonisation), and also investigating, in particular case studies, how the restoration process influences the animal communities and the ecological processes in which they are involved.

The 6th phase of the project, starting in May 2021, is currently underway, and is expected to end in 2023. The period so far has been devoted more intensively to the sampling of fauna and their interactions in the framework of the different ongoing tasks. The results and conclusions of this project will be disclosed at the end of the project.

As part of this partnership, a scientific paper was published in 2022 in the Journal of Environmental Management, entitled "Insect pollination services in actively and spontaneously restored quarries converge differently to natural reference ecosystem".

→ [To access the scientific article click here](#)



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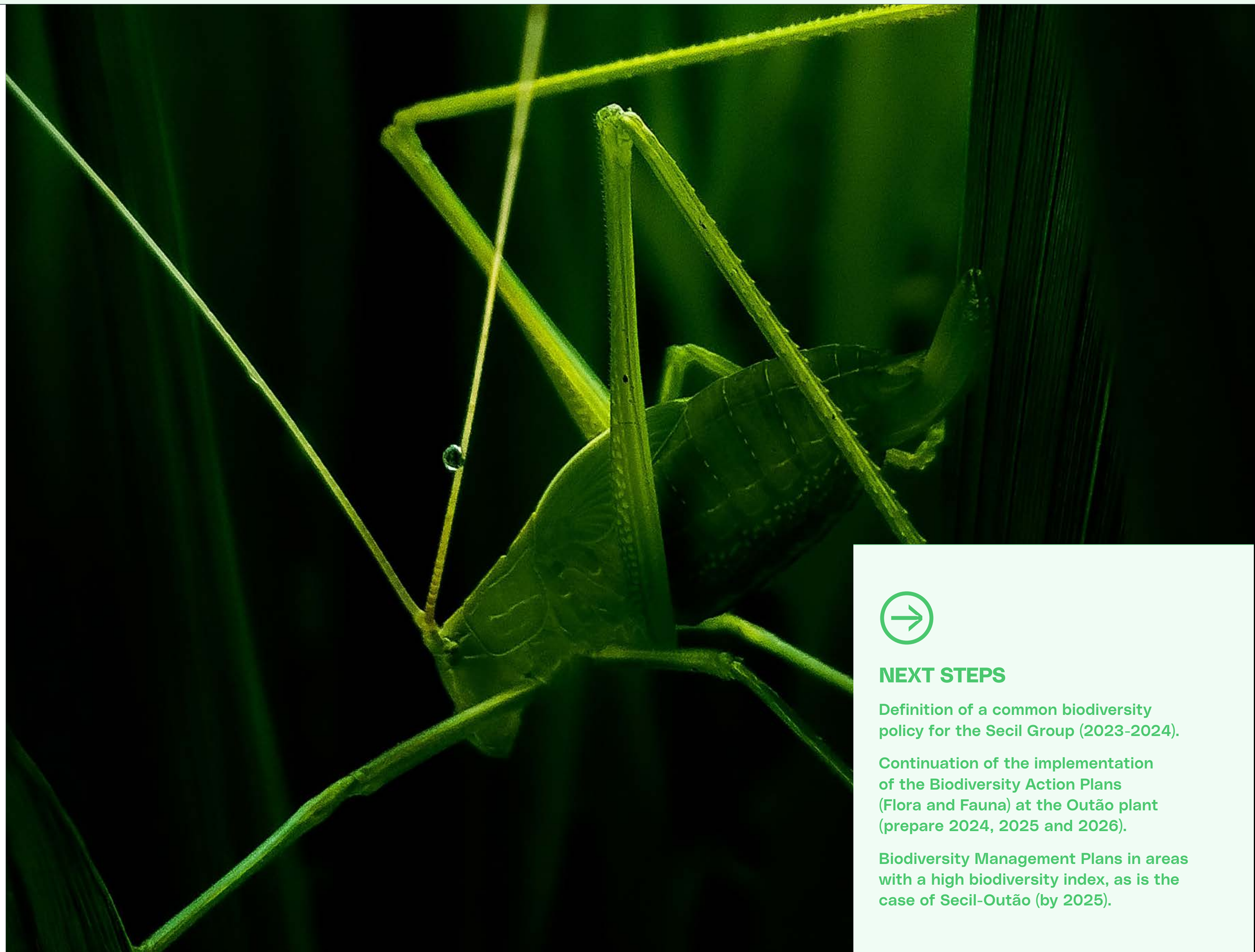


LEBANON

→ Highlighted Local Initiatives

Tree Planting

On National Tree Day, and as part of social and environmental responsibility, the employees of the SIBLINE plant in Lebanon planted trees at various locations around the factory. In addition to increasing the green areas and ensuring a cleaner and more natural environment around the facility, this initiative has contributed to the creation of synergies between employees and to increasing their well-being and enthusiasm.

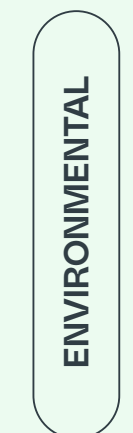
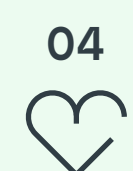


NEXT STEPS

Definition of a common biodiversity policy for the Secil Group (2023-2024).

Continuation of the implementation of the Biodiversity Action Plans (Flora and Fauna) at the Outão plant (prepare 2024, 2025 and 2026).

Biodiversity Management Plans in areas with a high biodiversity index, as is the case of Secil-Outão (by 2025).



5.4 Circular Economy and Waste Management



At Secil we are committed to developing our business model based on the principles of the circular economy.



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

GCCA COMMITMENTS 2020-2030

- Foster circular economy principles in the value chain.
- Implement guidelines for the use of fuels and raw materials in cement production.

OBJECTIVES AMBITION 2025

- 25% increase in the use of alternative fuels.

OUR IMPACTS

- Total consumption of 17 404 646 t of raw materials.
- Production of 28 658 t of waste.
- 65.2% of waste forwarded for recovery.
- 34.8% of waste forwarded for disposal.



Today's global economy is based on a linear production and consumption system which is highly dependent on finite resources, including raw materials - such as metals, construction minerals or wood. Extract, produce and dispose is the model of the linear economy and it is compelled by the driving forces of consumption, namely economic growth, technological developments and changing patterns in production and consumption. Associated with the extraction of resources is the unsustainable production of waste, with significant impacts on natural ecosystems and human health.

As part of the cement industry we have a high consumption of non-renewable raw materials, namely limestone and marl, which compromises not only the availability of resources but also impacts biodiversity and the landscape. Additionally, there is a high consumption of fossil energy in our operations, due to the energy intensity of the manufacturing processes, which results in the emission of carbon dioxide (CO₂) and other greenhouse gases into the atmosphere.



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Aware of our impacts and also of the potential that our sector of activity presents, we have been corporately adopting strategies of circularity, reuse and recycling of materials. This allows us to raise efficiency gains in resource in resource consumption and, consequently, economic gains.

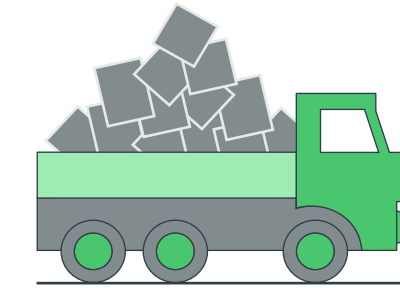
At Secil we aim to contribute to the circular economy by increasing the incorporation of secondary raw materials and the use of alternative fuels.

As part of our strategy, we highlight our investment in research, development and innovation (RDI), which allows us to develop various projects that contribute towards our objectives in this area. In 2022 we continued to develop new technologies and projects such as **Low Carbon Clinker (LCC)**, the **Clean Cement Line (CCL)**, and **Retrofeed – Smart retrofitting in process industry**. As part of our commitment to promote the principles of circular economy in the value chain, we launched an innovative product - Verdi Zero Concrete, the first carbon neutral concrete in Portugal [Chap. 6.3.2](#).

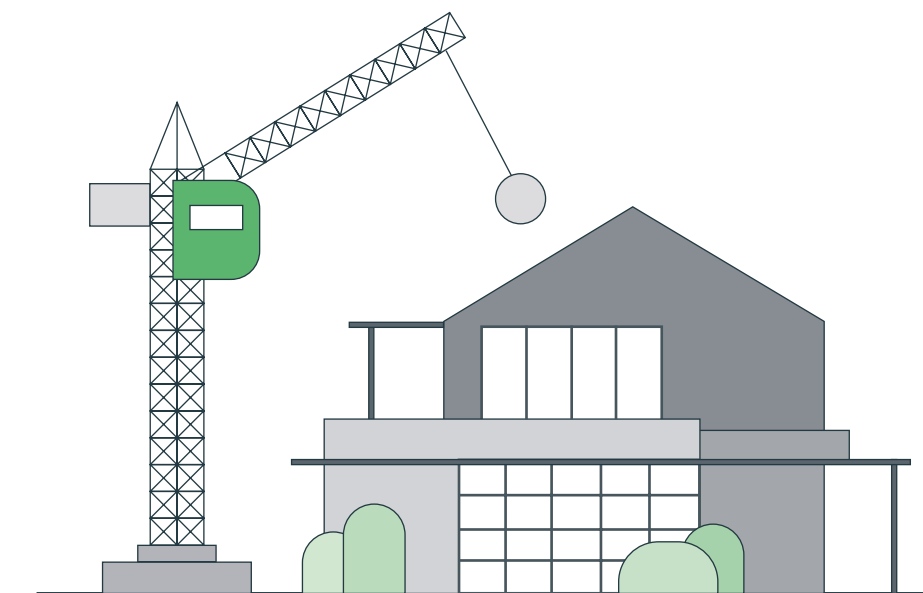
Consumption of raw materials

In 2022 we will reduce our raw materials consumption by approximately 9% compared to 2021. It should be noted that although the consumption of recycled raw materials has fallen by around 30% compared with the previous year, the consumption of renewable raw materials has more than tripled. This was essentially due to the fact that in 2022, the biomass fraction present in alternative fuels such as RDF and tyres was considered in the renewable raw materials.

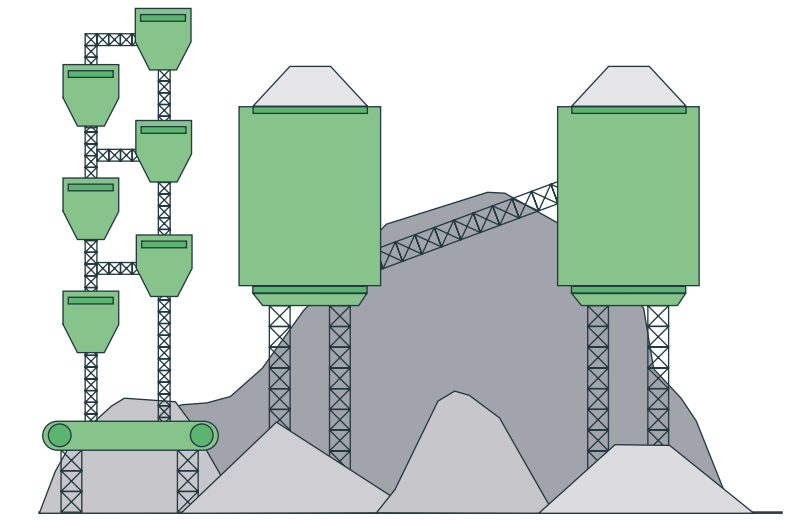
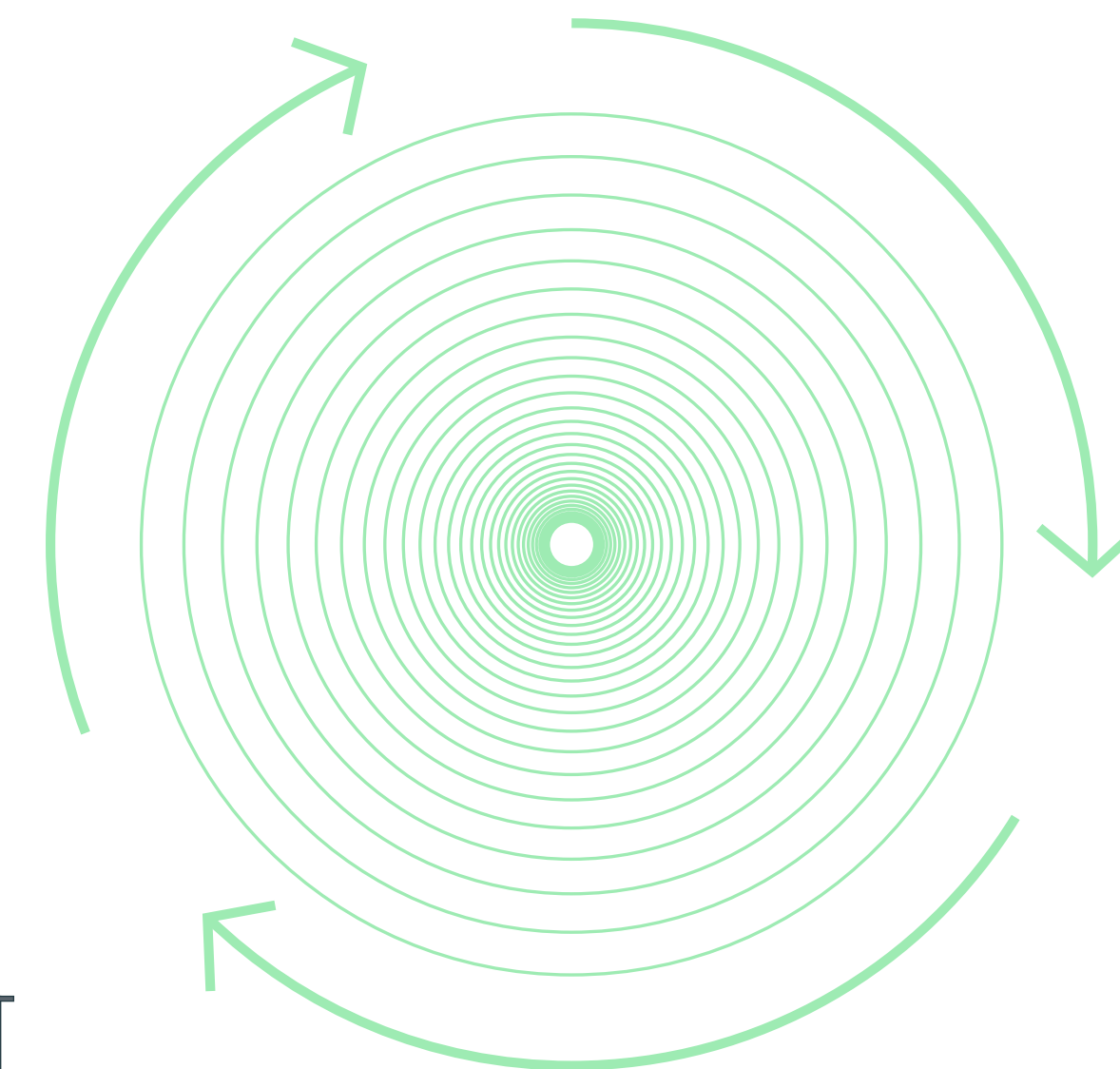
The Secil Group and the circular economy



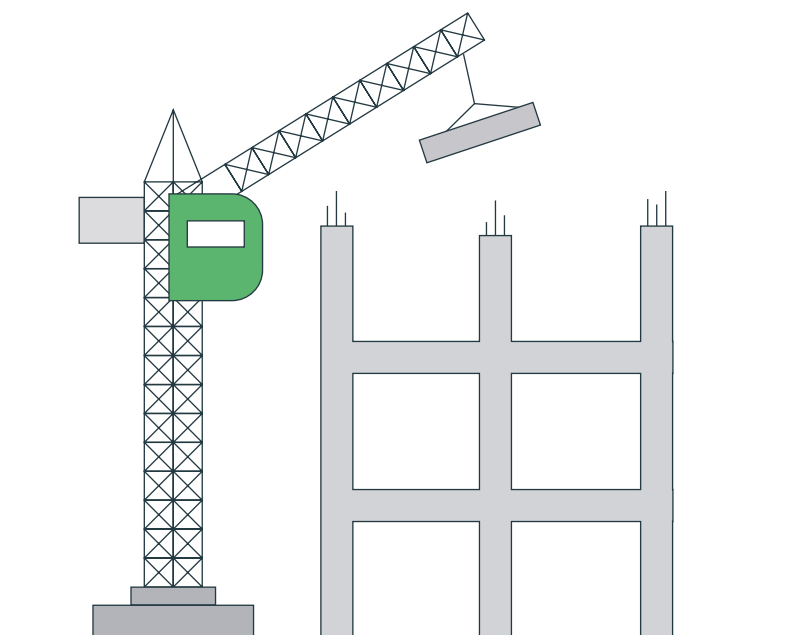
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The Exploitation of Natural Resources
Cement factories with quarries and environmental plans for landscape recovery.



4
Fim de Vida
Demolition and selective collection of waste for reuse as secondary raw material in clinker and cement, avoiding landfills.



2
Production of Clinker and Cement
Optimisation of energy efficiency. Co-processing of waste, with secondary raw materials and innovative technologies; reduction of CO₂ emissions with the use of alternative fuels; valorisation of materials; control and monitoring of emissions; and distribution by sea and rail transport.



3
Production, and use of concrete and cement-based products
Construction and public works invest in materials that provide greater comfort and safety to populations. Betting on special concretes and mortars incorporating by-productssuch as cork. Reuse and recycling of water.



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

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

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

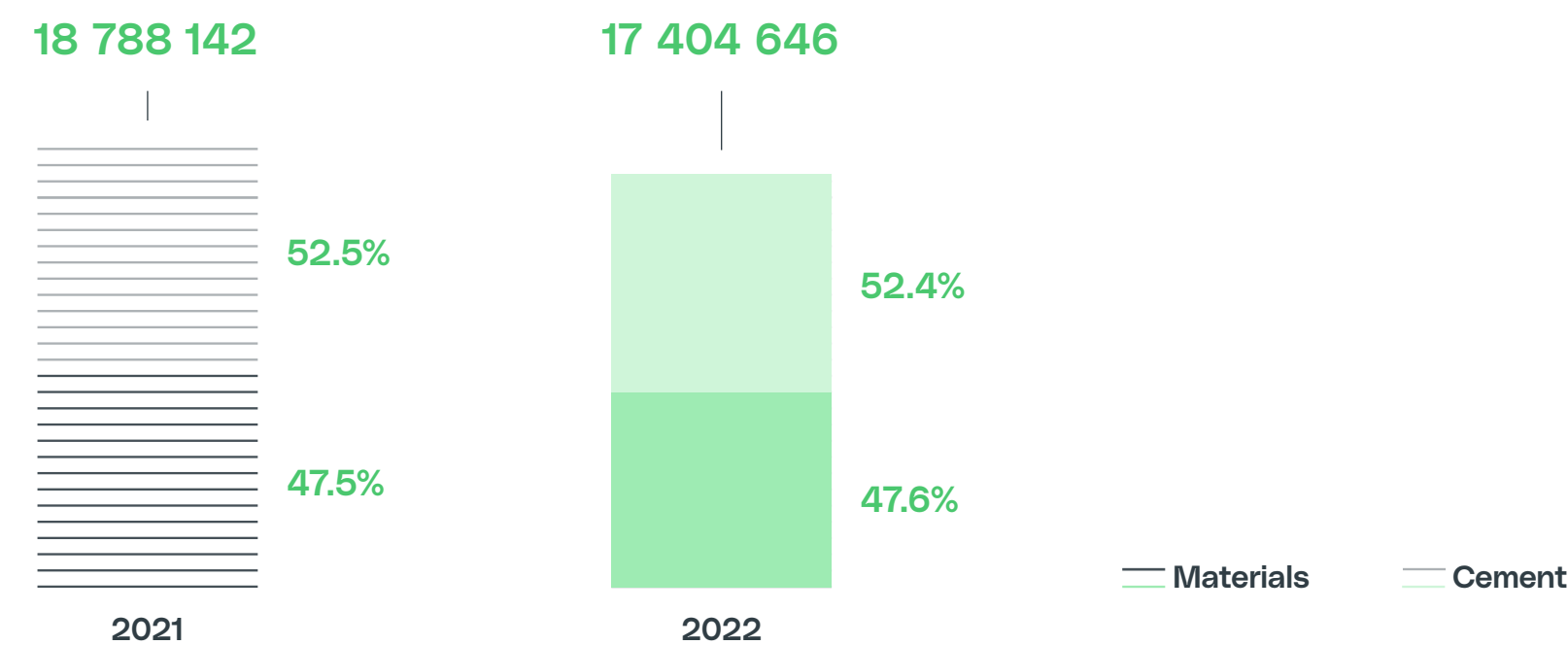
- The re-use of earth from large excavations for building foundations.

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

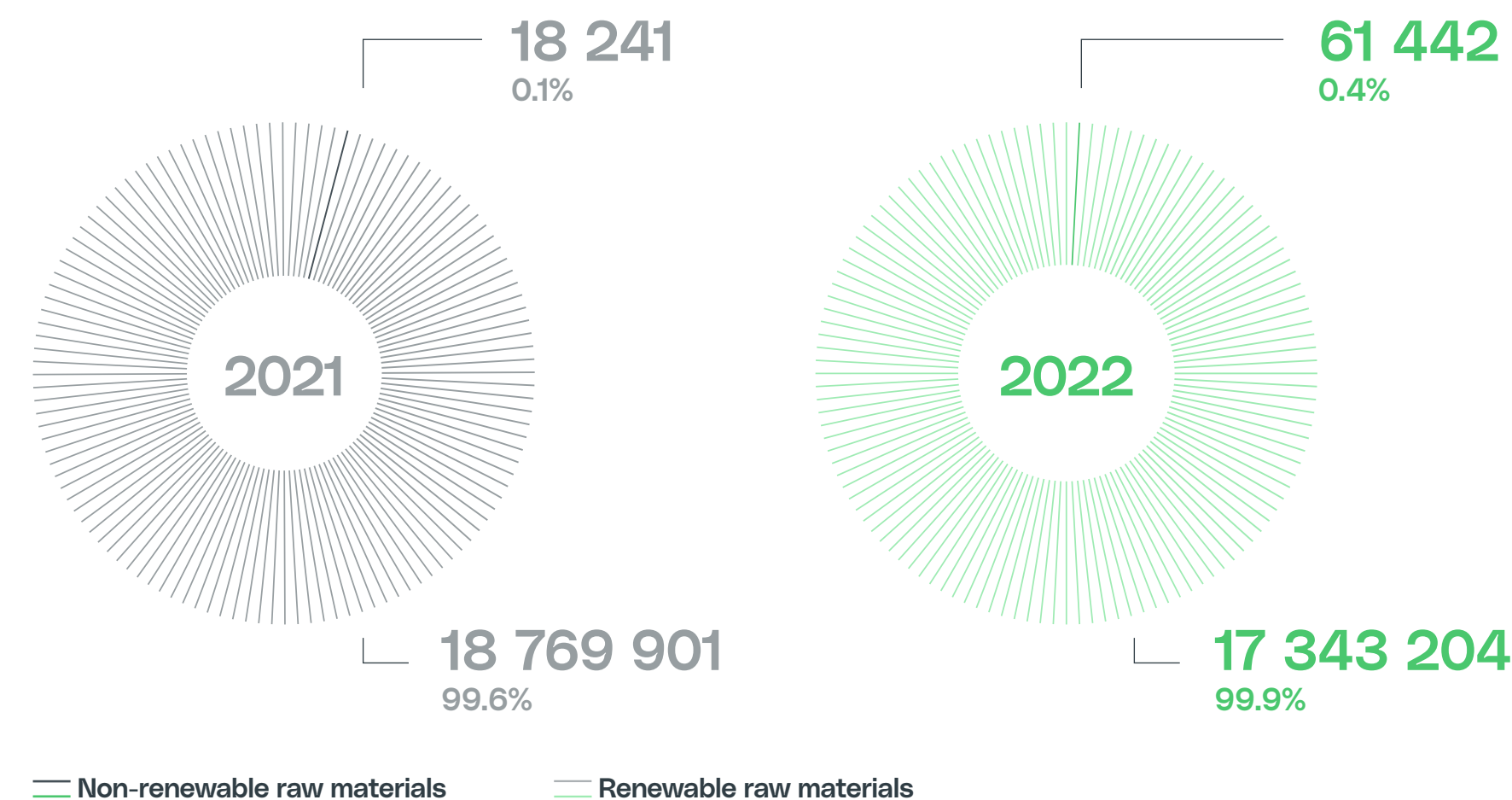
Despite the high potential that the incorporation of recycled raw materials from the use of demolition waste from buildings and infrastructures has - allowing a reduction in the use of virgin materials and environmental costs, arising from the exploitation and transport of waste to landfill - the insufficient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

Consumption of Raw Materials

Consumption of Raw Materials by Business Area (t)



Raw Materials Consumption by Category (t)



Note: Only in 2021 will the reporting of this indicator be disaggregated by waste category and business area.



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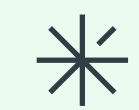
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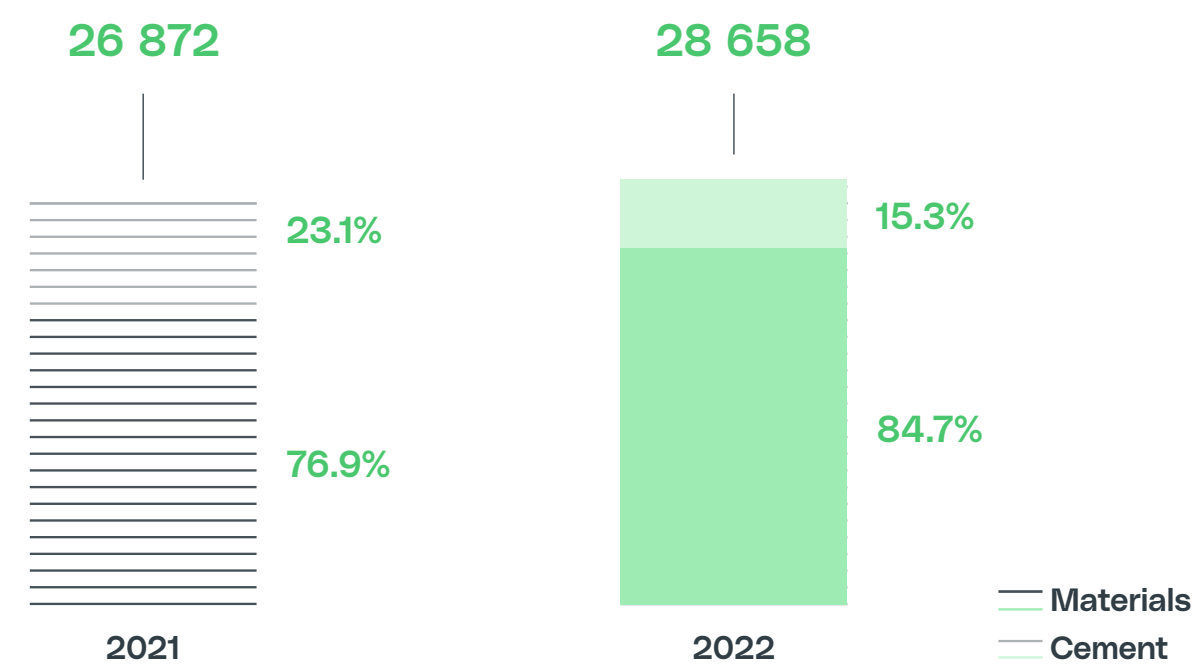
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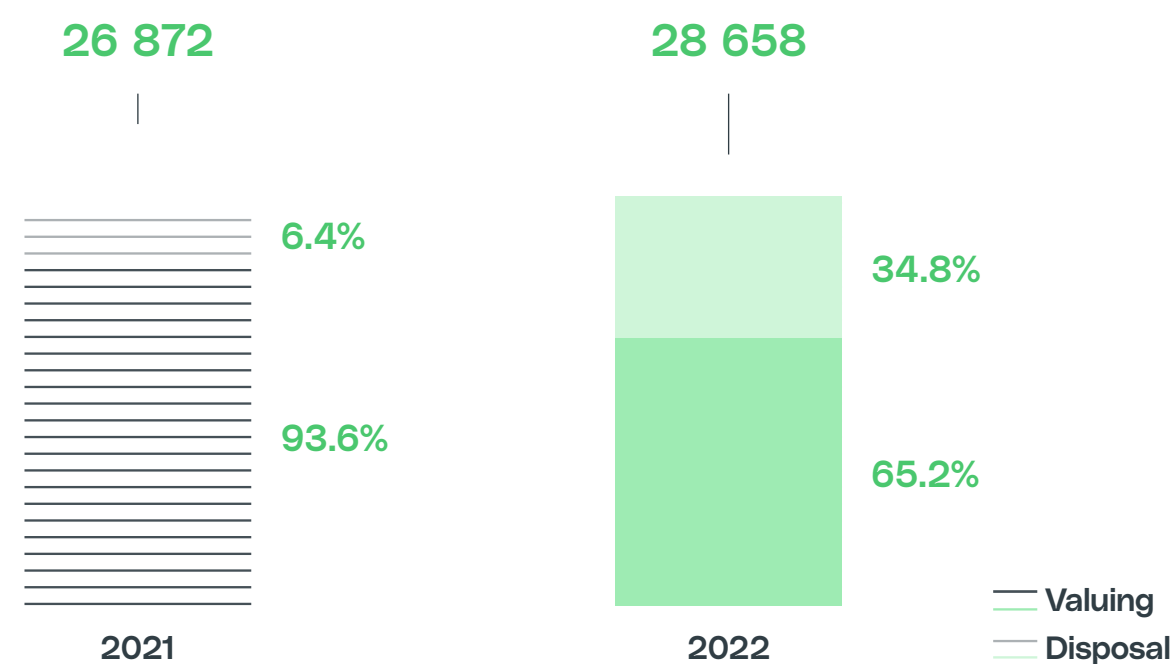
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Waste Generation

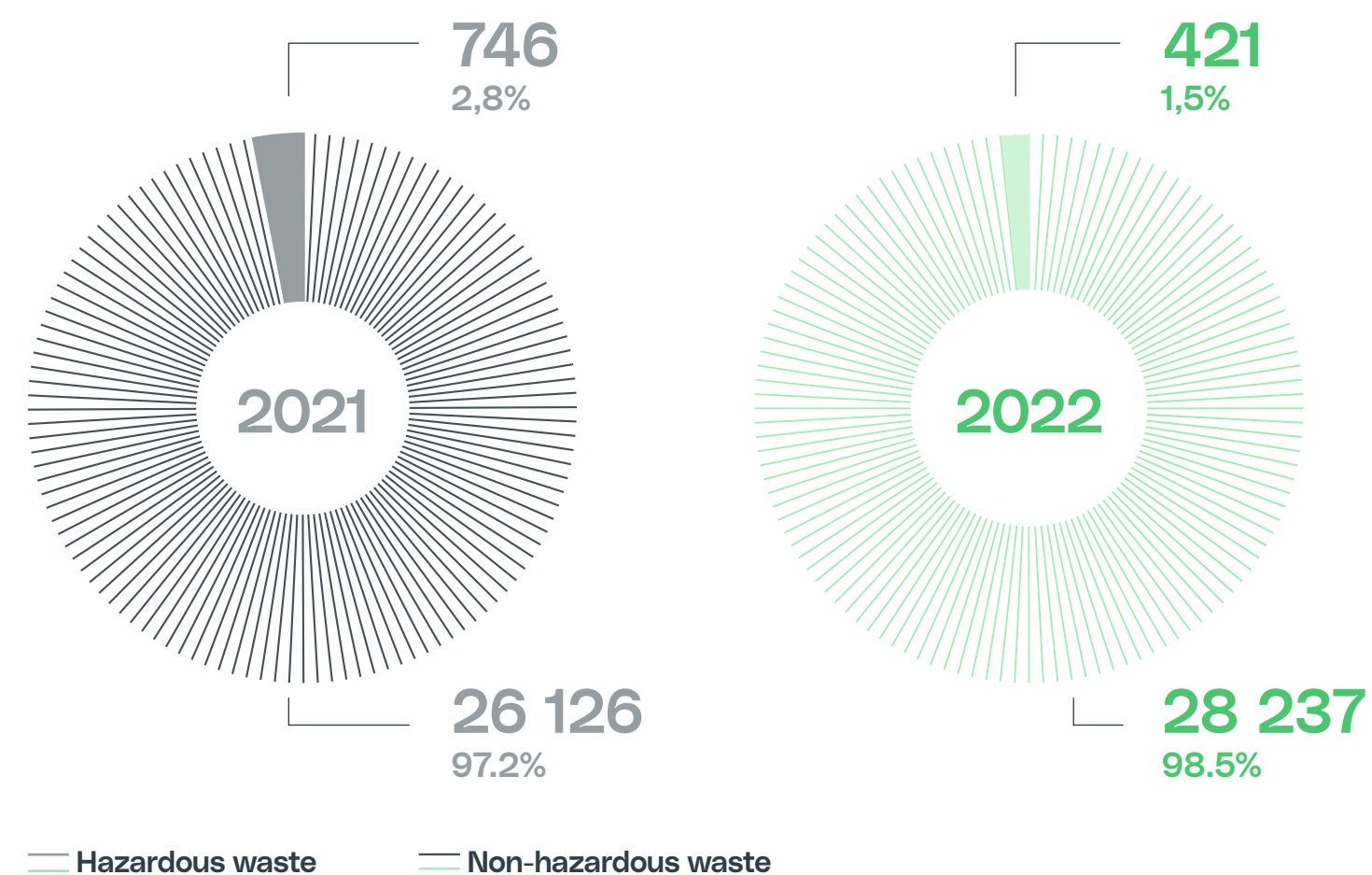
Total waste production by business area (t)



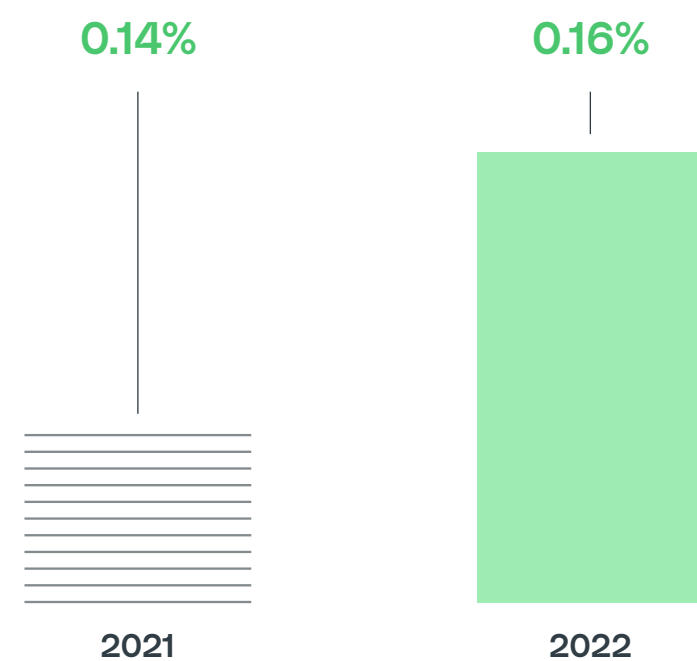
Waste Production by destination (t)



Waste production by category (t)



Waste production by Total use of Raw Materials (%)



Waste Management

Although we are committed to adopting a business model increasingly based on circular economy principles, waste generation is still intrinsically linked to our activity and operations. As a consequence, we always seek to manage our waste in the most appropriate way, collecting and storing it in a segregated manner, in specific flows and in appropriate locations in our facilities. Whenever possible, we favour waste recovery solutions, seeking to respect the waste hierarchy principle. It should be noted that in the main cement manufacturing process the input materials are integrated into the molecular structure of the clinker during the baking phase, thus avoiding the formation of waste or ash.

At Secil, almost all the waste produced (98.5%) is non-hazardous.

In 2022, we recorded a 6% increase in waste production compared to the previous year. Bearing in mind among the Secil Group's different business areas, the Materials sector is responsible for the production of most waste (84.7%).

With regard to the final destination of the waste produced, this year there was a decrease of more than 25% in the recovery rate. On the other hand, the waste disposal rate rose significantly in 2022, standing at 34.8%. Because this is only the second year that this indicator has been reported for the Secil Group, it is not yet possible to make a concrete analysis of this data.

Note: This indicator will be reported on from 2021.



Although we are committed to adopting a business model increasingly based on circular economy principles.

It should be noted that the amount of waste produced corresponds to 0.16% of the total raw materials used.

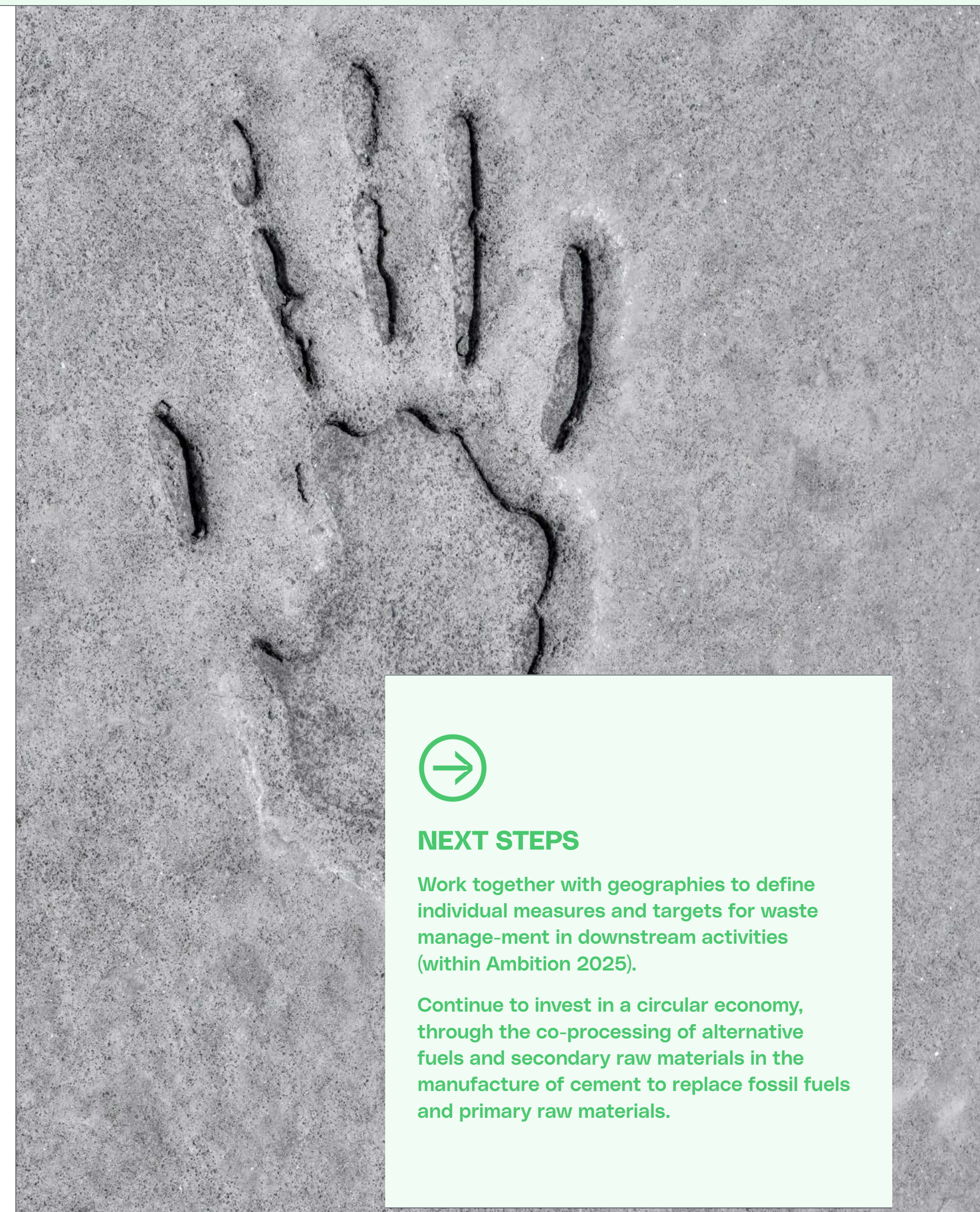
Through participation in the collaborative laboratory **c5Lab** - Clinquer x Cement x Concrete x Construction x Climate Lab **Chap. 6.2**, conditions were created to recover and use ash from thermal power stations that are deposited in landfills, thus reducing the use of primary raw materials and the Group's waste

Incorporation of alternative fuels

Replacing fossil fuels with alternative fuels in our manufacturing processes has been one of our priorities to reduce our environmental footprint. Examples are the use of tyres and refuse derived fuel (RDF) in Portugal, or the waste derived from olive pomace production in

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

In the scope of the CCL- Clean Cement Line Project **Chap. 2.3**, in Portugal, it is planned to use zero primary fossil fuels, and to use a new alternative fuel, Energreen, resulting from the biorefining of biomass, in order to optimise its use in cement kilns. We also have some ongoing research projects, namely the Retrofeed Project - Smart retrofitting in process industry **Chap. 6.2** and the CLEAN4G project, which aims to convert CO₂ from the cement production process into a clean gaseous fuel to be used in the same process.





NEXT STEPS

Work together with geographies to define individual measures and targets for waste management in downstream activities (within Ambition 2025).

Continue to invest in a circular economy, through the co-processing of alternative fuels and secondary raw materials in the manufacture of cement to replace fossil fuels and primary raw materials.



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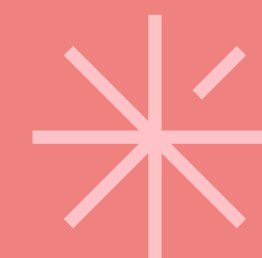
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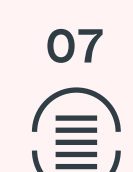
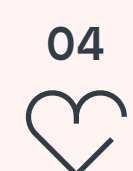
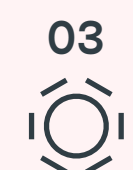
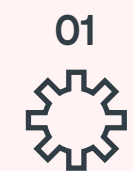


06 — ECONOMIC ASPECT



WE EVOLVED IN THE GROWTH

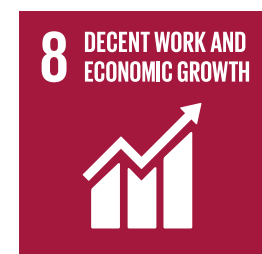
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6.1 Value Generation



Our Strategy reflects the creation of a sustainable growth model, based on a commitment to balance our way of acting with economic, social and environmental dimensions.



GRI 201-1



OBJECTIVES AMBITION 2025

· To grow sustainably to an EBITDA of over 200 M€ in 2025.



OUR IMPACTS

- 697.2 million direct economic value generated.
- 543.1 million direct economic value distributed.
- 154.1 M€ accumulated economic value.

The cement industry has a strong economic and financial impact at European, national and regional level, not only in the construction supply chain but also in job creation. As a Group, we have been continuously investing in the expansion and consolidation of our operations.

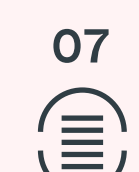
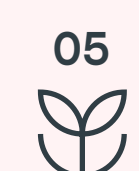
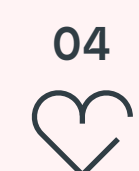
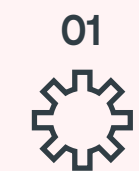


As a main objective in our strategic cycle **Ambition 2025** → **Chap. 1.4** we have set ourselves the goal of achieving a recurrent EBITDA of over 200 million euros, which will come from two sources:

- **Organic growth:** increase in EBITDA by optimising our operations in the various geographies;
- **Inorganic growth:** increase in EBITDA through new businesses.

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

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



How we Create Long-Term Value for Our Key Stakeholders



Employees

- Labour stability
- Stimulating careers (mission)
- Payment of salaries
- Capacity building and professional development
- Fostering a culture of diversity and inclusion
- Creating safe working conditions that promote well-being
- Culture of Responsibility - people and teams are empowered to make decisions



Customers

- Quality products
- Responding to market needs
- New products and services, focusing on customer needs
- Offering construction solutions that promote greater energy efficiency
- Relationships of proximity and trust that generate value for consumers
- Focus on problem solving



Suppliers

- Contracting of supplies and provision of services and payments under agreed terms
- Generating employment and boosting the fabric local business
- Sharing values and good practice



Community

- Employment promotion
- Offering more sustainable construction solutions with less environmental impact and promoting greater energy efficiency
- Contribution to climate change risk mitigation
- Promotion of circular economy principles, seeking new fuel and raw material solutions for cement production
- Reducing the impacts of atmospheric emissions, noise and odours, and waste generation
- Ecosystem restoration



Authorities

- Responsible fiscal policy
- Boosting local business fabric and promoting exports
- Focus on achieving the country's carbon neutrality targets with concrete proposals/action plans



Partners

- Investment in R&D
- Knowledge generation and dissemination
- Partnerships with Universities and Institutes for the production of knowledge in a regime of co-creation and preservation of biodiversity



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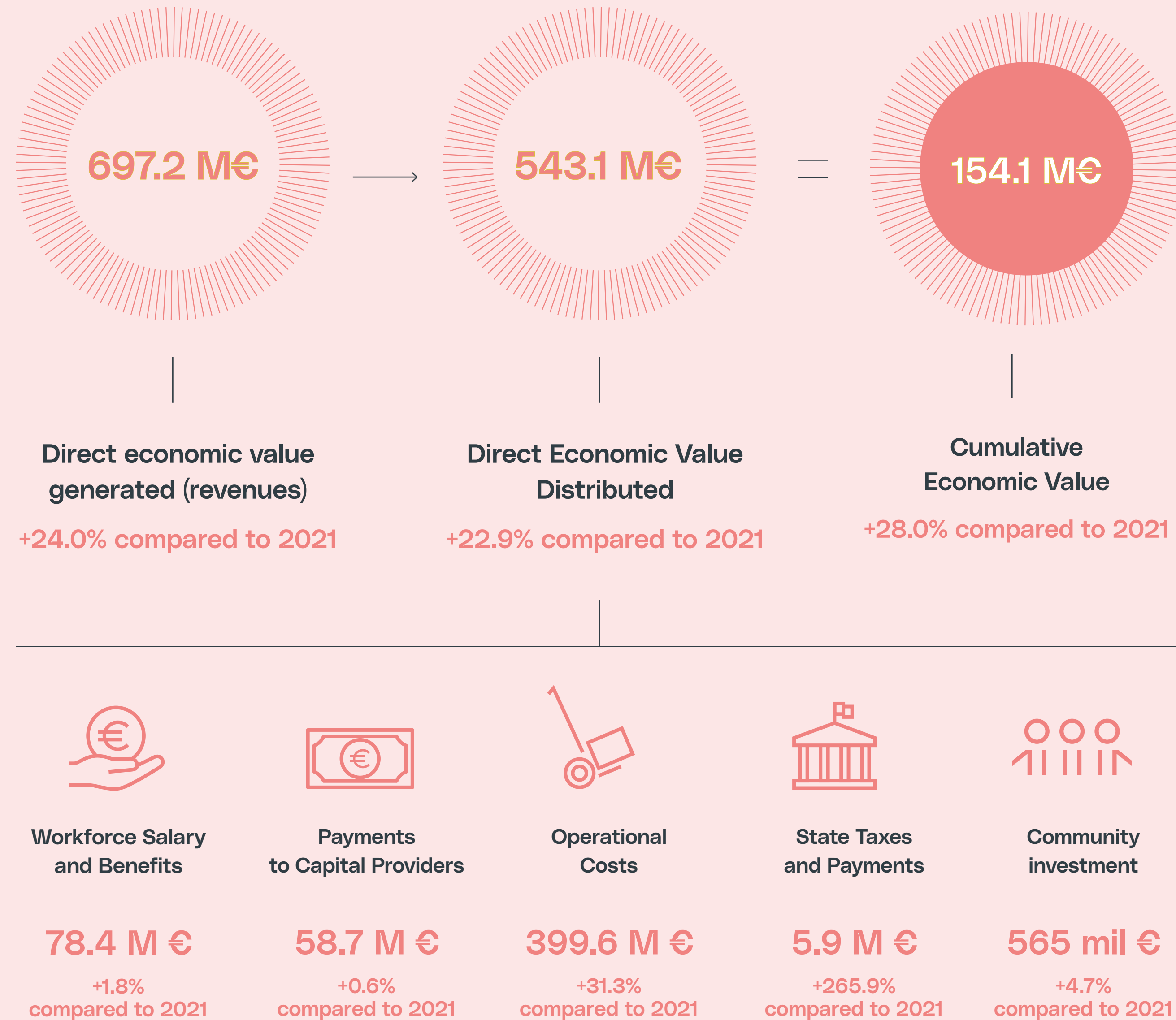
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Contributing to more sustainable constructions, we develop a set of products that improve the energy efficiency of buildings.

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

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





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Contributing to more sustainable constructions, we develop a set of products that improve the energy efficiency of buildings, positively impacting the communities where we operate.

It should be noted that in 2022 there was overall growth of 21% in turnover, to 603 million euros, and an EBITDA of 139 million euros, which resulted from the good performances of Portugal, Brazil and Angola, which offset reductions in profits in Tunisia and, above all, Lebanon.

The solid results obtained during the year allowed us to distribute 543.1 million euros, an increase of 18.6% over the previous year. The way we generate and distribute this economic value along the value chain demonstrates the significant impacts we generate on society and the lives of thousands of people - illustrated through the monetary value added to local economies, the generation of products and services, payment for capital services, salaries, taxes, community investment, among others.

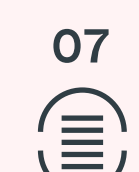
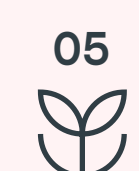
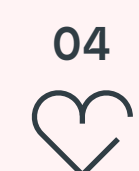
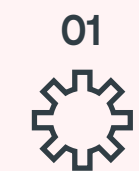
Sustainable Financing

We have made important strides in sustainable finance by seeking financing options directly linked to the achievement of sustainable development goals or ESG - Environmental, Social and Governance - performance indicators. An example of this was the launch in 2022 of the request for proposal to several banks to issue green bonds.

Thus, at the beginning of 2023 we entered into our first sustainable financing contract, via two bond loans called "Secil Green Bonds 2030 - fixed rate" and "Secil Green Bonds 2030 - variable rate", totalling 75 million euros, aimed at (re)financing the Clean Cement Line Project → [Chap. 2.3](#), under execution at the Outão plant in Setúbal, under the terms of our Green Bond Framework.

We consider that the contracting of green financing, as well as the CCL project that it (re)finances, is a relevant step in the achievement of our sustainability strategy and vision.





6.2 Innovation



Innovation is at the heart of our strategy, paving the way for the challenges of the future and responding to the needs of our customers, society and the planet itself.



OBJECTIVES AMBITION 2025

- + 10 M€ EBITDA from innovation projects by 2025.



OUR IMPACTS

- 16.9 million investment in RDI¹¹,
- 10.8% of turnover in new products¹²,
- 19 european and international Patent applications, 11 of which have been granted¹³ (Portugal).
- 4 New products launched on the market in 2022.
- 12 New products to be developed.
- 24 Innovation projects in progress.
- 4 Innovation projects finalised in the year.

¹¹ 2021 amounts of development and innovation expenses applied for under SIFIDE (System of Tax Incentives for Business R&D)
¹² Provisional value of projects developed in the last five years
¹³ Cumulative value



The markets where we operate, due to their complexity, different economic environments and high levels of competitiveness, make the creation of competitive advantages a challenge. Thus, as a Group, we are committed to improving our operational and commercial culture in an innovative way.

Because we recognise the importance of the cement industry for the future of construction, we consider the sustainability of our products and processes as one of the strategic elements, in line with the objectives of

decarbonisation of the sector by 2050 → [Chap. 2.3](#). Our concept of innovation is ambitious, and aims to respond to demanding consumption patterns focused on the reduction of the impact on the environment and society, expressed in a more efficient, low carbon construction and a commitment to a circular economy.

Through our RDI - Research, Development and Innovation management system, we have invested in the improvement of production processes and products.



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We have invested in the establishment of various partnerships - we have associated ourselves with the most important innovation groups in Portugal and the world in the area of cements and concrete. We participate, at international and national level, as members of several associations → **Chap. 4.3** and collaborative networks, we are involved in several technical commissions, scientific committees and working groups. Among the different participations, we highlight:

- The integration of the **INNOVANDI Consortium** consortium, a global research network of the GCCA, which brings together cement and concrete producing companies, suppliers of additives, technology and equipment and the world's most renowned universities;
- Secil's participation as a founding member of **c5Lab- Clinquer x Cement x Concrete x Construction x Climate Lab**, a collaborative laboratory that aims to develop solutions to decarbonise the Portuguese cement sector;
- Integration as founders of **Build-Colab** the Collaborative Laboratory for the Built Environment of the Future;
- Integration as a member of the **Cluster Habitat Sustentável**, recognised by the Portuguese Government as a consolidated competitiveness cluster.

We participate in consortia and submit applications for funded projects that impact the construction sector and the sustainability of our industry.

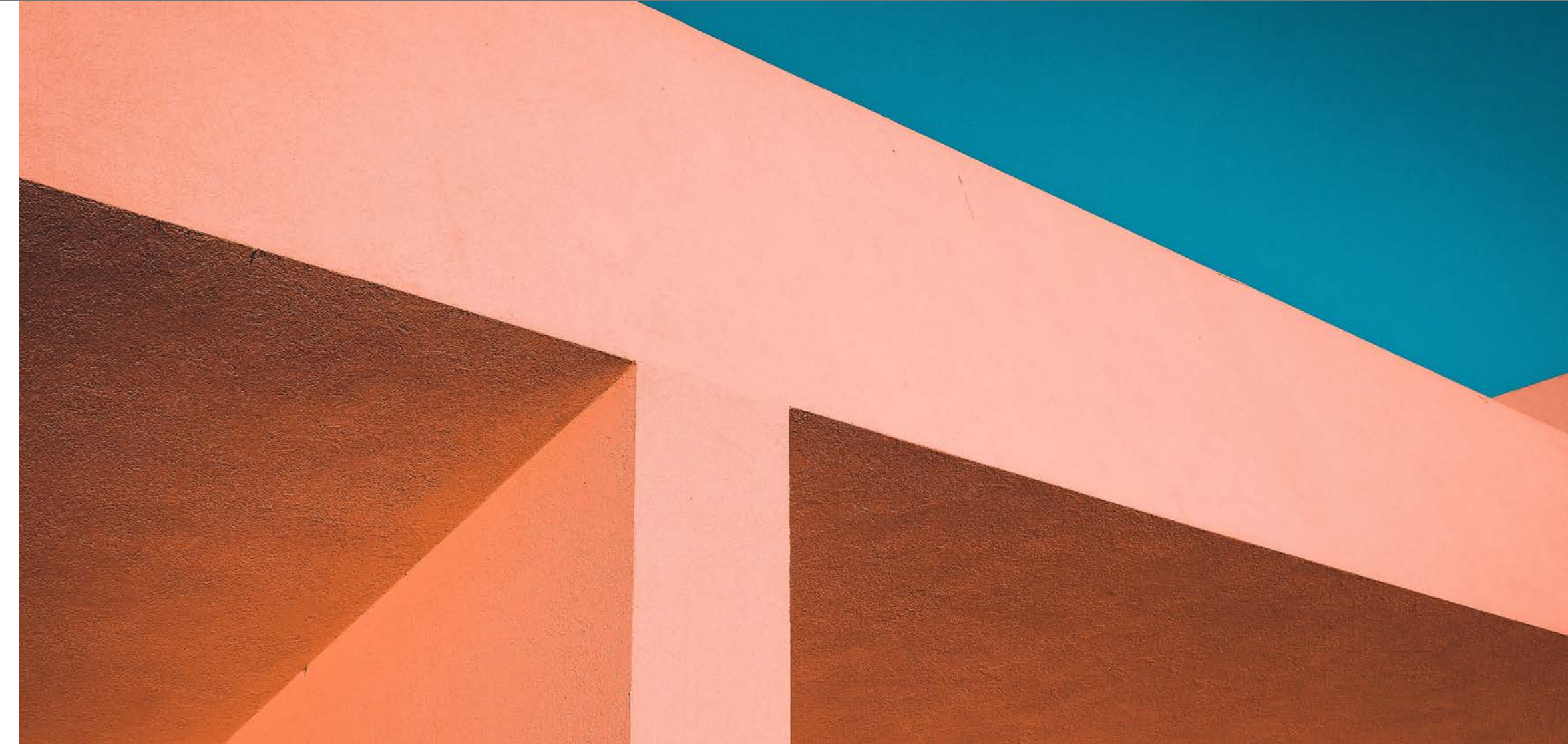
It should be noted that innovation is one of the seven elements of ambition that we have proposed to work on in order to achieve the objectives defined in **Ambition 2025** → **Chap. 1.4**, for which we have defined as a target an EBITDA of more than 10 million euros from Innovation projects between 2021 and 2025. It should be noted that new products accumulated over the last 5 years represent 10.8% of our turnover.

Thus, we continue to increase efficiency through innovative projects, focused on both production processes and our products. To this end, we have defined the projects and the roadmap to achieve carbon neutrality by 2050, with the establishment of intermediate steps in 2030 → **Chap. 2.3**. The main projects to be developed in this context are:

- **Zero Carbon Cement and Concrete;**
- **Power To Gas/H2 (use of green hydrogen as fuel in the cement kiln);**
- **Low Carbon Clinker/Calcined Clays;**
- **Waste Heat Recovery;**
- **Carbon Capture Use/eFuels.**

During 2022 we had 24 ongoing projects and completed four RDI (Research, Development & Innovation) projects, and submitted 18 patent applications.

We launched four new products on the market, of which we highlight the launch of Verdi Zero Concrete,



the first carbon-neutral concrete in Portugal → **Chap. 6.3.2**, and the new cement with lower carbon intensity and greater circularity.

Projects under industrial implementation

In terms of projects under implementation, during 2022 we participated in the execution of the European project H2020 - Retrofeed. We should also highlight the CCL project - a structuring project for our decarbonisation strategy and which was continued → **Chap. 2.3** and Zero Carbon Concrete - new low carbon footprint cements.

In addition to the projects with European funding, we implemented several internal projects in the R&D area.

We continue to increase efficiency through innovative projects, focused on both production processes and our products



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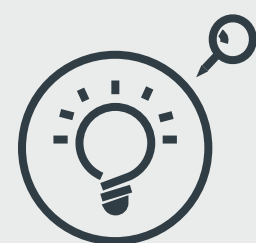
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→ Highlighted Initiatives

Project Retrofeed – Smart Retrofitting in Process Industry

The **Projeto Retrofeed** (2019-2023) has as its main objective the use of raw materials and fuels of biological origin in industrial processes, in a circular economy logic, through the modernisation of the main equipment, the implementation of an advanced monitoring and control system, and providing a Decision Support System (DSS) throughout the chain were audited. This approach will be implemented and demonstrated in industrial facilities representing five resource and energy intensive sectors: cement, steel, aluminium, ceramics and agrochemicals.

Retrofeed is a Horizon 2020 project , consisting of a consortium of 18 partners from 10 different countries. Secil is the only representative of the cement sector, committed to increasing energy efficiency, the use of alternative fuels and the reduction of CO₂. The project is being developed at the Maceira plant and includes, among

others, the design of a digital model of the clinker kiln, the integration of new sensors to control the production process and greater efficiency of the combustion process.

In 2022 the CFD model of the clinker kiln was completed, with simulations of the different fuel mixtures studied under various conditions. Together with IEN and the manufacturer of the current burner installed at the Maceira plant, we decided to install a second burner (satellite burner) to split the supply of RDF (refuse derived fuel) into two distinct flows and optimise combustion conditions. In the case of the use of hydrogen, it was decided to install a specific lance for gaseous fuel on the main burner.

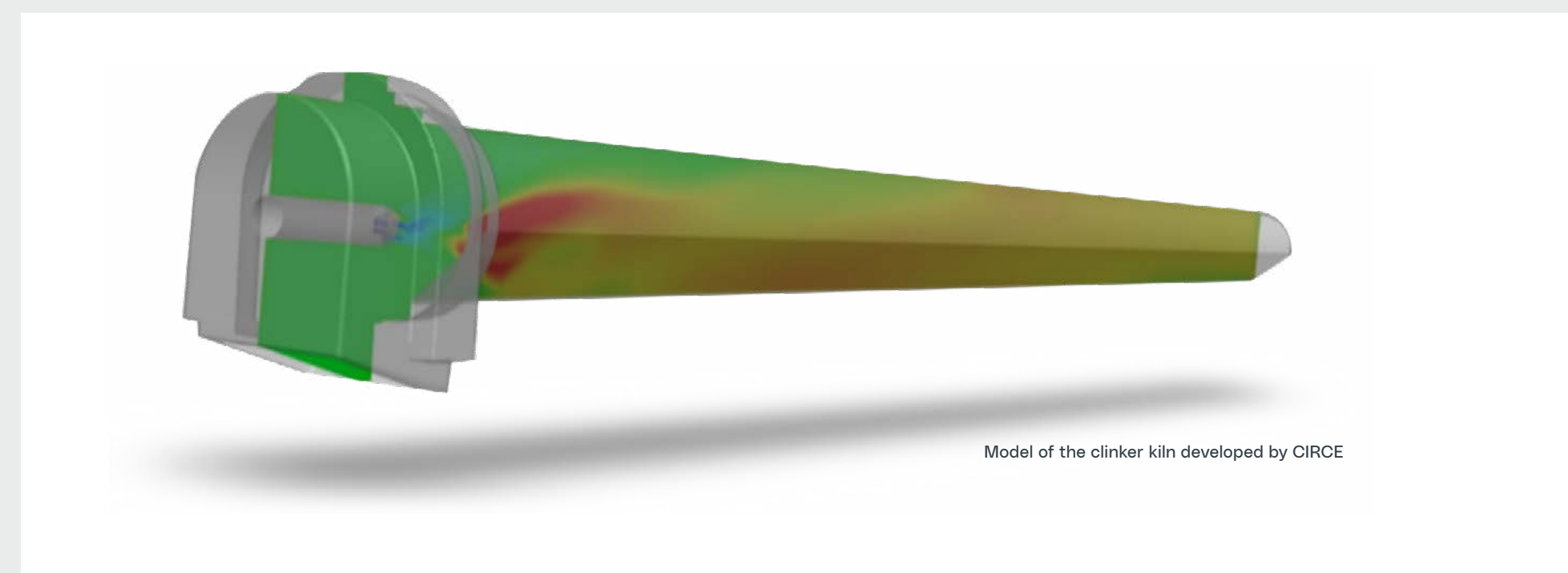
The work developed was presented at the "13th European Conference on Industrial Furnaces and Boilers" (Infub-13), dedicated to research on industrial furnaces and boilers. Following this presentation an article "Pilot testing and numerical simulations of the multifuel burner for the cement kiln" was published in FUEL magazine.

In 2023, the solutions developed will be implemented and validated according to a demonstration plan defined by the various partners involved, in order to complete the evaluation of the project's results by October, mainly regarding our energy efficiency objectives, the rate of use of alternative fuels and CO₂ atmospheric emissions.

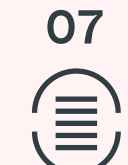
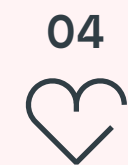
Zero Carbon Concrete - New cement with lower carbon intensity and greater circularity

In accordance with the guidelines established for the cement industry and with the commitment to reduce carbon emissions throughout the value chain, we have developed a new cement with recourse to the use of materials that are in storage, allowing their recycling. Laboratory tests were carried out on various types of cement, followed by industrial tests and, finally, tests were carried out on concrete.

The project resulted in the certification and marketing of a new product, CEM II/B - M 42.5 R, for use in concrete production at Secil Betão. The new cement has a smaller carbon footprint and greater circularity, incorporating recycled waste and reducing the need to use virgin rawmaterials.



Model of the clinker kiln developed by CIRCE



Projects under development

In the development phase, we highlight the following projects.

Project Mobiliser Batteries 2030 - batteries as a central element for urban sustainability sustainability

The project **Baterias 2030** (2020-2023), financed by the Portugal 2020 programme and involving a total of 14 companies and nine national scientific institutions, and coordinated by DSTsolar, aims to contribute to the development of technologies applied to the batteries of the future and their transfer to the urban environment. It is based on creating solutions that are radical, reliable, sustainable, easily scalable, can be integrated throughout the value chain and are accessible to the consumer. It thus seeks to address the challenges related to decarbonisation and the spread of sustainable energy communities, with a view to shaping the cities of the future.

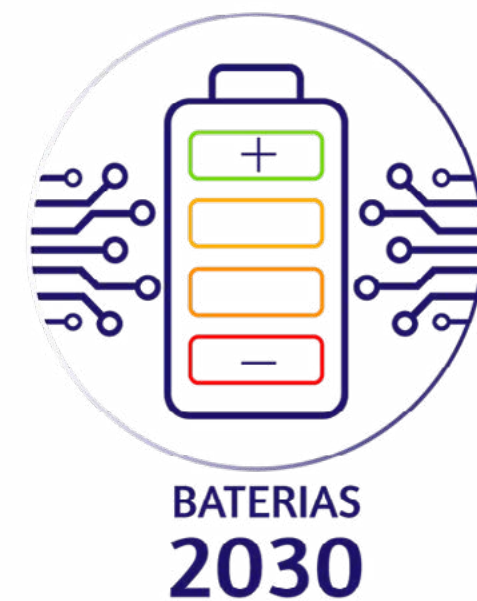
The success of the project depends on the synergies between the different partners that make up the project and their know-how. Progress has been made on the state of the art in order to assess which technologies are most suitable for integrating with concrete. Prototypes integrating thermal energy capture technologies and concrete were produced.

During 2022 we participated in the development of different systems for microgeneration of energy and integrated

into modular concrete structures, with the testing of three technologies: piezoelectric systems; thermoelectric systems; dielectric elastomer systems.

Later this year, the project presented a poster at the "Summer School Materials for Energy Transition".

Together with our partner CENTI we are developing a floor model with microgeneration of energy that will be installed in the Living Lab, in the GNRation building (Braga).



It is based on creating solutions that are radical, reliable, sustainable, easily scalable, can be integrated throughout the value chain and are accessible to the consumer.

Through the Clean Cement Line (CCL) - Maceira project we aim to increase the efficiency of clinker production line 6 at the Maceira plant in order to achieve a 30% reduction in CO₂ emissions. This project focuses essentially on increasing the thermal efficiency of the line associated with a revamping and re-engineering of the process with a view to abolishing fossil fuels and using green hydrogen as fuel. This is a project developed in partnership with the REGA Consortium - Nazaré Green H2 Valley, which also includes the main glass industries in the Region. Secil is one of the companies involved in the "Green Hydrogen Valley of Nazaré" project, which aims to decarbonise the industry through the use of green hydrogen, and whose consortium plans to invest over 100 million in the project.

The Conversion Kiln 3 for calcined clays and white clinker and Lime production is an innovative project which, along the same lines, will alternately produce white clinker with greater energy efficiency than at present and using alternative fuels, in order to reduce the impact of these types of cement which are in such great demand architecturally.

Calcined clays, on the other hand, will make a decisive contribution to reducing the clinker factor of all grey cements currently produced, since they are highly reactive pozzolanic materials with very low CO₂ emissions.



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LowC-Bionic: low carbon concrete organic shape structures produced with 3D printers

LowC-Bionic¹⁵ (2021-2023), led by Secil in partnership with Instituto Superior Técnico and Instituto Politécnico de Leiria, aims to develop an emerging technology for the creation of organic-shaped structures in low-carbon concrete, produced with 3D printers. This challenge involves the development of an advanced cement-based material that can be used in three-dimensional printing equipment.

The aim of this project is to optimise the following aspects:

- Rheology (study of the deformation and movement of materials) and properties of cement-based, multifunctional coloured and sustainable low-carbon materials;
- Typology, through computational processes, for the design of structures

with three-dimensional organic form inspired by Nature;

- Obtaining bionic structures printed on low carbon footprint concretes or micro concretes, capable of reacting to the humidity of the environment through reversible chromatic changes.

The structures are expected to enable interactivity through embedded sensing, communicating with centralised systems and generating monitorable and recordable data in the form of Big Data - which is a truly distinctive innovation in the construction sector as it presents a disruption to the international state of the art.

As regards the results achieved, commercial cement-based mortars have been developed for printing structural and architectural elements on concrete 3D printers and the development of a new product, innovative in the market, which allows the execution of this type of printed elements, has begun, with the possibility of colour refinement,

incorporation of technology and new materials (thermochromatic mortars).

The project was presented at the Sustainable and Digital Building seminar and the 3D Printing of Concrete seminar.

During 2023 a 3D printing equipment will be acquired that will allow testing the mortars produced, as well as the development of low carbon footprint products. A structure of panels coupled together with different finishes (coloured, luminescent and light) will also be created in order to prove the concept of the project.

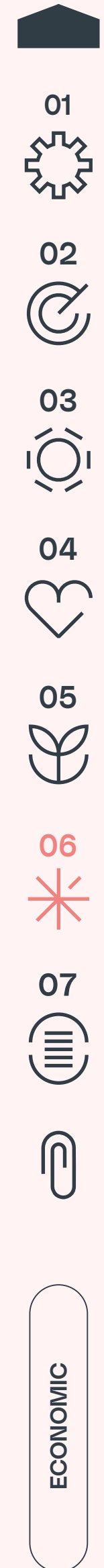


¹⁵ Project no. 47074

The **Zero Carbon Concrete** project includes the following sub-projects: modular construction; introduction of CO₂ in concrete mixtures - carbonation of fresh concrete, improving its mechanical resistance; machine learning to optimise the compositions of ready-mixed concrete with a view to optimising and minimising waste.

Activities were also developed within the scope of various projects, under protocols signed with various Portuguese institutions such as: IST - Instituto Superior Técnico; FCT - Faculdade de Ciências e Tecnologia da Universidade Nova de Lisboa; Universidade de Évora; IPL - Instituto Politécnico de Leiria; Universidade de Aveiro; c5Lab; and PTPC - Plataforma Tecnológica Portuguesa da Construção, of the Architecture, Engineering and Construction Cluster. At an international level, the INNOVANDI consortium, GCCA and RILEM - International Association of Laboratories specialising in Materials, Building Systems and Structures should be mentioned.

Within the INNOVANDI, GCCA consortium, the project, Pillared Clays From Commercial Bentonite as Adsorbents for CO₂ Capture, stands out, where the aim is to develop an innovative technique for capturing and separating CO₂ from industrial chimneys. This project is being developed jointly with IST and the University of S. Paulo.



The idea management module aims to facilitate the generation of ideas, allowing any Employee to register his idea, which will be promptly evaluated and eventually converted into a potential improvement or project.

It should also be noted that as the RD&I process is becoming increasingly wide-ranging and interdepartmental in our Organisation, it is essential to ensure the accessibility of information and the respective document control to the project teams, in a quick and up-to-date manner, thus facilitating the daily management of ongoing projects.

Thus, in 2022 we developed the new SoftExpert Suite software modules for idea, project and indicator management. The idea management module aims to facilitate the generation of ideas, allowing any Employee to register his idea, which will be promptly evaluated and eventually converted into a potential improvement or project. The project management and indicator modules will allow an easy follow-up of the new projects underway (Ambition 2025), facilitating their execution and boosting results.

Distinctions

In 2022, two of our new products were recognised by the European Commission's Innovation Radar with the Distinction for Innovative Material, for the [NewSol](#) project.

→ [Discover the products awarded by Innovation Radar here](#)

At a national level, we were distinguished with the Tektónica Innovation Prize awarded to [BeCharged](#) - special concretes that allow the transfer of electrical energy by induction, for charging various structures and equipment - developed in partnership with CeNTI - Centre for Nanotechnology and Smart Materials.

It is also worth highlighting the fact that the Executive Director of CDAC - Centro de Desenvolvimento de Aplicações de Cement (Cement Applications Development Centre), Ângela Nunes, won the 6th edition of the Maria de Lourdes Pintasilgo Award, in the Role Model category → [Chap. 4.2.1](#).





NEXT STEPS

- Continuity of ongoing projects
- Completion and use of the new SoftExpert Suite software modules (2023)



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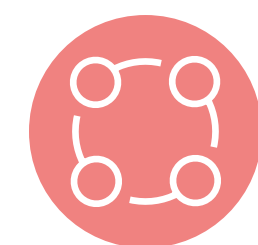


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ECONOMIC

6.3 Commercial Relations



Collaboration is one of our five values, alongside: **People, Performance, Accountability and Integrity.**

We prioritise the quality and safety of our products throughout their life cycle → **Chap. 6.3.1**, ensure that our customers' needs are met → **Chap. 6.3.2** and strive to establish mutually beneficial relationships with our suppliers, through work collaboration and strategic partnerships → **Chap. 6.3.3.**

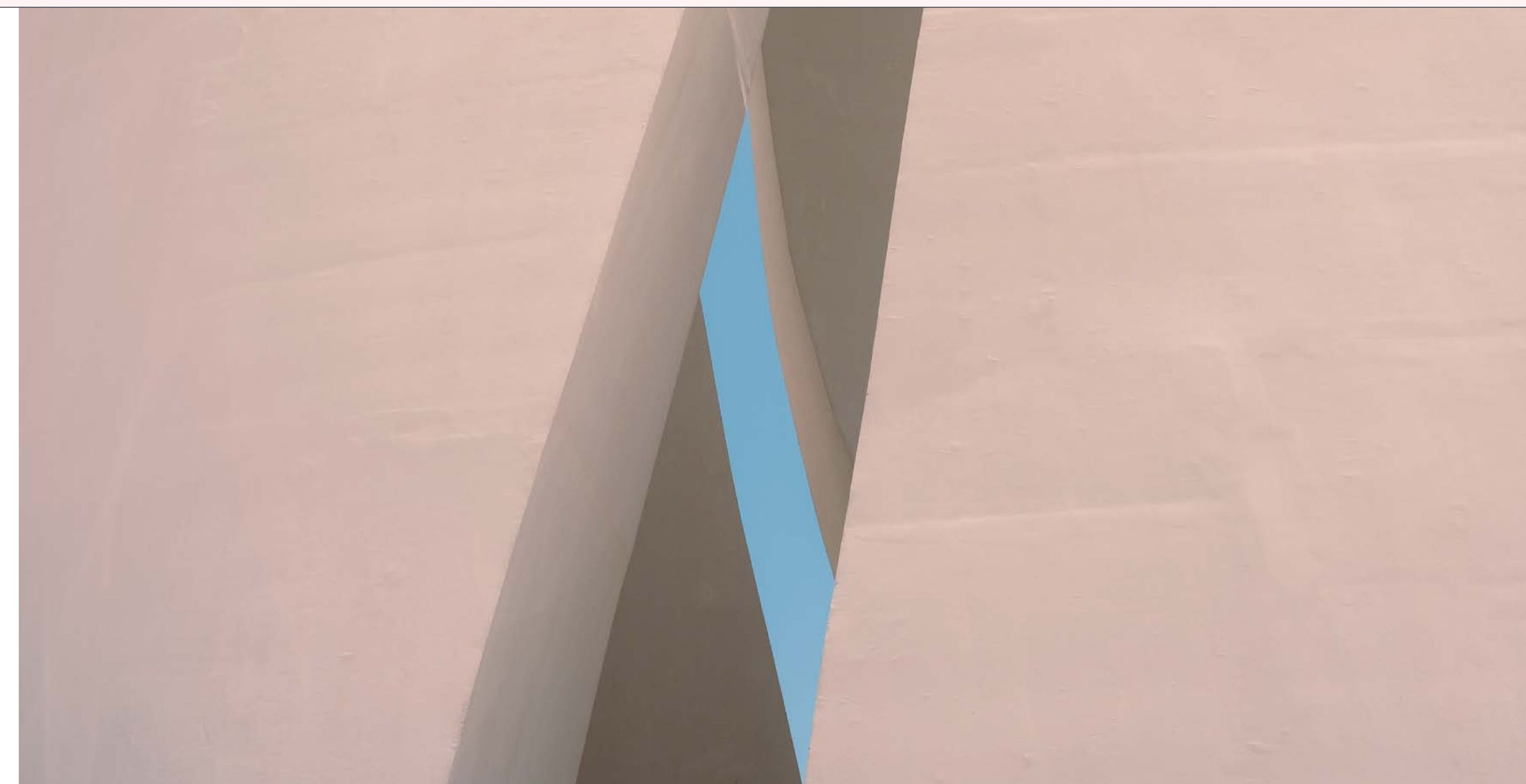
6.3.1 Our Products



GRI 417-1, 417-2, 417-3

OBJECTIVES AMBITION 2025
· + 10 M€ EBITDA from innovation projects by 2025.

OUR IMPACTS
· 75% rating in the global product evaluation vs. competition (in the global satisfaction survey).

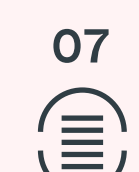
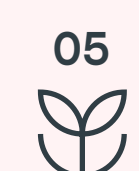
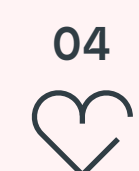
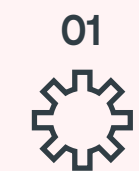


At Secil, cement production is at the base of our operations. We produce a wide range of grades of grey and white cements, certified (EN 197-1) and subject to strict, permanent quality control from the production stage to placing on the market. However, in addition to cements, we started early on to develop other construction materials that differentiate us in the market and make us a brand of choice among our customers.

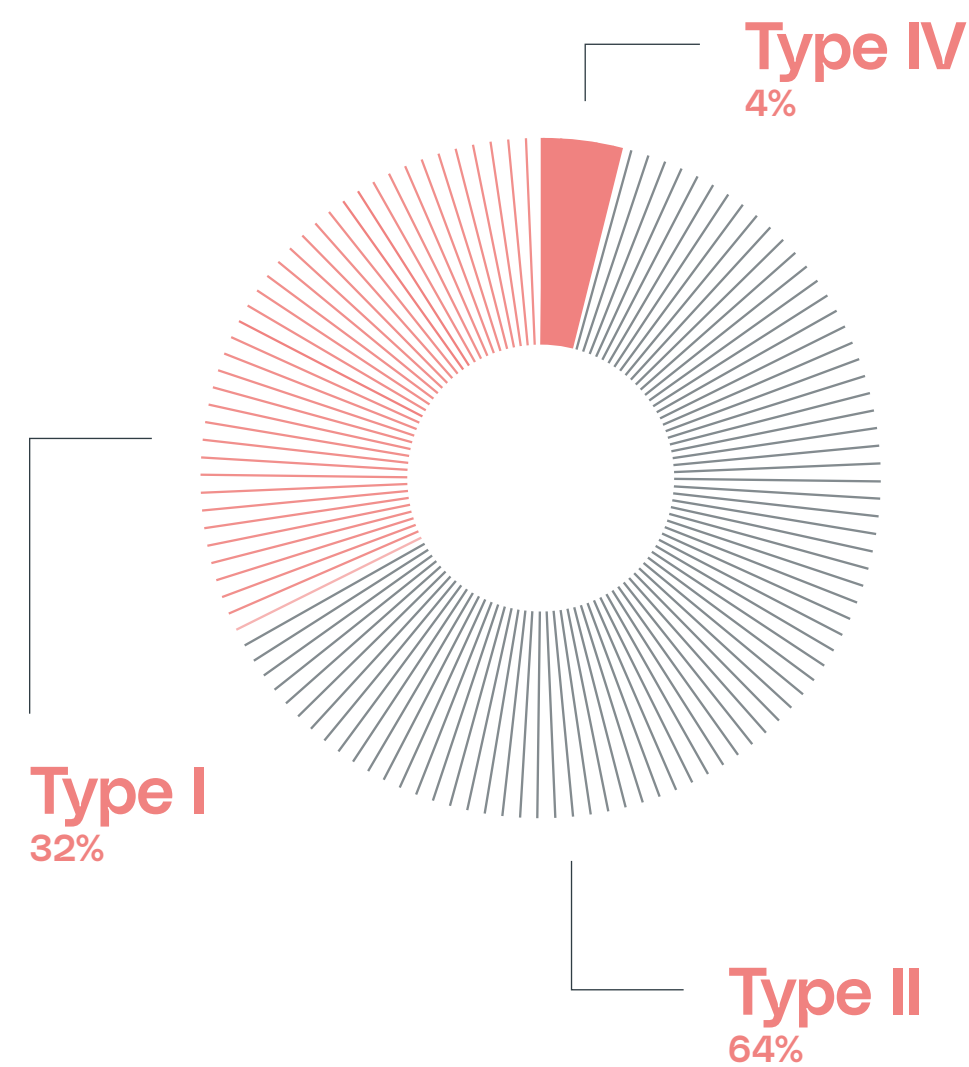
Because cement and the other products we sell (namely hydraulic lime, aggregates, mortar and concrete) are used in construction, including small and large civil construction works, it is necessary to

carry out rigorous tests to ensure their safety and durability in order to prevent any incidents associated with the products.

Thus, as part of the management approach to Product Safety and Quality, Secil follows strict quality and safety standards based on product standards that result from certification by accredited entities, CE Marking and other voluntary marks. In addition, Secil has accredited laboratories which ensure maximum rigour in quality control at the level of the characterisation of cements and their constituents, the characterisation of fuels and other materials, from the start of their life cycle.

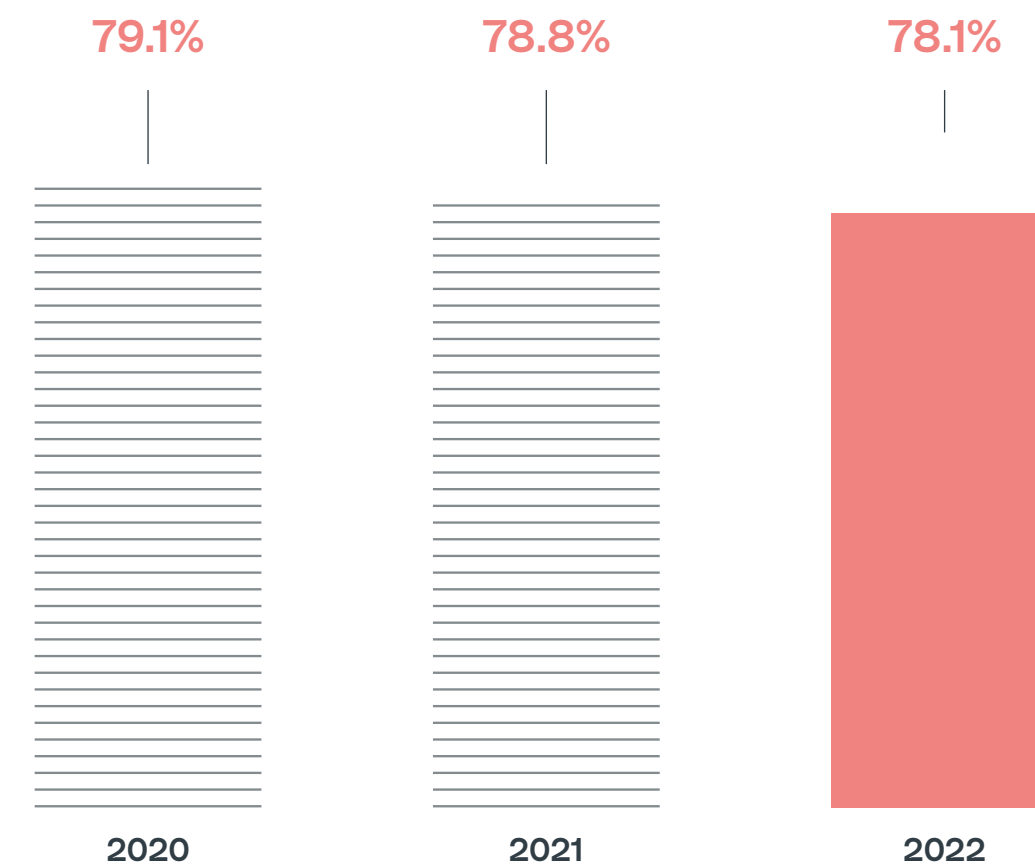


Sales Mix by Type of Cement (%)



To ensure, reliably and systematically, the quality of its products, services and solutions, as per the demands of its customers and other stakeholders, through the organisation of its processes and the technical capacity of its employees. Additionally, in the same policy we intend to promote the recognition of our Accredited Laboratories, for the good professional practices and the quality, competence, impartiality and consistent operation of the tests and services provided by us. The guarantee of compliance with the requirements of the standards, namely NP EN ISO

Average Clinker Factor (%)*



*Weighted by Cement Sales Mix

/ IEC 17025 and the associated documentation, is another aspect highlighted by the same policy.

As a result of this commitment, in 2022 we maintained the quality of our products, with the average clinker factor above 78%. This figure, which has remained constant in recent years, demonstrates the recognition that our products have for quality and safety, which we make a point of guaranteeing from the production phase right through to placing them on the market.



→ Highlighted Corporate Initiatives New cements

In mid 2022 we began the industrial production of a new cement incorporating ash that has been deposited in landfills, resulting from the production of electricity in thermoelectric power stations. This new composite Portland cement, with the normative designation CEM II/B-M (V-L) 42.5 R, is part of a wider project to develop new cements, with a view to their production and industrial use, incorporating cementitious materials, with the consequent reduction in the incorporation of Portland clinker in them.

This development project (which also includes the development of another composite Portland cement of class 32.5N) aims to reduce the carbon footprint of cements, and consequently of concretes and mortars, by taking advantage of decarbonated materials that have latent characteristics of hydraulic binder, as otherwise these materials may become environmental liabilities for future generations.

In this way, we seek to partially replace Portland clinker, the main constituent of current Portland cements and also the main responsible for the environmental impacts

attributed to them, by providing new types of cements that, in many cases, improve the characteristics of concrete and mortar used in construction and civil engineering and contribute to increasing their durability and service life.

The project still underway has as its main challenge the use of relatively heterogeneous materials, often with high humidity and therefore difficult to handle. On the other hand, it is necessary to identify the technologies and adaptations to the production processes to ensure the appropriate use of the materials and, above all, to ensure the quality of the cements produced and ensure compliance with the standards, regulations and expectations of future users.

Secil and Unibetão, the Secil Group's ready-mix concrete company, are involved in the development of the new cements, and in particular the new Portland compound, with the latter using and testing this cement in a limited number of its facilities. The market launch will take place as soon as the necessary industrial adaptations have been made and when a regular supply of landfill ash and/or other equivalent materials has been ensured.



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With regard to the sales mix by type of cement, between 2020 and 2022 it was type II cement that stood out the most with 64% of the total sales mix, followed by type I and type IV cement¹⁶, with 32% and 4%, respectively.

In line with the theme of innovation → **Chap. 6.2**, we have also been investing in the development of new cements that help reduce the carbon footprint of our products, always ensuring the standards of quality and safety that set us apart, such as Verdi Concrete → **Chap. 6.3.2**. Among the various innovations we have invested in, of particular note are the new products using Supplementary Cementitious Materials, which are natural or artificial materials with properties that make it possible to partially replace Portland clinker in current cements. Examples of these materials are natural pozzolanas (of volcanic origin), fly ash and bottom ash from boiler power plants, slag from blast furnaces or calcined clays.

As a result of this commitment, in 2022 we maintained the quality of our products, with the average clinker factor above 78%.

Product transparency

We aim to be transparent in the provision of performance information and safety data on our products, promoting a basis of trust with our stakeholders. For this reason we provide, through our **documentation centre** and in a reliable and systematic way, all the necessary tools for our customers to solve the daily challenges of construction work. These documents include technical data sheets of our products, manuals, application diagrams, among others.

It should also be noted that all our products are covered by labelling requirements, and in 2022 no cases of non-compliance relating to product and service labelling were identified, nor cases of non-compliance relating to marketing communications.

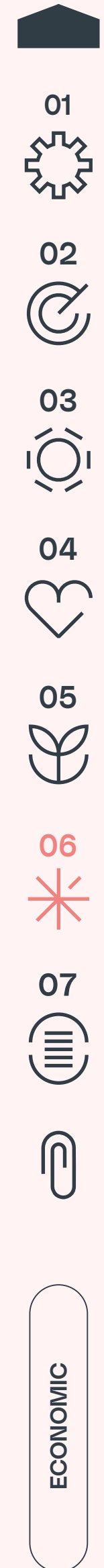
¹⁶ Referring to cement compositions in accordance with standard EN 197-1.



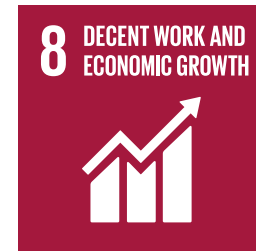
NEXT STEPS

New communication campaign Cement Secil (2023)

Launch of new low clinker cements (2023)



6.3.2 Our Clients



At Secil, we work every day to ensure that our customers' needs and requirements are met in the best way.



OBJECTIVES AMBITION 2025

- To be the preferred supplier of cement solutions to customers in the markets in which we operate until 2025.
- To be recognised as a responsible and sustainable company by 2025, committed to decarbonisation by 2050.



OUR IMPACTS

- More than 10 000 customers (of which 70% are nationals).
- Launch of Verdi Zero Concrete, the first carbon-neutral concrete in Portugal.

At Secil, we act as a **Customer-Centric** company and we are committed to creating differentiated competitive advantages for our local customers, which are capable of satisfying their needs, as well as identifying new expectations.

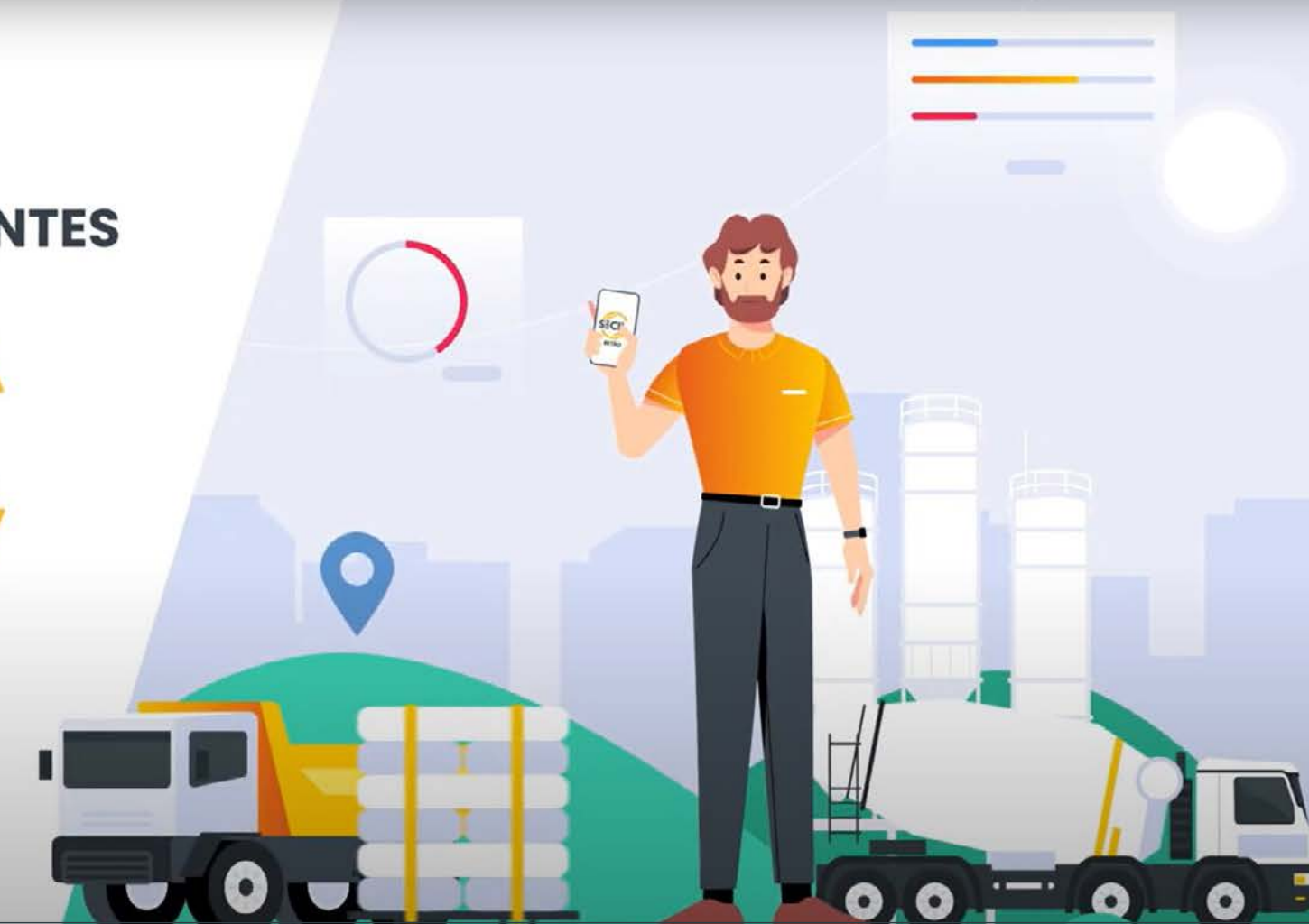
In this context, in 2022, we launched a commercial website, which aims to improve our customers' digital experience, allowing them to interact with all business areas in Portugal, through a single online location (as opposed to the four previous websites). This site is the anchor for the Customer Portal and the customer loyalty programme, with desktop and mobile access. This portal allows us to meet the needs of our clients' projects and has various functions, including placing orders, consulting current accounts, accessing technical documents and certifications, among others. This is intended to be a reserved and exclusive area that allows customers to safely access a series of services, from anywhere, 24 hours a day.

→ [Get to know here secil's Customer Portal](#)

In addition to this, the loyalty programme was also developed **Secil Elevate** a programme designed especially for our customers, which rewards those who trust in our products. Members of the programme have access to special financing conditions, discounts on purchases, trips to great destinations, among other rewards.

This year, NPS - Net Promoter Score - objectives were also defined for customer satisfaction for the whole group,

PORTAL DE CLIENTES



Portal Functionalities



Client Area

View and change your customer details, access your account statement and consumption statistics.



Orders

Placing orders and making requests for quotations.



Customer

Ask to be contacted, request technical support, lodge a complaint or make a suggestion.



Conditions of Sale

Consult the Secil points of sale, price lists and general sales conditions



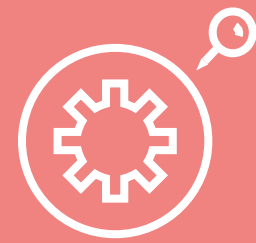
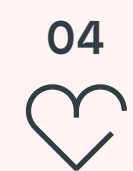
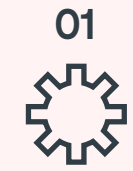
Quality

Access product and company certificates and self-check results.



Catalogues

Consult product datasheets, safety data sheets or any other commercial information.



→ Highlighted Corporate Initiatives

Secil's 100% digital customer loyalty programme

In 2022, we developed "Secil Elevate", a totally digital customer loyalty programme.

The objective of this programme is to increase the level of satisfaction, loyalty and knowledge of direct customers, in its four portal business areas: cement, concrete, mortars and aggregates.

The programme consists of three levels - Elevate Plus, Elevate Premium and Elevate Elite - attributed according to the volume of purchases in the Secil Group and differentiating the types of benefits.

The benefits range from special financing conditions, discounts on purchases, technical training, among others.

The launch of this programme will be phased in - in January 2023 for cement and mortar customers - and throughout 2024 for concrete and aggregates customers.



and the respective alignment of customer satisfaction questionnaires was made. In parallel, market studies, focus groups and individual interviews with customers were carried out, allowing us to gain new insights and develop our internal processes, in order to develop more objective value propositions and provide a superior customer experience.

→ [Find out more about Secil Elevate here](#)

Our clients and sustainability

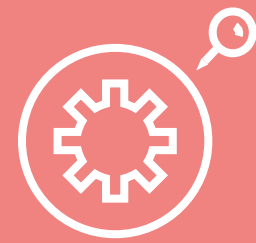
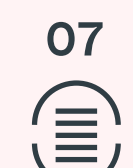
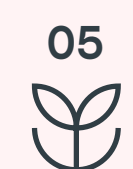
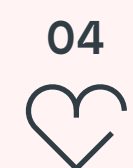
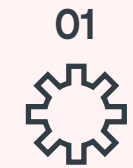
At Secil, we actively seek to adapt to the new demands of the market and our customers, which is why we ambitiously invest in the development of products focused on more sustainable and efficient construction → [Chap. 6.2](#), on the circular economy (through the use of by-products) → [Chap. 5.4](#), on promoting the vitality and balance of ecosystems and landscape recovery.

Markets, both mature and emerging, are increasingly sensitive and demanding, especially when it comes

to disclosing information on the CO₂ impact of construction materials. This factor has led to an increase in demand by our customers for increasingly green solutions, with less impact on society and the environment. This behaviour proves the new market trends - the construction of Green Buildings. This type of construction aims to:

1. Buildings planned to have less impact on the environment;
2. planning at all stages of their life cycle and;
3. use of green materials such as solar energy panels and rainwater harvesting.

Focused on cement, aggregates and other complementary businesses, we aim to create sustainable value while practicing the best value proposition. To this end, in 2022 we launch a new product on the market - **Verdi Zero Concrete** - which demonstrates our commitment to Innovation → [Chap.6.2](#) and our capacity to respond to the needs of customers, society and the planet.



→ Highlighted Corporate Initiatives

Concrete Verdi Zero

In 2022, we developed Verdi Zero Concrete, the first concrete in Portugal with zero CO₂ emissions, with the aim of promoting carbon neutrality in the cement industry by 2050 and the decarbonisation of the construction sector. It is an innovative product that promotes the circular economy, incorporating 24% recycled waste in its composition and reducing the need to use virgin raw materials.

The cement used in Verdi Zero Concrete has been certified as a CarbonNeutral® product in accordance with the CarbonNeutral Protocol, a world-leading framework for carbon neutralisation. In other words, we also ensure that for every ton of CO₂ emitted by Verdi Zero Concrete there is one ton less in the atmosphere. In this sense, we are supporting projects in the areas of forestation, wind energy production and solar water heating. These projects are a way to reduce the carbon footprint, contributing to the sustainable development of local communities.

With this new product, we give our customers (direct and indirect) the

opportunity to be aligned with new trends in construction/real estate, managing to respond to market requests for more sustainable infrastructures/buildings with less impact on the environment, and the respective environmental certifications, such as BREEAM (British Research Establishment Environmental Assessment Method) and LEED (Leadership in Energy and Environmental Design).

The launch of the first carbon-neutral concrete in Portugal - VERDI ZERO CEMENT - is a major step towards building a greener future, with more durable infrastructures and buildings that have less impact on the environment.

Why choose Verdi Zero Concrete?

<p>Circular economy</p> <p>Contribute to the circular economy through the incorporation of waste that would previously have gone to landfill.</p>	<p>Certifications</p> <p>Make it easier to obtain environmental certifications for sustainable building construction.</p>	<p>Product Range</p> <p>A wide range of products is available for different strengths and applications, in compliance with industry standards</p>	<p>100% Performance</p> <p>Reduce the environmental impact of your project, without compromising its performance, whilst maintaining the strength and quality of the product</p>





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In addition, at Secil we are focused on promoting proximity and strengthening relations with our customers, in order to maximise their levels of satisfaction. We intend to achieve this goal not only by launching new products and services, but also by adopting measures within our facilities that can reflect a philosophy of sustainability to everyone. As such, in 2022, the Secil-Outão factory received **Bronze certification** from the Concrete Sustainability Council (CSC) - a certifying entity for factories that act (throughout the value chain) in a sustainable manner at the level of cement production, concrete and aggregate supply. This recognition, which encompasses the plant's financial, environmental and social performance, proves our commitment to following international trends and guidelines in the area of sustainability, as well as meeting our customers' ever more demanding requirements.



NEXT STEPS

Develop new customer satisfaction performance objectives (NPS and % Customer Satisfaction) for all geographies (2023 - 2025)

Investing in Digital Transformation (2025)

Improving customer relations through the new Loyalty Programme - SECIL ELEVATE



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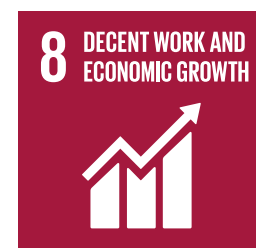


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ECONOMIC

6.3.3 Our Suppliers



At Secil, we establish mutually beneficial relationships with our suppliers, through collaborative work and strategic partnerships to ensure the creation of value for all parties.



GCCA COMMITMENTS 2020-2030

- Publish a Code of Conduct that integrates international principles of human rights.



OUR IMPACTS

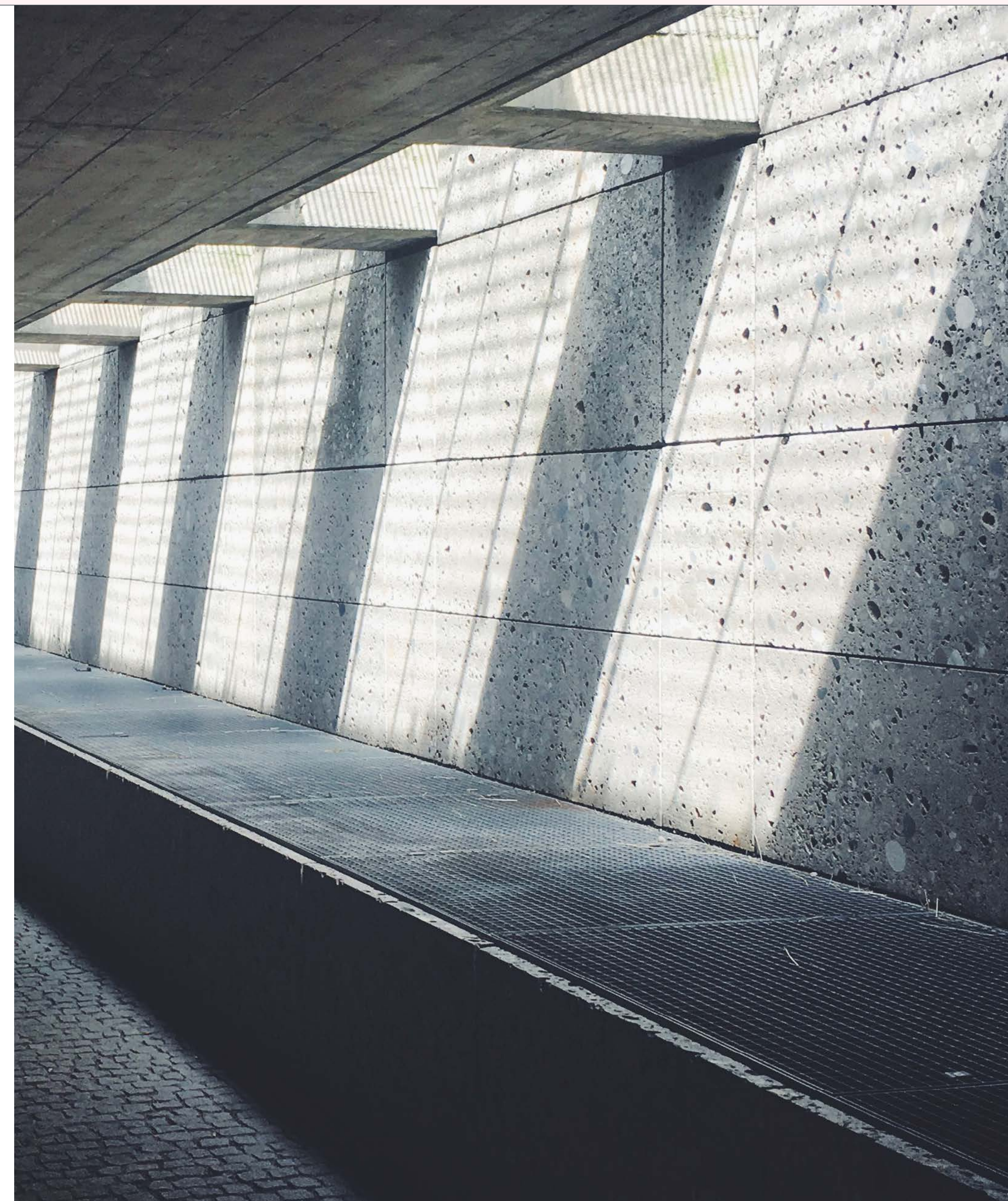
- 5,771 suppliers (of which 89.4% are local).
- 501,304 spent on products and services from suppliers (of which 72% are from local suppliers).

For Secil, suppliers are essential partners in our business and we want to establish a transparent and socially responsible relationship with them. We are aware of the impact that our purchasing policies have on the creation and distribution of value to the thousands of companies and workers in our supply

chain. For this reason, we want to go beyond the legal requirements that currently exist with regard to commercial practices, with the aim of ensuring a properly optimised supply chain based on a culture of trust and integrity.

In 2022, we will spend a total of 501 304 thousand euros on products and services (representing a decrease of around 10% compared to the previous year), a figure that reflects the relevance of the economic, but also social and environmental impacts inherent in our Procurement decisions. The fact that around 89% of our suppliers are of local origin enables us to make a decisive contribution to the economy and job creation in the communities where we operate, thus creating a positive impact on them.

The activities developed at Secil require a set of specific materials and components which are used in the manufacture of cement and other products which we produce and sell. In addition, we also use energy from various sources, which is essential in our production processes. As such, the impacts associated with our supply chain - which in 2022 counted 5,771 suppliers - relate not only to the extraction and production of the resources we use, but also to their transportation. We also ship our products to more than 20 countries, which involves the use of fossil fuels, heavy machinery and large-scale road and sea transport.





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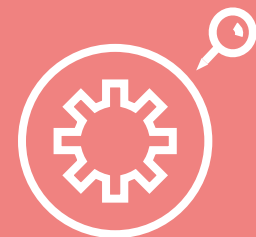
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→ Highlighted Corporate Initiatives

Structuring documents for the procurement process

In 2022, Secil developed the Global Procurement Handbook - a corporate document covering all the company's geographic areas, with information on the dynamics, structure and way of working in this area. The Handbook, besides guiding the work with suppliers at an external level, also establishes the way of working with internal customers.

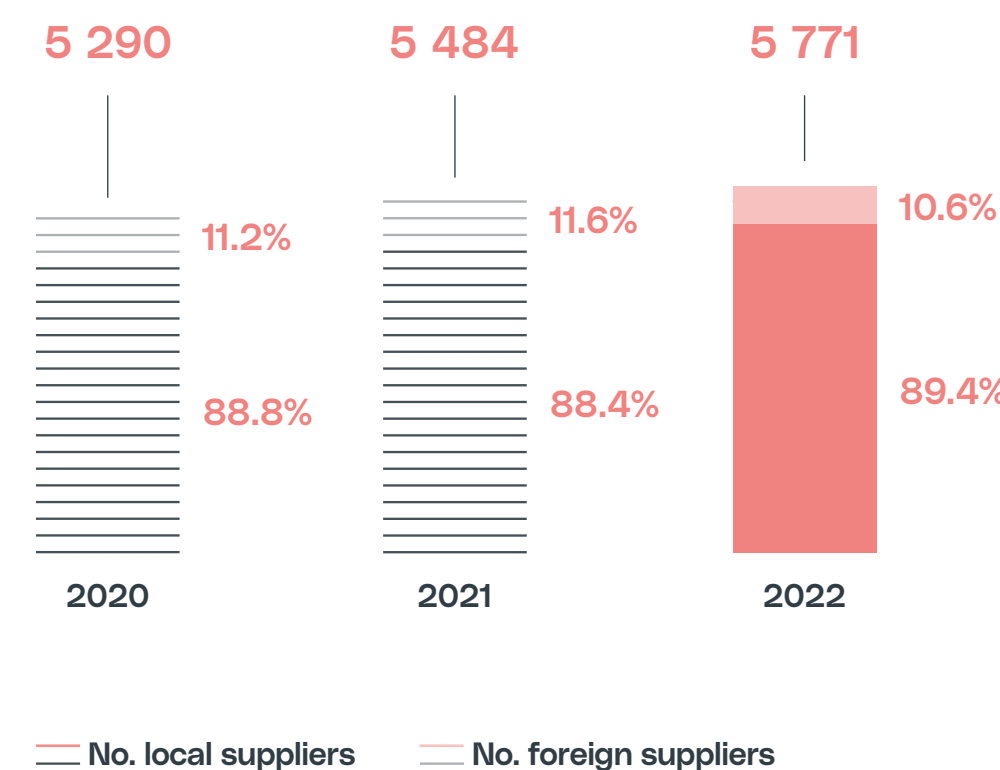
Allied to the Handbook, Secil developed the purchasing policy for Portugal - a document which will serve as a manual, where all the processes of the Procurement department are described, as well as purchasing rules, the various Service Level Agreements (SLA) and supplier evaluation.

It is also important to mention the creation of the Supplier Code of Conduct, with the purpose of creating a relationship

of proximity and trust with our suppliers, ensuring the highest standards of performance. Aligned with our Ambition 2025 strategy, this document aims to ensure that all Secil's suppliers work in accordance with a set of standards and rules defined by the company, thus ensuring a good relationship between the parties.

This code covers various ESG issues - health and safety at work, working conditions, freedom of association and non-retaliation, slavery, forced labour or child labour, non-discrimination, environmental impacts, bribery and corruption, transparency and integrity. Through this code of conduct, we intend to use our influence on our suppliers and encourage the observance of responsible business conduct, to which we have committed ourselves.

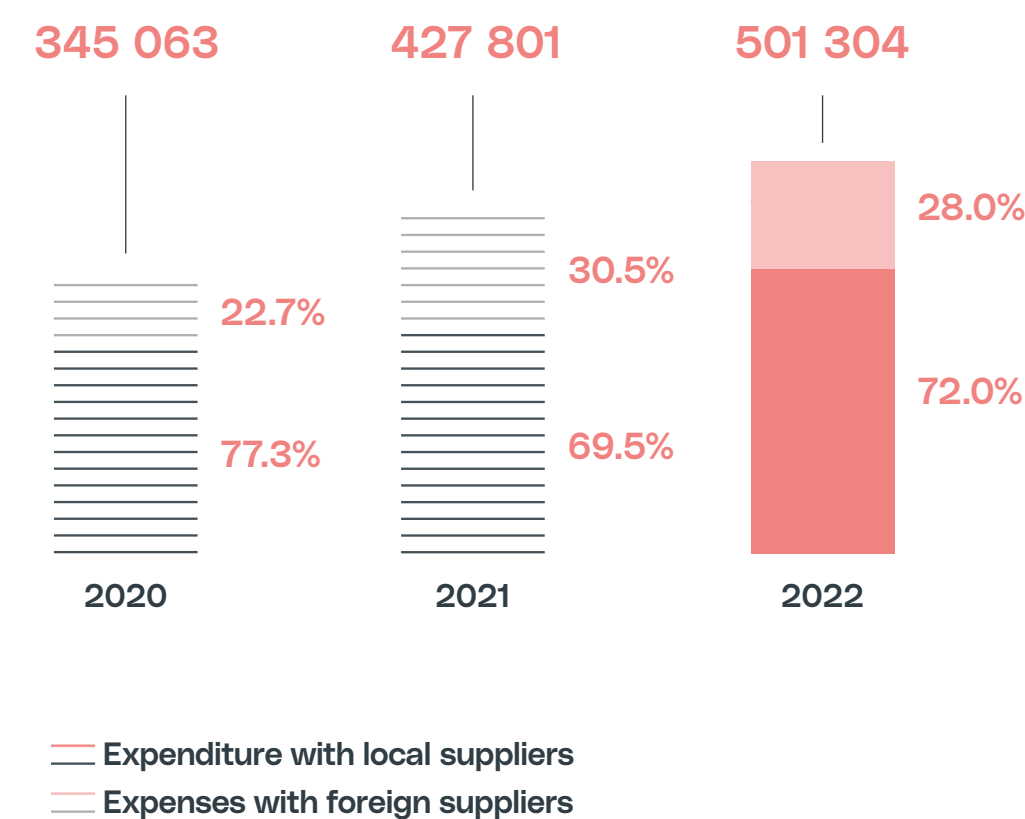
Total no. of suppliers



In terms of our approach and management, 2022 was marked by an investment at structural and operational level in Procurement. In the scope of the "Operational performance" pillar of our business strategy for 2025, we have defined the following major objectives:

- **Deliver Global Procurement with a reach across geographies, business units and costs;**
- **Implement governance with multi-disciplinary procurement teams across the Group, via digital transformation, improvement of category management routines and increased process efficiency;**
- **Focus on recurring savings, adding value in cost category management and improving risk management and sustainability of the value chain.**

Total expenses with suppliers (M€)



Various documents guiding the work and conduct of Secil's Procurement department have been drawn up - Global Procurement Handbook, Purchasing Policy for Portugal and Suppliers' Code of Conduct - with the aim of simplifying these processes, making them more structured, efficient and sustainable.

It should be noted that the Handbook was presented at the Global Procurement Meeting, an event which, in its 2022 edition and under the motto #oneteam, aimed to foster cooperation and alignment of working methods between the departments in Secil's various geographies.

Together with the creation of the code of conduct, within the scope of mapping suppliers and defining sustainability criteria when contracting them, the first steps were taken to create a platform for classifying suppliers in terms of their financial and environmental risk.



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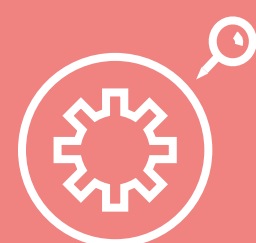
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→ Iniciativas Corporativas em Destaque

Smart Procurement

Started in 2021, Smart Procurement had its major development during the current year. Through this project, it was possible to identify the biggest challenges in the Procurement department - which cause high stress and a great deal of work for the team, without bringing added value to the organisation - and the respective solutions and operationalisation. These challenges were managed on an individual project basis, with initiative and leadership assigned to them.

By 2022, Smart Procurement has made it possible to achieve the following targets:

- Transactional work, caused by regularisations, reduced from 13h to 20 minutes;
- Centralisation of 45 ongoing initiatives costing around 12 million euros, with the aim of achieving an 80% centralisation rate;
- Reduction of the backlog from 400 purchase requisitions to 160;
- Implementation of the PDCA methodology for emergencies;
- Increase in the use of codes in Robotic Process Automation (RPA) - reaching the target of 1000 codes - and SAP contracts.

Outreach work with permanent service providers

The permanent service providers will, in 2022, participate in Safety training, namely defensive driving, preliminary risk assessment and risk perception. In addition, they were included in the Christmas celebrations, receiving, like the other employees, a hamper and an invitation to the Christmas Party.

This integration took place throughout the year in the various countries. In Tunisia, for example, around 1100 external service providers received around 3400 hours of training in Safety, in addition to being included in the October Health Month activities and in the organisation's leisure initiatives (i.e. football matches, cycling,

Tunisia's matches in the World Cup and social events). In Lebanon, 40 external service providers participated in a training session on safe driving.

The integration of these employees brings them closer to the Group's other employees, allowing greater inclusion of people who, despite having a different work contract, relate to them every day and also contribute towards our objectives.



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Supplier Code of Conduct



Health and Safety at Work



Working conditions



Freedom of association and non-retaliation



Slavery, forced labour or child labour



Non-discrimination



Compliance with environmental regulations



Management of environmental impacts



Bribery and corruption



Transparency and integrity

→ [Read the Suppliers' Code of Conduct here](#)

Additionally, we developed, together with students from the consulting lab at Universidade Nova de Lisboa, a governance strategy to review categories, which resulted in different templates useful to monitor categories and initiatives of the Procurement department. This theme was presented and discussed at an international forum - Purchasing Performance - a meeting place for category managers and leaders from all the countries where there are Secil cement factories. During the forum, other themes relevant to the department were also addressed, such as financial strategies and the sustainability of categories and market values, enabling a global vision and sharing of solutions.

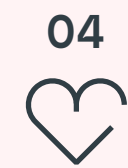
At Secil, we also continued with the Smart Procurement project, which consisted of the centralisation of some processes with great relevance in Secil's costs in Procurement, leading to greater autonomy in terms of negotiation and opportunities for improvement. At a more operational level, the Sourcing Committee routine was created - a forum through which bids for purchases over EUR 50,000 are analysed and approved. This mechanism allows a more efficient flow of these requests, better visibility and understanding among all those involved.

It is also important to mention that, with a view to capacity building and fostering a sense of belonging among the permanent service providers, in 2022 we carried out some training initiatives to bring them closer together.



NEXT STEPS

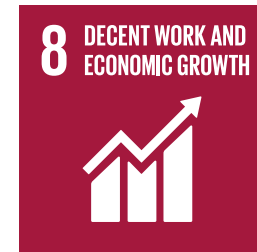
- Implementation of the procurement policy in the organisation (2023)
- Extension of the Sourcing Committee to the entire organisation (2023)
- Commitment to digital transformation of the procurement department (2023)
- Preparing the department for Sustainable Procurement (2023)



6.4 EUROPEAN TAXONOMY



We follow the latest and most demanding sustainability legislation so that we can be more competitive and resilient against all future challenges.



Regulation (EU) 2020/852 of the European Parliament and Council, 18 June 2020, introduced a new concept of Taxonomy, which provides a framework for sustainable investment. The taxonomy acts as a standardised and compulsory classification system to determine which economic activities are considered environmentally sustainable in the European Union.

According to the Taxonomy Regulation, for an economic activity to be environmentally sustainable it must:

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

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

Not significantly jeopardise any of the other five objectives



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

Complying with Minimum Safeguards



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

Activity Aligned With The Taxonomy



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To date, only the delegated act for climate has been adopted - concerning the objectives of "mitigating climate change" and "adapting to climate change", later complemented by the supplementary climate delegated act, which extended its scope to some activities related to nuclear energy and fossil fuels. Thus, by 31 December 2022, only the criteria for contributing to the first two objectives (Mitigation of climate change and Adaptation to climate change) have been defined.

In 2021, non-financial companies reported their Taxonomy-eligible activities in relation to the activities listed in the delegated act in the climate field (contribution to climate change mitigation and adaptation objectives). The eligibility of these activities was reported in terms of turnover, capital expenditure (CapEx) and operating expenditure (OpEx). For fiscal year 2022, in addition to eligible activities, non-financial companies must assess and communicate the alignment of these activities with the application of technical criteria and minimum safeguards.

Eligibility analysis

According to the analysis carried out on Secil's activities, the following eligible economic activities were identified in accordance with the climate delegated act and the complementary delegated act:

Activity	3.7 - Cement production
Description	Secil 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)
Segment	Cement
NACE Codes	C.23.51

* Activity included in the complementary delegated act (Delegated Regulation 2022/1214)

The emphasis of the taxonomy at this stage is on the most carbon-intensive industries and green energy, for which reason a relevant part of Secil's activity is not yet provided for in Annexes I and II of the Delegated Regulation and therefore cannot be included in the eligible activities. The following activities were therefore excluded from the eligible activities, as they were not included in the aforementioned Annexes I and II:

- Secil's production and sale of white cement, ready-mix concrete, aggregates, mortars, precast concrete and hydraulic lime (Cement segment)
- The Taxonomy Regulation is still under development and is expected to be expanded to the remaining four environmental objectives during 2023, with the publication of the next delegated act.

Alignment analysis

- The assessment of alignment with the Taxonomy was carried out by Semapa's various subsidiaries based on the best interpretation of the Taxonomy Regulation and the delegated acts, as well as the

available guidelines from the European Commission.

For each economic activity, each company assessed the "Substantial contribution to environmental objectives" and "Do no significant harm" criteria to determine the percentage of alignment of its activities, as well as the fulfilment of the technical assessment criteria. Compliance with the minimum safeguards was analysed at Group level.

To ensure that eligible activities are classified as aligned, the Minimum Safeguards must be met. The Taxonomy defines Minimum Safeguards as "alignment with the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights".

In October 2022, the European Commission's Sustainable Finance Platform published the Final Report on Minimum Safeguards, which identifies the four areas that companies must address to ensure compliance with the Minimum Safeguards: Human Rights, Corruption, Taxation and Fair Competition.

Secil has assessed compliance with the Minimum Safeguards, having analysed the policies and processes in place within the Group with regard to human rights, corruption, taxation and fair competition and has not become aware of any possible cases of violations within the Group, nor has it identified,

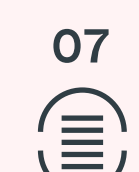
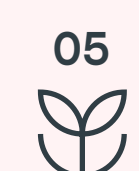
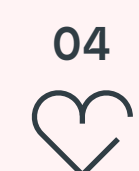
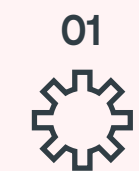
for the year 2022 and in the course of its activities eligible for taxonomy, any relevant conviction in Human Rights, Corruption, Taxation or Fair Competition.

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

Below is a set of key performance indicators (KPIs) associated with environmentally sustainable economic activities that non-financial companies must disclose in accordance with the Taxonomy Regulation (Article 8) and delegated acts: the proportion of their turnover (Turnover KPI), the proportion of their capital expenditure (CapEx KPI) and the proportion of their operating expenditure (OpEx KPI).

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

- Monitoring the publication of the criteria associated with the Taxonomy's other environmental objectives, namely the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and control of pollution and the protection and restoration of biodiversity and ecosystems.



Economic activities (1)	Codes(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria						"Do no significant harm" criteria						Proportion of turnover aligned by taxonomy, year N (18)	
				Climate change mitigation (5)	Adapting to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)		Minimum safeguards (17)
		Millions of euros	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																	
A 2. Activities eligible for taxonomy but not environmentally sustainable (activities not aligned with taxonomy)																	
Cement Production	C.23.51	371	61%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																	
Turnover from activities not eligible for taxonomy (B)		232	39%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total (A + B)		603	100%														

Accounting policies and disclosure of indicators

As defined by the taxonomy, the amounts reported were calculated in accordance with Secil's Consolidated Financial Statements for the year ended 31 December 2022, which were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. As this is the first year that alignment figures have been presented within the taxonomy, no comparative figures are shown.

The European Taxonomy requires companies to disclose how they have avoided duplication in the consideration of eligible economic activities,

i.e. in determining turnover, capital expenditure and operating expenses. Secil determined eligible expenses on the basis of its financial and analytical accounting, and ensured that cost elements were only used once when calculating the indicators.

Proportion of Turnover associated with economic activities aligned with the taxonomy

Turnover was based on the same accounting policies applicable to revenue under the International Financial Reporting Standards (IFRS), i.e. considering sales and services rendered as part of Secil's normal activities. The total turnover (denominator in the calculation of

the eligible activities ratio) therefore corresponds to the revenue reported in the Consolidated Financial Statements as at 31 December 2022.

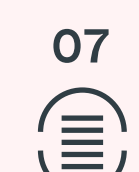
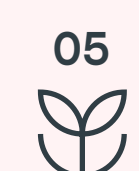
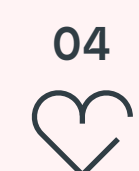
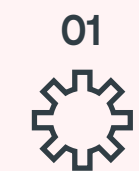
Cement production is not aligned with the Taxonomy. However, Secil has planned a series of investments, including the CCL, which began in 2021 with a view to increasing the degree of environmental sustainability and achieving a greater degree of alignment with the requirements defined by the Taxonomy Regulation in the future.

Proportion of CapEx associated with economic activities aligned with the taxonomy

The amount shown as total CapEx in the denominator

of the calculation of the eligible activities ratio corresponds to the sum of the acquisitions of tangible assets, intangible assets (excluding CO2 licences) and assets under right of use made in 2022, disclosed in Secil's Consolidated Financial Statements. For the purposes of calculating this ratio, additions of intangible assets related to the acquisition of CO2 licenses were excluded, since they are not actually an acquisition of licenses, but licenses attributed to Secil, and their classification as intangible assets results only from the accounting policy adopted by the Group. There were no additions to investment properties in 2022.

The CapEx amounts classified as eligible, whether they are considered aligned or not aligned with the Taxonomy, correspond to investments in assets or



Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria							"Do no significant harm" criteria							Proportion of CapEx aligned by taxonomy, year N (18)
			Climate change mitigation (5)	Adapting to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosys- tems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosys- tems (16)	Minimum safeguards (17)		
	Millions of euros	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																	
A 1. Environmentally sustainable activities (aligned with the taxonomy)																	
Cement Production	C.23.51	61	84%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																	
CapEx from activities not eligible for taxonomy (B)		12	16%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total (A + B)		72	100%														

processes associated with the respective activities, namely:

- **Cement:** The Clean Cement Line Project, which aims to develop and demonstrate new industrial scale cement production technology at the Outão Plant in Portugal. This project includes four R&D sub-projects aimed at reducing dependence on fossil fuels, increasing energy efficiency, internal production of electricity, integration into the digitalisation process and reduction of CO2 emissions. These innovations will promote the development of the production of a low carbon clinker and consequently the creation of a range of cements with a low ecological footprint.
- **Environment:** Investment in new production

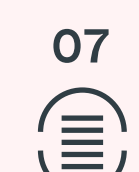
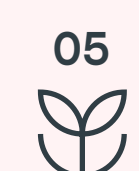
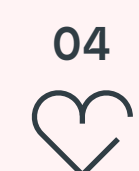
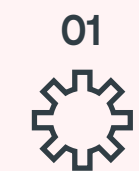
equipment with lower energy consumption or lower CO2 emissions.

Proportion of OpEx associated with economic activities aligned with the taxonomy

The total OpEx shown in the denominator of the calculation of the eligible activities ratio corresponds to the following expenses determined on the basis of the Consolidated Financial Statements as of 31 December 2022:

- Non capitalised Research and Development expenditure;
- Forestry costs not capitalised;

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



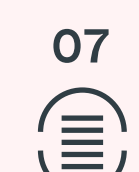
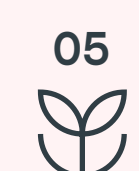
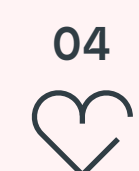
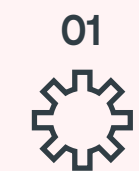
Economic activities (1)	Code(s) (2)	Absolute OpEx (3) Millions of euros	Proportion of OpEx (4) %	Substantial contribution criteria						"Do no significant harm" criteria						Proportion of OpEx aligned by taxonomy, year N (18) %	Proportion of OpEx aligned by taxonomy, year N-1 (19) %	
				Climate change mitigation (5) %	Adapting to climate change (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Adapting to climate change (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N			Minimum safeguards (17) Y/N
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																		
A 1. Environmentally sustainable activities (aligned with the taxonomy)																		
Cement Production	C.23.51	19	54%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																		
OpEx of activities not eligible for taxonomy (B)		16	46%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total (A + B)		35	100%															

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

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

Standardised templates for disclosure according to Delegated Regulation 2022/1214

Line	Activities related to fossil fuels	
1.	The company carries out, finances or has exposure to the construction or operation of electricity generation facilities that produce electricity from gaseous fossil fuels.	NO
2.	The company carries out, finances or has exposure to the construction, renovation or operation of combined heat and power plants that use gaseous fossil fuels.	NO
3.	The company carries out, finances or has exposure to the construction, renovation or operation of heat production facilities that produce heat/cold from gaseous fossil fuels.	NO

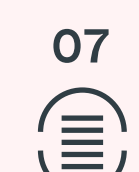
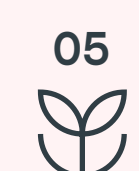
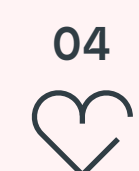
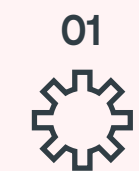


Economic activities eligible for taxonomy but not aligned with the taxonomy - Turnover

Line	Economic Activities	Amount and proportion (information should be presented in monetary amounts and percentages)					
		MAC + AAC		Climate change mitigation (MAC)		Adapting to climate change (AAC)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of economic activity eligible for taxonomy but not aligned with the taxonomy referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of Turnover	0 M Euros	0%	0 M Euros;	0%	0 M Euros	0%
7.	Amount and proportion of other economic activities eligible for taxonomy but not aligned with the taxonomy not mentioned in the above line in the denominator of Turnover	371 M Euros	61%	371 M Euros	61%	0 M Euros	0%
8.	Total amount and proportion of economic activities eligible for taxonomy but not aligned with the taxonomy in the denominator of Turnover	371 M Euros	61%	371 M Euros	61%	0 M Euros	0%

Economic activities eligible for taxonomy but not aligned with the taxonomy - CapEx

Line	Economic Activities	Amount and proportion (information should be presented in monetary amounts and percentages)					
		MAC + AAC		Climate change mitigation (MAC)		Adapting to climate change (AAC)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of economic activity eligible for taxonomy but not aligned with the taxonomy referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	0 M Euros	0%	0 M Euros;	0%	0 M Euros	0%
7.	Amount and proportion of other economic activities eligible for taxonomy but not aligned with the taxonomy not mentioned in the above line in the denominator of CapEx	61 M Euros	84%	61 M Euros	84%	0 M Euros	0%
8.	Total amount and proportion of economic activities eligible for taxonomy but not aligned with the taxonomy in the denominator of CapEx	61 M Euros	84%	61 M Euros	84%	0 M Euros	0%



Economic activities eligible for taxonomy but not aligned with the taxonomy - OpEx

Line	Economic Activities	Amount and proportion (information should be presented in monetary amounts and percentages)					
		MAC + AAC		Climate change mitigation (MAC)		Adapting to climate change (AAC)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of economic activity eligible for taxonomy but not aligned with the taxonomy referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OpEx	0 M Euros	0%	0 M Euros;	0%	0 M Euros	0%
7.	Amount and proportion of other economic activities eligible for taxonomy but not aligned with the taxonomy not mentioned in the above line in the denominator of OpEx	19 M Euros	54%	19 M Euros	54%	0 M Euros	0%
8.	Total amount and proportion of economic activities eligible for taxonomy but not aligned with the taxonomy in the denominator of OpEx	19 M Euros	54%	19 M Euros	54%	0 M Euros	0%

The remaining models were considered not to be applicable to Secil.



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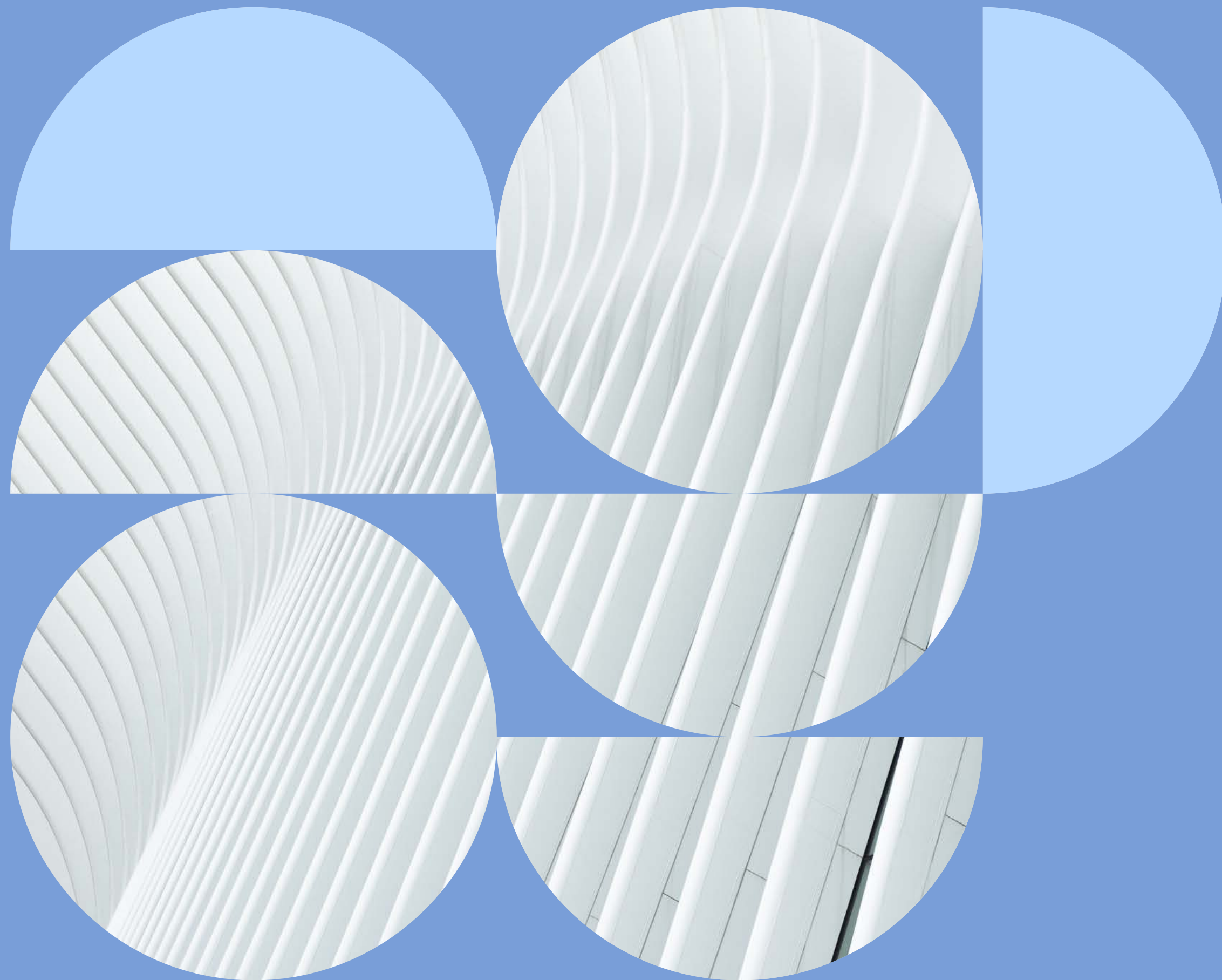
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07



OUR REPORT



07 — OUR REPORT



WE EVOLVED IN COMMUNITY

7.1	About this Report	126
7.2	Materiality	127
7.3	Gri Table 2022	129



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07



OUR REPORT

7.1

About this Report

The “Sustainability Report 2022” was prepared in accordance with the Global Reporting Standards Initiative (GRI), 2021 version. This report aims to highlight the commitments undertaken and projects associated with the material topics identified by Secil, demonstrating the work done by the Group, through initiatives, projects and case studies. Whenever possible, appropriate and relevant, information from previous years is included for the main GRI indicators, so as to provide an outlook of their evolution.

This document also responds to the requirements of Decree Law No. 89/2017 - disclosure by large companies and groups of non-financial information and diversity information.

For reasons of language simplification, we have not distinguished between the terms "impact" and "impact", and have opted to adopt exclusively the time "impact".

This report is interactive. In order to improve the consultation and reading experience, you can use the navigation bar at the bottom of the pages, as well as the internal links. For additional information, please consult the links available for external sites.

The Sustainability Report 2022 is available in digital format and can be consulted on Secil's website, in Portuguese and English.

Methodological Notes

All changes and adjustments are shown in the GRI index, in each of the indicators, whenever justifiable. Annexes were also included to complement the Report, with a view to increasing the company's transparency in relation to different benchmarks, namely the World Economic Forum's (WEF) framework Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation, published in 2020, in its core option, to

which we voluntarily adhered last year, and the GCCA Response Table.

Publication cycle and reporting period

The information reported in this report relates to the period from 1 January 2022 to 31 December 2022. With the publication of this report, it will be published annually.

The period covered by the Group's financial report is the same as that of the sustainability report.

Date of publication

05 May 2023.

Information Verification

The information contained in this report has been verified by KPMG, who have produced an independent limited assurance report, which can be found in the Annex.

Acknowledgements

We wish to express our special thanks to all the employees who contributed with information for the preparation of this Sustainability Report. This report is the result of a joint and shared effort by several people, in particular our corporate focal points.

Contacts

We value the opinion and contributions of all our stakeholders. For any clarification, suggestion or idea, within the scope of Sustainability, contact us through: **Institutional Communication Department**
comunicacao@secil.pt



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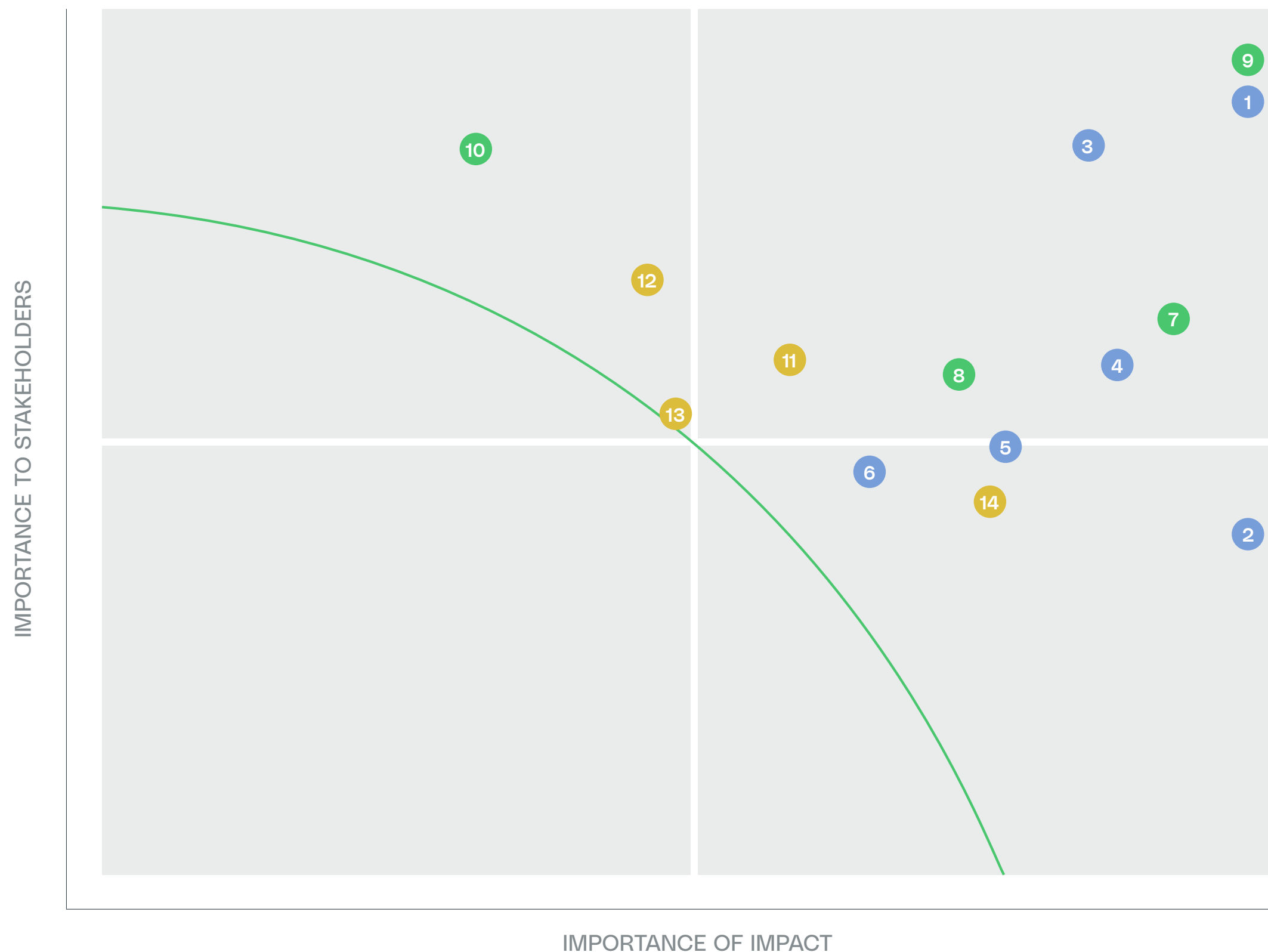


OUR REPORT

7.2 Materiality

The current list of material topics in place resulted from a comprehensive mapping and listening process with our stakeholders, which ran from 2017 to 2019 and involved the main geographies where we are present. This exercise resulted in the identification of 14 material topics, which give body to the structure and content of the chapters of this sustainability report, revealing the most relevant sustainability issues.

It should be noted that at the end of 2022 we started a new materiality analysis process, with the aim of involving our stakeholders at a global level, identifying their needs and expectations, and anticipating the response to a new legal and regulatory framework that will require, in order to measurement of materiality, identification of the impacts of organizations on sustainability issues and the impacts of these sustainability issues on the development, performance and positioning of organizations.



List of material topics

- E** 1 Greenhouse Gas (GHG) Emissions
- 2 Energy
- 3 Biodiversity and ecosystems management
- 4 Waste management and circular economy
- 5 Other emissions
- 6 Water use and management
- S** 7 Community development and management of local impact
- 8 Talent management, diversity and inclusion
- 9 Health and Safety
- 10 Product safety and quality
- G** 11 Stakeholder engagement
- 12 Innovation
- 13 Customer satisfaction and relationship
- 14 Product responsibility and sustainable construction



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OUR REPORT

As such, the Secil Group is currently conducting the materiality analysis process in accordance with the principle of Dual Materiality, introduced by the Corporate Sustainability Reporting Directive, which will make it possible to assess material issues from an inside-out perspective - the impact of Secil Group on the environment and society - and from an outside-in perspective - impact of the environment and society on the Secil Group's financial performance.

Based on an analysis of benchmarking, benchmarks and industry publications, along with topics that already occupy a prominent position

within the scope of the Group's operations, a new set of potentially material topics for Secil was identified and validated, segmented into four dimensions: Economic, Governance, Environmental and Social.

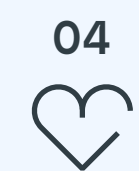
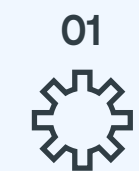
At the same time, the main stakeholders were identified and mapped, an exercise which, in addition to validating potentially material topics, took place in several countries through collaborative internal workshops for global involvement of the Group's companies.

The main stakeholder groups were identified: Employees (Direct | Indirect | Employee Representative Structures); Customers (Distribution | Industry |

Construction | Real Estate Developers | Prescribers); Suppliers, Business Partners and Service Providers; Financial Entities and Insurance; Official Entities (Central Public Administration | Local Public Administration | Public Institutes | Certifying and Auditing Entities | Regulatory Entities); Academia (Higher Education Institutions | Research and Development Centers); Sectorial/Business Associations (National and International); and Community (Local Entities | NGOs | Professional Orders); Social Communication (Local | National/ Specialized).

The stakeholder consultation process will involve Secil Portugal, Brazil, Lebanon and Tunisia, and, in order to assess the inside-out perspective, an online questionnaire will be applied in each geography and, in the case of particularly relevant stakeholders, opting for - for conducting interviews. In order to assess the outside-in perspective, the management team of each of the geographies will be consulted through workshops, so that, in the end, it will be possible to obtain a matrix that allows the identification of the new material themes of the Secil Group from the perspective of Dual Materiality, measured in an effectively global way through a broadly participatory process.





7.3 Gri Table 2022

This index identifies the GRI Standards and indicators to which we are responding, with reference to the respective contents in the Report (or other external resources) and detailing the response, in the table itself, whenever applicable.

Declaration of use	The Secil Group reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022
Reporting according to:	GRI 1: Fundamentals 2021
Applicable GRI Sector Standard(s):	Not applicable.

Universal content

GRI 2: GENERAL CONTENTS 2021	Location
-------------------------------------	-----------------

Referring to the standard published in 2021

THE ORGANISATION AND ITS REPORTING PRACTICES	Location
---	-----------------

2-1 Organisational profile

Name of organisation: Secil: Companhia Geral de Cal e Cement, S.A.
Headquarters location: Head Office - Av. Eng.º Duarte Pacheco, 19 7º 1070-100 Lisbon
 Head Office, Outão, Apartado 71, 2901-864 Setúbal
Countries where it operates: Chap. 1.3 Where we are

2-2 Entities included in the organisation's sustainability report

This Report includes the activities of Secil - Companhia Geral de Cal e Cement, S.A.

2-3 Reporting period, frequency and contacts

Chap. 7.1 About this Report Page 126

2-4 4 Variation of information

This report updates the data contained in the Sustainability Report 2021, referring to indicators 305-1 and 305-2. Reference is made to the respective indicators for the identification of updated information.

2-5 External verification

Chap. 7.1 About this Report Page 126

ACTIVITIES AND EMPLOYEES Location

2-6 Activities, value chains and other business relationships

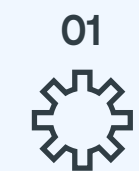
Chap. 1.2 What we do Page 16
 Chap. 6.1 value generation Page 97

Secil is focused on the creation of value through positive economic performance, taking into consideration its direct and indirect impacts on society. In line with the other subsidiaries of the Semapa Group, Secil follows the principle of generating shared value with the various stakeholders. This issue is material to Secil, as it is a topic considered material to its stakeholders. Secil aligned itself to the sector and started an internal process in order to establish specific objectives with associated targets in order to reduce or offset the impact of its operations.

2-7 Employees

Chap. 4.2.1 Diversity, Equity and Inclusion Page 54
 Chap. 4.2.2 Talent management

Total no. of Employees by duration of contract and gender		'20	'21	'22
Open ended contract	Men	2 103	1873	1 864
	Women	285	275	288
	Subtotal	2 388	2148	2 152
Fixed-term contract	Men	-	200	202
	Women	-	7	13
	Subtotal	-	207	215
Temporary staff	Men	48	-	-
	Women	1	-	-
	Subtotal	49	-	-
Trainees	Men	-	4	-
	Women	-	3	-
	Subtotal	-	7	-
Total	Men	2 151	2 077	2 066
	Women	286	285	301
	Subtotal	2 437	2 362	2 367



2-7 Employees

Total No. of Employees by type of contract and gender		'20	'21	'22
Full-time	Men	-	-	2 061
	Women	-	-	298
	Subtotal	2 397	2 342	2 359
Part-time	Men	-	-	5
	Women	-	-	3
	Subtotal	40	20	8
Total	Men	-	-	2 066
	Women	-	-	301
	Subtotal	2 437	2 362	2 367

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Note: In the reported data, the employees of the Board of Directors were not considered. Additionally, in 2022 the employees of Secil Angola (3) and Trancim Lebanon (18) were not considered.

2-8 Workers who are not employees

	'20	'21	'22
Workers who are not employees	2 535	1 838	1 861

Note: The figures reported include workers who entered the plants as temps and service providers (cleaning, maintenance and work associated with annual shutdowns and operation).

GOVERNANCE

Location

2-9 Governance and management structure

Chapter 3.1 Governance

Page 41

The Secil Group's governance structure comprises of the Board of Directors, which has delegated the day-to-day management of the Company to an Executive Committee. However there are no other committees or commissions within the governance bodies. It is also determined that the CEO is responsible for making decisions and overseeing the management of the organisation's impacts on the economy, the environment and people.

As of 31 December 2022, the Board of Directors was composed of 8 members, 3 of which form the Executive Committee and 5 have non-executive functions.

The detailed governance structure can be found at

<https://www.secil-group.com/pt/a-secil/quem-somos/orgaos-sociais>.

2-10 Appointment and selection of the highest governance body

The highest governance body is appointed for 4-year terms and is designated by the Secil Group's sole shareholder, the Semapa Group.

With regard to the appointments, Semapa does not have defined qualification criteria, but rather a definition of the profile and core competencies of the members selected. When necessary, Semapa's Talent Committee intervenes in the process, defining profiles or assessing candidates.

2-11 Chair of the highest governance body

The chair of the highest governance body is not a member of the organisation.

2-12 Role of the highest governance body in overseeing impact management

Chap. 3.1 Governance

Page 41

With regard to the development, approval and updating of the Secil Group's purpose, values or mission statement, strategies, policies and targets regarding sustainable development, the highest governance body participates in all their conceptual definition and final approval.

2-13 Attribution of responsibility for impact management

The highest, most senior hierarchical governance body, the Board of Directors, delegated responsibility for managing the organisation's impacts on the economy, environment and people to Secil Group's Executive Committee.

2-14 Role of the highest governance body in sustainability reporting

It is the responsibility of Secil Group's CEO to review and approve the sustainability report, as well as to approve the delineation of its material topics. After defining the materiality for the reporting period, the sustainability report is developed by the various departments responsible for it, which finally submit the document for approval by the CEO, who analyses, comments on and approves it before its publication.

2-15 Conflicts of interest

The Secil Group has two mechanisms that seek to ensure that conflicts of interest are prevented and mitigated, such as: Code of conduct and routine internal audit exercises.

Secil Group's code of conduct is available at: <https://www.secil-group.com/pt/a-secil/quem-somos/a-cultura>, and reference to conflicts of interest can be found on page 3.

2-16 Communication of critical concerns

All critical concerns should be communicated to the Executive Committee by direct report, by the department responsible for the occurrence.

2-17 Expertise of the highest governance body

The promotion of the highest governance body's knowledge on issues related to sustainable development is leveraged by the participation of this body in institutional events with various Group Stakeholders such as the Technical Association of the Cement Industry, the Business Council for Sustainable Development, Global Cement and Concrete Association and Cembureau.

2-18 Performance evaluation of the highest governance body

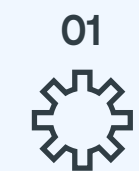
The performance evaluation process for the highest governance body is defined by the shareholder, the Semapa Group, with the intervention of the Remuneration Committee.

2-19 Remuneration policies

The remuneration policies for senior executives and members of the highest governance bodies is defined by the remuneration committee.

2-20 Processes that determine remuneration

The Secil Group does not publicly disclose its remuneration determination process.



2-21 Annual compensation ratio

Annual compensation ratio	'22
Spain	1.88
Netherlands	-
Portugal	26.79
Cape Verde	5.85
Tunisia	11.86
Angola	-
Brazil	15.50
Lebanon	25.33

STRATEGIES, POLICIES AND PRACTICES

Location

2-22 Declaration on sustainable development strategy

Overview Chapter Open Letter to Stakeholders	Page 04
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2-23 Policy-related commitments

Chap. 1.4 Ambition 2025	Págs. 21
Chap. 2.2 Sustainability Strategy	Page 28

2-24 Commitments

Chap. 1.4 Ambition 2025	Page 21
Chap. 2.2 Sustainability Strategy	Page 28

2-25 Processes to remedy negative impacts

A large part of the work carried out by the Secil Group within the scope of the remediation of negative impacts resulting from our activity is centred on plans for quarries. These Plans detail the methodology to be adopted for mining and the respective environmental and landscape recovery strategy, so that the mineral mass can be used in a sustainable way, always taking into account its economic viability, the principle of the best available techniques, and the minimisation of environmental impact on the surroundings.

In Portugal, the Plans for Quarries consist of a Mining Plan, approved by the Directorate-General for Energy and Geology, and an Environmental and Landscape Recovery Plan, approved by the Coordination and Regional Development Commission or by the Institute for Nature Conservation and Forests.

So that all types of potential negative impact can be communicated to the Secil Group, the company provides specific e-mail addresses for this purpose in all regions, as well as telephone lines and other communication channels, depending on the region in question, to record information from the company's various stakeholder groups.

2-25 Processes to remedy negative impacts

We have also established Environmental Monitoring Committees (CAA), which are an important cooperation mechanism for identifying, preventing or remedying negative impacts arising from our operations. The purpose of these committees is to make society aware, through its representatives, of what we do, how we do it and the care we take in carrying out our activity, allowing suggestions to be received on the environmental functioning of our operations, in a climate of total transparency. Each EMC is made up of representatives from various stakeholder groups, who, through the meetings of this committee, handle a large part of the environmental complaints received by the company.

We have not yet evaluated the effectiveness of its complaint mechanisms and the feedback/evaluation received from its stakeholders, but is researching the best way to carry out this evaluation in the near future.

2-26 Mechanisms for seeking advice and raising issues

During the reporting period the Secil Group had no mechanism for advice and questions, a channel that has already been created in the year of publication of this report and is called the Integrity Channel. This new communication channel will be addressed in the next sustainability report, referring to the year 2022.

2-27 Compliance with laws and regulations

There were no significant occurrences nor fines paid resulting from non-compliance with laws and/or regulations.

2-28 Participation in associations

The Secil Group has a stake in the various associations mentioned below:

- Technical Cement Industry Association (ATIC)
- Brazilian Portland Cement Association (ABCP)
- Global Cement and Concrete Association (GCCA)
- C5LAB - Sustainable Construction Materials Association
- European Cement Research Academy (ECRA)
- National Cement Industry Union (SNIC)
- COLAB Built Association
- Portuguese Association of Industrialists and Large Electricity Consumers (APIGCEE)
- COTEC Portugal
- BE-CERT

STAKEHOLDER INVOLVEMENT

Location

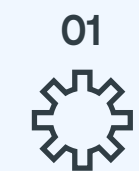
2-29 Approach to stakeholder engagement

Chap. 4.1 Our stakeholders	Page 50
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2-30 Collective bargaining agreements

Chap. 4.2.2 Talent Management	Page 58
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	'20	'21	'22
Number of employees	2 437	2 362	2 367
Number of employees with collective bargaining agreements	2 087	2 231	2 266
Percentage of employees with a collective bargaining agreement (%)	85.6	94.45	95.7



Material Topics

GRI 3: MATERIAL TOPICS

Location

Referring to the standard published in 2021

3-1 Materiality definition process

Chap. 7.2 Materiality

Page 127

3-2 List of material items

Chap. 7.2 Materiality

Page 127

3-3 Managing material topics

Each material topic presents, in its respective sub-chapters, information on its relevance to the Secil Group and our stakeholders, as well as the approach followed - including defined policies and commitments - reflecting our management approach. In addition, a selection of specific actions is presented, such as projects, programmes and initiatives that we have developed, as a way of illustrating the implementation of management in this area, enhancing positive impacts and minimising negative impacts, whenever applicable.

Page 127

In the Secil Group we have defined corporate objectives which are materialised in our Ambition 2025 strategy. We regularly monitor and evaluate the performance of each of the objectives, targets and indicators associated with the material topics defined in our strategy and roadmaps. To assess the effectiveness of the management approach and associated impacts, we also rely on the results of audits (internal and external), as well as on the evaluation of actions taken to address risks and opportunities, feedback from stakeholders and external performance ratings.

Specific Content

ECONOMIC PERFORMANCE

GRI 201: ECONOMIC PERFORMANCE

Location

Referring to the standard published in 2016

201-1 Direct economic value generated and distributed

Chap. 6.1 Value Generation

Page 97

Thousands of Euros	'20	'21	'22
I) Direct Economic Value Generated	520 860.3	562 221.0	697 186.1
II) Direct Economic Value Distributed	413 514.1	441 810.7	543 086.6
Operating costs	292 372.2	304 366.0	399 582.1
Employee salaries and benefits	70 139.7	76 976.4	78 357.3
Payments to capital providers	39 774.8	58 309.2	58 655.4
Taxes:	10 762.7	1 619.6	5 926.7
Investments in the community	464.8	539.5	565.2
III) Accumulated Economic Value (I-II)	107 346.2	120 410.1	154 099.4

201-2 Financial implications, risks and opportunities due to climate change

Financial implications of climate change	'20	'21	'22
Number of CO ₂ emission allowances (unit)	2 423 234	2 349 520	2 326 945
Market value (thousands of euros)	79 288	189 489	189 623

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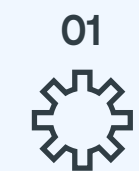
We are committed to decarbonising our operations. The financial implications, risks and opportunities in the scope of climate change will be related to investment for the implementation of more efficient technologies (e.g. Clean Cement Line) that aim to reduce the carbon footprint of the value chain. Another financial implication that we take into account are the costs incurred through the EU ETS market, namely with CO₂ licences, since we are covered by this regime, paying for CO₂ emissions.

201-3 Obligations regarding defined benefit plans and other retirement plans

REPORT OF THE BOARD OF DIRECTORS 2022

201-4 Financial support received from the government

Financial support received by the government (thousand euros)	'20	'21	'22
Tax Incentives / Credits	-	-	-
Grants	-	401 464	950 092
Support for research and R&D	-	-	-
Total	-	401 464	950 092



GRI 202: MARKET PRESENCE

Location

Referring to the standard published in 2016

202-1 Ratio comparing the lowest wage by gender with local minimum wage

Ratio of entry level wage to local minimum wage	'20	'21	'22
Men	-	1,0	1,0
Women	-	1,0	1,0

Note: Secil began reporting this indicator in 2021. Data has been calculated for Portugal only.

GRI 203: INDIRECT ECONOMIC IMPACTS

Location

Referring to the standard published in 2016

203-1 Infrastructure investments and services provided

Indirect economic impacts resulting from investments in infrastructure and services have not been systematically assessed. The corresponding figures for investment in the community are presented in indicator 201-1.

GRI 204: PURCHASING/SUPPLY PRACTICES

Referring to the standard published in 2016

204-1 Proportion of expenses with local suppliers

Chap. 6.3.3 Our Suppliers

Page 114

Expenditure with local suppliers	'20	'21	'22
Total number of suppliers	7 576	7 759	5 771
Local suppliers (%)	92,4	92,2	89,4
Foreign suppliers (%)	7,6	7,8	10,6
Total costs with suppliers (thousand euros)	476 527	553 397	501 304
Purchases made from local suppliers (%)	79,1	78,4	72,0
Purchases made from foreign suppliers (%)	20,9	21,6	28,0

Note: The methodological process for calculating the 2022 data was updated, without modifying the data reported in 2020 and 2021.

GRI 205: ANTI-CORRUPTION

Location

Referring to the standard published in 2016

205-3 Confirmed cases of corruption and measures taken

In 2022 there was no record of any case of corruption.

GRI 207: TAXATION

Location

Referring to the standard published in 2019

207-1 Fiscal Approach

Although Secil has its own tax policy which is set out in its Annual Report and Accounts, it also follows the tax policy adopted by its majority shareholder, which is available at

<https://www.semapa.pt/sites/default/files/participacoes/TAXPOLICY.pdf>. This policy is reviewed on an annual basis by the Executive Committee and the Board of Directors and compliance is ensured and monitored through regular meetings with the CFO (Chief Financial Officer) to review the implementation of the tax policy.

The Group's fiscal policy is aligned with its corporate development strategy so that this policy is defined according to the economic substance of its activity. This is why tax processing of the Group's transactions is carried out in response to its economic activity, and the tax implications of these transactions are only one of the multiple economic reasons to be considered in the Secil Group's management decisions.

207-2 Governance, control and risk management

In the Secil Group, the CFO is the executive level position responsible for compliance with the tax strategy. The Group's fiscal policy is aligned with its corporate development strategy so that this policy is defined according to the economic substance of its activity.

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

The Group also assesses tax compliance with the governance structure and tax control on a regular basis with the CFO, and on an annual basis at Board level.

With regard to the mechanisms for reporting concerns about unethical or illegal behaviour and the integrity of the organisation with regard to taxes, the Group has the practice of reporting directly to the CFO and the person responsible for the internal auditing of the company.

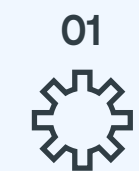
Finally, the Group also carries out the preparation of memoranda to analyse transactions with materiality, as well as the internal review of regular declarations of income to verify compliance with the company's tax policy.

207-3 Stakeholder engagement and management of tax related issues

With regard to taxation issues, more specifically in the approach followed by Secil in the dialogue with the tax authorities for the management of issues of this type, Secil maintains a proactive approach of dialogue with the Tax Authorities, in particular with teams from the Large Contributors Unit (both at the inspection and tax justice level) and through the submission of Binding Information Requests on matters where there are doubts about the application of tax legislation.

With regard to the approach followed by Secil in advocacy actions concerning public taxation policies, Secil is actively involved, through its employees, in organisations such as the Forum of Large Taxpayers under the aegis of the Tax Authorities and participation in various associations and the respective tax sections (such as the Business Roundtable Portugal, the Issuers Association (AEM) or the Portuguese Tax Association), as well as active participation in academic initiatives by employees either as speakers or participants (such as IDEFF of the Lisbon Law School, Católica Tax of the Portuguese Catholic University at a national level and WU Wien at an international level).

Secil also has the active participation of associations and academic institutions which allows close contact with internal and external stakeholders, in which the company's opinion and tax strategy is confronted, discussed and developed in discussion with these stakeholders.



207-4 Reports by Region

Secil has operations in Portugal, Spain, the Netherlands, Cape Verde, Tunisia, Angola, Brazil and Lebanon, and its primary activities are the production and sale of cement, ready-mixed concrete, aggregates, mortar, concrete pre-fabricates and hydraulic lime. The names of the entities residing in the locations described here are:

- Portugal: Secil - Companhia Geral de Cal e Cement, S.A., Betotrans II - Unipessoal, Lda., Florimar- Gestão e Participações, S.G.P.S., Lda., Serife - Sociedade de Estudos e Realizações Industriais e de ForneCement de Equipamento, Lda., Unibetão - Indústrias de Betão Preparado, S.A., Secil Britas, S.A., Secil Martingança - Aglomerantes e Novos Materiais para a Construção, S.A., IRP - Indústria de Rebocos de Portugal, S.A., Ciminpart - Investimentos e Participações, S.G.P.S., S.A., ALLMA - Microalgas, Lda., Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A., Secil Brands, Lda., Cements Madeira, Lda., Beto Madeira - Betões e Britas da Madeira, S.A., Brimade - Sociedade de Britas da Madeira, S.A., Madebritas - Sociedade de Britas da Madeira, Lda., SPB, SGPS, Lda., Secil Prêbetão, S.A.;
- Spain: Cementos Secil, SL;
- Netherlands Secil Cement, B.V. (ex Seciment Investments, BV);
- Cape Verde: Secil Cabo Verde Comércio e Serviços, Lda., ICV - Inertes de Cabo Verde, Lda.;
- Tunisia Société des Ciments de Gabés, Sud- Béton- Société de Fabrication de Béton du Sud, Zarzis Béton;
- Angola: Secil Angola, SARL, Secil - Companhia de Cement do Lobito, S.A.;
- Brazil: Secil Brasil Participações S/A, Supremo Cements, S.A., Margem Companhia de Mineração;
- Lebanon Ciments de Sibline, S.A.L., Soime, S.A.L..

Tax jurisdiction	Income		Profit / Loss Before Tax	Income tax paid (on a cash basis)	Estimated tax for the period	Number of employees	Tangible assets other than cash or cash equivalents
	From operations with independent entities	From operations with related entities					
ES	12 551 235	0	-543 188	0	0	30	4 651 348
NL	15 652 276	0	2 662 570	195 509	301 550	3	2 130 284
EN	350 354 206	122 156 756	43 587 493	841 019	4 245 900	1 012	215 032 775
CV	8 457 696	63 012	1 550 318	462 247	343 722	37	1 700 545
FR	296 693	0	-274 138	0	0	0	2 876 667
TN	55 729 989	5 415 070	5 899 710	771 906	902 348	259	38 550 599
TO	9 689 007	3 419	1 899 953	0	0	93	4 266 426
BR	87 619 164	9 503 417	5 727 306	8 512 628	965 485	548	184 560 357
LB	14 459 592	486 017	1 716 873	29 015	295 312	385	4 588 749
Total	554 809 858	137 627 691	62 226 897	10 812 324	7 054 317	2 342	458 357 750

ENVIRONMENTAL PERFORMANCE

GRI 301: MATERIALS

Location

Referring to the standard published in 2016

301-1 Total consumption of materials used by weight or volume

Chap. 5.4 Circular Economy and Waste Management

Page 91

Raw materials (t)	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Renewable	-	-	14 169	0	18 241	18 241	0	61 442	61 442
Non renewable	-	-	17 003 374	9 862 237	8 907 664	18 769 901	9 121 864	8 221 340	17 343 204
Total	-	-	17 017 543	9 862 237	8 925 905	18 788 142	9 121 864	8 282 782	17 404 646

301-2 Use of recycled materials

Chap. 5.4 Circular economy and waste management

Page 91

Recycled materials used (t)	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Consumption of recycled raw materials	-	-	1 311 141	6 024	991 499	997 523	3 396	691 288	694 684

Recycled materials used (%)	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
	-	-	7.79	0.06	11.11	5.31	0.04	8.35	3.99

Note: It should be noted that the figure for recycled materials used (%) for 2020 has been updated from that published in previous reports.

GRI 302: ENERGY

Location

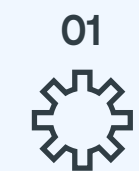
Referring to the standard published in 2016

302-1 Energy consumption within the organisation

Chap. 5.1 Climate change, energy and other emissions

Page 78

Energy consumption within the Organisation (GJ)	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Energy from non-renewable sources	-	-	15 582 007	358 878	16 160 379	16 519 257	357 956	13 065 255	13 423 212
Energy from renewable sources	-	-	203 703	0	305 704	305 704	0	1 242 167	1 242 167
Energy purchased for consumption	-	-	2 087 856	71 468	2 048 520	2 119 988	63 809	1 854 185	1 917 994
Energy sold	-	-	-	-	-	-	-	-	-
Total	-	-	17 873 567	430 346	18 514 604	18 944 949	421 765	16 161 608	16 583 373



302-3 Energy intensity

Chap. 5.1 Climate change, energy and other emissions Page 78

	'20	'21	'22
Energy intensity (GJ/t produced)	3.24	3.44	3.23

Note: the calculation of energy intensity took into account total energy production in the Cement business area and the production of cement products.

GRI 303: WATER AND EFFLUENTS

Location

Referring to the standard published in 2018

303-1 Interactions with water as a shared resource

Chap. 5.2 Water Use and Management Page 82

303-2 Managing impacts related to water discharge

Chap. 5.2 Water Use and Management Page 82

The Secil Group plants comply with the legislation in force that regulates this matter and all effluents are subject to primary and/or secondary treatment before being sent to the receiving environment.

303-3 Water Intake

Chap. 5.2 Water Use and Management Page 78

Volume of water collected (m³)	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Superficial	18 094	187 328	205 422	22 653	174 200	196 853	18 100	158 195	176 295
Underground	110 627	1 275 894	1 386 521	250 247	1 077 228	1 327 475	170 180	1 146 623	1 316 803
Production	3 488	0	3 488	4 079	0	4 079	3 520	0	3 520
Acquired from third parties	12 495	73 478	85 973	108 237	63 960	172 197	101 898	90 709	192 607
Total	144 704	1 536 700	1 681 404	385 215	1 315 389	1 700 604	293 698	1 395 527	1 689 225

Note: Produced water refers to water from quarries.

303-4 Effluents

Chap. 5.2 Water Use and Management Page 82

Volume of water discharged (m³)	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Surface	-	342 166	342 166	4 640	337 395	342 035	6 320	126 986	126 986
Subsurface	-	22 868	22 868	-	12 490	12 490	-	22 288	22 288
Off-site water treatment	-	7 248	7 248	-	21 188	21 188	-	24 851	24 851
Beneficiaries	-	-	-	-	-	-	-	124	124
Total	-	372 282	372 282	4 640	371 074	375 713	6 320	174 248	180 568

303-5 Water Consumption

Chap. 5.2 Water Use and Management Page 82

	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Consumption of water (m³)	144 704	1 164 417	1 309 121	283 115	1 041 775	1 324 891	287 378	1 221 278	1 508 656

GRI 304: BIODIVERSITY LOCATION

Location

Referring to the standard published in 2016

304-1 Operational facilities owned, leased, managed, or in close proximity to protected areas, or in areas with considerable biodiversity value outside protected areas.

Chap. 5.3 Biodiversity Page 86

Facilities in or near protected areas or areas of high biodiversity value (m²)	'20	'21	'22
Outão Property - Arrábida Natural Park	425	425	425
Sesimbra (Vale do covão) - Arrábida Natural Park	17	17	17
Mata da Redonda - Arrábida Natural Park	24	24	24
Brimade - Madeira Natural Park (partial)	24	24	24
Total	491	491	491

304-2 Significant impacts of activities, products and services on biodiversity

Chap. 5.3 Biodiversity Page 86

304-3 Habitats protected or recovered

Chap. 5.3 Biodiversity Page 86

	'20	'21	'22
Protected or restored habitats (cumulative area in ha)	55	55	56

Note: Values corresponding to cement quarries

GRI 305: EMISSIONS

Location

Referring to the standard published in 2016

305-1 Direct emissions of GHGs (Scope 1)

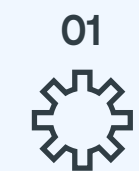
Chap. 5.1 Climate change, energy and other emissions Page 78

Direct GHG emissions (t CO ₂ e)	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
	-	3 633 030	3 633 030	-	3 593 774	3 593 774	-	3 250 351	3 250 351

Note 1: The data for the years 2020 and 2021 have been updated in accordance with the GCCA Guidelines and audited by an independent external entity.

Note 2: Direct emissions (scope 1) for the year 2022 were updated subsequent to the publication of Semapa's Annual Report.

Note 3: The data for the three years takes into account the ETS post-verification.



305-2 indirect emissions of GHGs (Scope 2)

Chap. 5.1 Climate change, energy and other emissions Page 78

Indirect GHG emissions (t CO ₂ e)	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Market based	-	184 958	184 958	-	168 809	168 809	-	140 938	145 551
Location based	-	179 961	179 961	-	165 297	165 297	-	134 640	134 640

Note: The data for the years 2020 and 2021 have been updated in accordance with the GCCA Guidelines and audited by an independent external entity.

305-4 Intensity of GHG emissions

Chap. 5.1 Climate change, energy and other emissions Page 78

Emissions Intensity (kg CO ₂ e/t clinker)	'20	'21	'22
GHG emissions	887	879	884

Note 1: The methodology for calculating the intensity of emissions per tonne produced was revised for the three years, considering scope 1 emissions only for clinker production.

Note 2: The emission intensity value for the year 2022 was updated subsequent to the publication of Semapa's Annual Report.

305-7 Emissions of nitrogen oxides (NOx), sulphur oxides (SOx) and other significant atmospheric emissions

Chap. 5.1 Climate change, energy and other emissions Page 78

Atmospheric emissions	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
NO _x	-	5 546	5 546	-	6 919	6 919	-	6 207	6 207
SO _x	-	1 040	1 040	-	1 197	1 197	-	1 143	1 143
VOC	-	-	-	-	-	-	-	93	93
Particles	-	80	80	-	101	101	-	157	157
Hg	-	-	19	-	-	35	-	-	39
Others	-	-	-	-	6 233	6 233	-	5 594	5 594

Note: The "Others" category includes atmospheric emissions of Carbon Monoxide (CO), Ammonia (NH₃), Hydrogen Chloride (HCl), Hydrogen Fluoride (HF) and Total Organic Compounds (TOC). All emissions are in tonnes, except for Mercury (Hg) which is in Kg.

GRI 306: WASTE

Location

Referring to the standard published in 2020

306-1 Waste generation and related impacts

Chap. 5.4 Circular Economy and Waste Management Page 91

306-2 Impact management

Chap. 5.4 Circular Economy and Waste Management Page 91

306-3 Waste Generated

Chap. 5.4 Circular Economy and Waste Management Page 91

Waste generated (t)	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Generated	-	-	-	123	623	746	73	348	421
Hazardous waste	Intended for recovery operations			-	-	-	117	479	596
	Intended for disposal operations			-	-	-	6	144	150
Non-hazardous waste	Generated			-	-	-	20 536	5 590	26 126
	Intended for recovery operations			-	-	-	19 356	5 204	24 560
	Intended for disposal operations			-	-	-	1 180	386	1 566
Total	Generated			-	-	-	20 659	6 213	26 872
	Intended for recovery operations			-	-	-	19 473	5 683	25 156
	Intended for disposal operations			-	-	-	1 186	530	1 716

Note: The year 2021 was the first year in which Secil responded to the GRI 306 indicator in its 2018 version, which is why only data from this year onwards is presented.

306-4 Waste not destined for final disposal

Chap. 5.4 Circular Economy and Waste Management Page 91

Waste generated (t)	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Waste for recovery operations	Generated			-	-	-	19 473	5 683	25 156
	Hazardous waste			-	-	-	117	479	596
	Non-hazardous waste			-	-	-	19 356	5 204	24 560

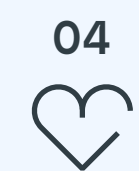
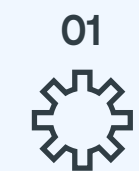
Note: The year 2021 was the first year in which Secil responded to the GRI 306 indicator in its 2018 version, which is why only data from this year onwards is presented.

306-5 Waste destined for final disposal

Chap. 5.4 Circular Economy and Waste Management Page 91

Waste generated (t)	'20			'21			'22		
	Materials	Cement	Total	Materials	Cement	Total	Materials	Cement	Total
Waste for disposal operations	Generated			-	-	-	1 186	530	1 716
	Hazardous waste			-	-	-	6	144	150
	Non-hazardous waste			-	-	-	1 180	386	1 566

Note: 2021 was the first year in which Secil responded to the GRI 306 indicator in its 2018 version, which is why only data from this year onwards is presented.



GRI 308: SOCIAL EVALUATION OF SUPPLIERS LOCATION

Location

Referring to the standard published in 2016

308-1 New suppliers selected based on environmental criteria

Chap. 6.3.3 Our Suppliers

Page 114

Secil have been striving towards an increasingly sustainable supply chain, and thus becoming more responsible from an environmental point of view. In 2022, a code of conduct for suppliers was developed and published, highlighting concerns about environmental issues, safety, human rights and fundamental labour rights. In the near future, Secil plans to begin assessing suppliers in accordance with environmental and social criteria.

SOCIAL PERFORMANCE

GRI 401: EMPLOYMENT

Location

Referring to the standard published in 2016

401-1 Hiring new Employees and Employee turnover

Page 91

Gender	'20			'21			'22											
	<30	30 to 50	>50	<30	30 to 50	>50	<30	30 to 50	>50									
Men	28	105	35	21	91	117	58	151	16	21	90	74	65	122	29	34	107	86
Women	13	14	1	12	13	7	14	28	0	9	21	1	25	28	1	10	28	4
Subtotal	41	119	36	33	104	124	72	179	16	30	111	75	90	150	30	44	135	90
Men	15%	9%	4%	12%	8%	14%	36%	13%	2%	13%	8%	10%	41%	11%	4%	22%	9%	11%
Women	30%	8%	1%	24%	8%	10%	27%	14%	0%	18%	11%	2%	47%	16%	1%	19%	16%	6%
Subtotal	19%	9%	4%	14%	8%	14%	34%	13%	2%	14%	8%	9%	43%	11%	4%	21%	10%	11%

Note: The figures relate to the number of Employees on 31 December of each year and do not include the Board of Directors.

401-2 Benefits for full-time employees that are not provided to temporary or part-time employees

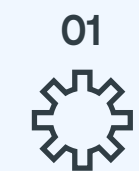
Chap. 4.2.2 Talent Management

Page 58

In Portugal we offer our Employees an annual health plan, variable bonuses for the achievement of objectives and a pension fund. Additionally, we have several benefits that we give to our employees depending on their geography

401-3 Family leave

Return to work and retention rates after parental leave (%)	'20	'21	'22
Men	-	747	666
Women	-	137	126
Total	-	884	792
Men	-	32	46
Women	-	12	10
Total	-	44	56
Men	-	32	46
Women	-	12	6
Total	-	44	52
Men	-	29	42
Women	-	10	8
Total	-	39	50



401-3 Family leave

Return to work and retention rates after parental leave (%)		'20	'21	'22
Rate of return to work (after leave)	Men	-	100	100
	Women	-	100	60,0
	Total	-	100	92,9
Retention rate (12 months after they have returned to work after their leave)	Men	-	90,6	91,3
	Women	-	83,3	80,0
	Total	-	88,6	89,3

Note: The data on the return to work rate for 2021 has been corrected, as in the previous report it was over 100%.

GRI 403: HEALTH AND SAFETY AT WORK

Location

Referring to the standard published in 2018

403-1 Occupational Health and Safety Management System

Chap. 4.2.3 Health and Safety at Work Page 64

Secil has a certified Occupational Health and Safety Management System (OHSMS) in accordance with the ISO 45001 standard in all countries, with the exception of Brazil, where an OHSMS system has been implemented but not certified

403-2 Hazard identification, risk assessment and incident investigation

Chap. 4.2.3 Health and Safety at Work Page 64

Identification of risk Through the hazard and risk assessment implemented at each site.

Process Quality Qualified training for OHS technicians and OHS training for workers.

Integration of process results in the improvement of the OHSMS Within the scope of the Management Systems, internal and external audits are carried out. If work accidents occur, or new equipment/ projects or improvements are implemented, the hazard and risk assessment is reviewed. Additionally, there is a periodic review of this evaluation in order to continuously improve it.

Hazard reporting processes available to Through the safety procedures, namely the reporting of incidents or near misses, there is, in the various countries, a restricted Committee with a defined composition, which assesses work accident situations, ensuring decision-making in the management of consequences and in the implementation of measures, should it be necessary.

Processes to enable employees to protect themselves from situations that they believe may cause injury or illness - There is a STOP and GO card policy that aims to give authority to all employees to identify what should not be done and may have consequences for their health and safety. The right of refusal is integrated in the concept this policy.

403-2 Hazard identification, risk assessment and incident investigation

How employees are protected against reprisals in the face of complaints from the previous two points Through the safety procedures, namely the reporting of incidents or near misses, there is, in the various countries, a restricted Committee with a defined composition, which assesses work accident situations, ensuring decision-making in the management of consequences and in the implementation of measures, should it be necessary. Page 64

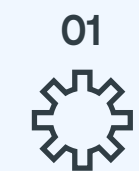
Incident investigation procedure For each accident, there is an accident investigation report, which establishes the mandatory requirements and rules to be followed for the reporting, classification and investigation of safety events. Recommendations and lessons learned are drawn up and disseminated through alerts to the entire Group. Additionally, there are periodic OHS meetings at various levels of the company where this information is presented and discussed.

403-3 Occupational Health Services

Chap. 4.2.3 Health and Safety at Work

Health services Health services are largely provided by occupational medicine. The safety services ensure the monitoring of health-related risks, such as: (a) total dust, breathable and silica; (b) noise, (c) vibrations, and the maintenance of an action plan in order to eliminate or reduce the risks. Page 64

Quality assurance The quality of this service is ensured through: internal and external audits; communication to workers about the dangers, risks and professional illnesses to which they are subjected; regular meetings with workers; and the monitoring of defined action plans.



403-4 Participation, Consultation and Communication with Employees on Health and Safety at Work

Chap. 4.2.3 Health and Safety at Work Page 64

At Secil, there are various ways implemented to ensure communication with Employees, in particular: regular surveys of the workers; meetings of the workers' committee or with workers' representatives on OHS issues; and also the existence of safety boards posted in the units with the relevant information.

There are joint management-worker committees in the various countries, according to locally-defined timings. In general, they have the responsibility to assess all OHS issues. Some examples: to recommend penalty/recognition actions arising from work accidents or other situations observed; to suggest corrective and preventive actions with a view to reducing risks, work accidents and improving the health of Employees; to suggest or give advice regarding prevention programmes and OHS monitoring; to promote and suggest training actions in the area of health and safety; and to discuss the quality and comfort of Personal Protective Equipment (PPE).

403-5 Training of Employees in occupational health and safety

Chap. 4.2.3 Health and Safety at Work Page 64

In OHS matters, compulsory training is carried out, arising from legal requirements, and voluntary training, namely in the area of behavioural and safety leadership training. There is induction training in OHS for new internal and external staff. The results of the risk assessment are also communicated.

403-6 Promotion of Employee Health

Chap. 4.2.3 Health and Safety at Work Page 64

At Secil, there are occupational medicine services for all workers, and in the factories there is a medical post and, in some cases, in addition to occupational medicine, there is curative medicine. To complement the action in the area of health promotion, the company provides health insurance in general.

There is also a plan for regular consultations and examinations, which is monitored, and measures are taken regarding any deviations identified in order to ensure full compliance.

403-7 Prevention and mitigation of occupational Health and Safety impacts directly related to commercial relations

Chap. 4.2.3 Health and Safety at Work Page 64

Secil has a zero harm policy for its Employees, contractors and the community in which it operates. The identification of dangers and evaluation of risks arising from its activities is the cornerstone for the prevention and mitigation of negative impacts on all employees. Its review and updating is relevant and it is through the implementation of the measures deemed necessary in the action plan that the reduction of negative impacts is ensured.

403-8 Workers covered by an occupational health and safety management system

Chap. 4.2.3 Health and Safety at Work Page 64

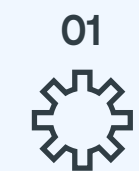
No. and percentage of Employees and other workers covered by a management system	'21						'22					
	Employees		Other employees		Total		Employees		Other employees		Total	
	N.º	%	N.º	%	N.º	%	N.º	%	N.º	%	N.º	%
Total number of people	2 362	-	1 838	-	4 200	-	2 367	-	1 861	-	4 228	-
Coverage by an Occupational Health and Safety Management System (OHSMS)	2 362	100	1 838	100	4 200	100	2 367	100	1 861	100	4 228	100
Coverage by a certified Occupational Health and Safety Management System (OHSMS)	1 809	77	1 614	88	3 423	82	1 819	77	1 642	88%	3 461	82

403-9 Accidents at work

Chap. 4.2.3 Health and Safety at Work Page 64

Accidents at Work (Direct Employees)		'20	'21	'22
Total No of	Deaths resulting from work accidents	0	1	0
	Serious accidents at work ⁽¹⁾ (excluding fatalities)	4	4	1
	Mandatory reporting accidents ⁽²⁾	54	55	49
	Accidents at work with sick leave	30	33	24
	Lost working days	1 087	1 028	824
	Hours worked	4 695 471	4 737 660	4 716 395
Index of	Deaths resulting from work accidents	0,0	0,2	0,0
	Serious occupational accidents (excluding fatalities)	0,9	0,8	0,2
	Mandatory reporting of accidents at work	11,5	11,6	10,4
Frequency	Rates	6,4	7,0	5,1
	Severity	231,5	217,0	174,7

Accidents at Work (Indirectly Employed)		'20	'21	'22
Total No of	Deaths resulting from work accidents	0	1	0
	Serious accidents at work ⁽¹⁾ (excluding fatalities)	2	0	1
	Mandatory reporting accidents ⁽²⁾	38	33	36
	Accidents at work with sick leave	27	20	18
	Lost working days	657	366	524
	Hours worked	2 933 473	3 174 083	3 269 051
Index of	Deaths resulting from work accidents	0,0	0,3	0,0
	Serious occupational accidents (excluding fatalities)	0,7	0,0	0,3
	Mandatory reporting of accidents at work	13,0	10,4	11,0
Frequency	Rates	9,2	6,3	5,5
	Severity	224,0	115,3	160,3



403-9 Accidents at work

Acidentes de trabalho (Trabalhadores Totais)		'20	'21	'22
Total No of	Deaths resulting from work accidents	0	2	0
	Serious accidents at work ⁽¹⁾ (excluding fatalities)	6	4	2
	Mandatory reporting accidents ⁽²⁾	92	88	85
	Accidents at work with sick leave	57	53	42
	Lost working days	1 744	1 394	1 348
Index of	Deaths resulting from work accidents	0,0	0,3	0,0
	Serious occupational accidents (excluding fatalities)	0,8	0,5	0,3
	Mandatory reporting of accidents at work	12,1	11,1	10,6
	Frequency rates	7,5	6,7	5,3
Severity	228,6	176,2	168,8	

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(1) According to GRI criteria, serious occupational accidents are injuries from which the worker will not recover, i.e. is not expected to fully recover within 6 months to their health condition prior to the accident.

(2) According to GRI criteria, includes all accidents resulting in one of the following possibilities: deaths, accidents with and without sick leave, accidents resulting in loss or reduction of capacity for work or transfer to another function, accidents leading to medical treatment other than first aid, loss of consciousness, serious injury diagnosed by a doctor or other qualified health professional. It can also be called TRI (Total Recordable Incidents). It coincides with the total reported in the Single Report.

Note 1: In 2021, Secil made a change in methodology, aligning its safety reporting to the guidelines of the GCCA (Association of the sector), no longer recording off-site accidents.

Note 2: The normalisation factor of 1,000,000 hours worked was used to calculate the indices.

Methodological notes on the calculations:

GRI formulas:

- Fatality rate resulting from work-related accidents = (No. of fatalities resulting from work-related accidents / No. of hours worked) x 1,000,000
- Major Accidents at Work Index = (No. of serious accidents at work (excluding fatalities) / No. of hours worked) x 1,000,000
- Index of occupational accidents with mandatory reporting = (No. of occupational accidents/No. of hours worked) x 1,000,000

Single Report Formulas:

- Frequency rates = (No. of accidents with sick leave / No. of hours worked) x 1,000,000
- Severity = (No. of days lost / No. of hours worked) x 1,000,000

403-10 Occupational diseases

Chap. 4.2.3 Health and Safety at Work

Page 64

Occupational diseases		'20	'21	'22
Total number of	Deaths resulting from occupational diseases	0	0	0
	Cases of occupational diseases reported	0	8	3
	Cases of occupational diseases confirmed	0	1	0

Note: It should be noted that the figures presented above refer only to direct employees of the companies and not to indirect employees.

GRI 404: EDUCATION AND TRAINING

Location

Referring to the standard published in 2016

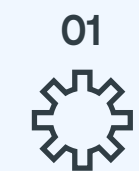
404-1 Average annual training hours per employee

Chap. 4.2.2 Talent Management

Page 58

Training by functional category and gender		'20		'21		'22	
		No. of hours of training	Average No. of hours training	No. of hours of training	Average No. of hours training	No. of hours of training	Average No. of hours training
Managers	Men	-	-	616	15	503	12
	Women	-	-	194	24	98	12
	Subtotal	-	-	810	17	601	12
Senior Management	Men	-	-	3 378	42	1 087	14
	Women	-	-	1 192	66	764	40
	Subtotal	-	-	4 570	46	1 851	19
Middle Management	Men	-	-	5 404	24	3 866	16
	Women	-	-	1 748	20	869	10
	Subtotal	-	-	7 152	23	4 735	15
Administrative	Men	-	-	4 908	19	3 064	11
	Women	-	-	1 582	10	1 095	8
	Subtotal	-	-	6 490	16	4 160	10
Executives	Men	-	-	24 716	17	18 904	13
	Women	-	-	419	10	331	7
	Subtotal	-	-	25 135	17	19 235	13
Total	Men	-	-	39 022	19	27 424	13
	Women	-	-	5 135	17	3 157	10
	Subtotal	-	-	44 157	19	30 580	13

Note: It should be noted that the members of the Board of Directors are not included in the calculation of this indicator. In 2022, the members of Secil's Board of Directors received 393 hours of training (average of 26 hours per person).



404-3 Percentage of employees who regularly receive performance and career development reviews

Chap. 4.2.2 Talent Management

Page 58

Performance evaluation by functional category and gender (%)		'20	'21	'22
Managers	Men	-	85	69
	Women	-	88	88
	Subtotal	-	85	72
Senior Management	Men	-	79	64
	Women	-	94	74
	Subtotal	-	82	66
Middle Management	Men	-	80	69
	Women	-	98	90
	Subtotal	-	85	75
Administrative	Men	-	98	81
	Women	-	67	69
	Subtotal	-	86	77
Executives	Men	-	61	64
	Women	-	79	80
	Subtotal	-	61	65
Total	Men	-	69	67
	Women	-	79	77
	Subtotal	-	70	69

Note: The methodological process for calculating the 2022 data has been updated, meaning that the data relating to changes were made to the years 2020 and 2021.

GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES Location

Referring to the standard published in 2016

405-1 Diversity in governance bodies and Employees

Chap. 4.2.1 Diversity, equity and inclusion

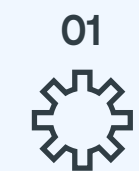
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Diversity by age group disaggregated by professional category:

Employees by professional category and gender (%)		'20	'21	'22
Board of Directors	Men	93	100	87
	Women	7	0	13
Managers	Men	87	83	84
	Women	13	17	16
Senior Management	Men	81	82	80
	Women	19	18	20
Middle Management	Men	74	72	73
	Women	26	28	27
Administrative	Men	69	63	66
	Women	31	37	34
Executives	Men	97	97	97
	Women	3	3	3
Total	Men	88	87	87
	Women	12	13	13

Employees by professional category and age (%)		'20	'21	'22
Board of Directors	< 30 anos	0	0	0
	30-50 anos	15	33	13
	> 50 anos	85	67	87
Managers	< 30 anos	0	0	0
	30-50 anos	30	27	26
	> 50 anos	70	73	74
Senior Management	< 30 anos	5	2	0
	30-50 anos	53	56	53
	> 50 anos	43	42	47
Middle Management	< 30 anos	12	12	10
	30-50 anos	65	70	70
	> 50 anos	23	19	20
Administrative	< 30 anos	15	15	17
	30-50 anos	50	50	49
	> 50 anos	35	35	34
Executives	< 30 anos	9	8	7
	30-50 anos	54	57	57
	> 50 anos	38	36	36
Total	30-50 anos	10	9	9
	> 50 anos	54	57	56
	< 30 anos	37	35	35

Note: For reporting purposes, the members considered were the Executive Committee, the two non-executive directors with direct reporting to Secil and the Supervisory Board.



405-2 Wage and Remuneration Ratio between Men and Women

Chap. 4.2.1 Diversity, equity and inclusion Page 54

Wage Share Ratio between Men and Women	'20	'21	'22
Governing Bodies	-	-	0.09
Managers	-	0.91	1.13
Senior Management	-	0.97	0.92
Middle Management	-	0.93	0.84
Administrative	-	1.06	0.93
Executives	-	0.98	0.95

Note: It should be noted that the calculation of this indicator records only the wages practised in Portugal. Secil does not differentiate salaries between men and women, and the entry salary is the same for both genders, male and female. The salary ratio presented considers the macro level framework aggregator, so naturally and for each of these levels, there are different framework subgroups, as well as distinct professional paths, which impact on the average values obtained for the salary ratio and, as such, on the reported values.

GRI 406: DISCRIMINATION Location

Referring to the standard published in 2016

406-1 Discriminatory incidents and corrective measures taken

Chap. 4.2.1 Diversity, equity and inclusion Page 54

Incidents of discrimination that occurred in the reporting period	'20	'21	'22
No. of incidents analysed by the organisation	0	0	1
No. of remediation plans implemented	0	0	0
No. of remediation plans implemented, with results analysed through the normal review and management processes	0	0	0
No. of incidents resolved (incidents for which no further action is required or where the circumstances underlying their origin no longer exist)	0	0	1

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING Location

Referring to the standard published in 2016

407-1 Operations and suppliers where freedom of association and collective bargaining may be at risk

Based on the existing irregularities channels, no complaints about impacts at this level were received.

GRI 408: CHILD LABOUR Location

Referring to the standard published in 2016

408-1 Operations and suppliers with significant risk of incidents of child labour

Based on the existing irregularities channels, no complaints about impacts at this level were received.

GRI 409: FORCED OR SLAVE LABOUR Location

Referring to the standard published in 2016

409-1 Operations and suppliers with significant risk of incidents of forced or compulsory labour

Based on the existing irregularities channels, no complaints about impacts at this level were received.

GRI 410: SECURITY PRACTICES Location

Referring to the standard published in 2016

410-1 Safety personnel with training in human rights policies and procedures

Respect for human rights is intrinsic to the Secil Group's activities, being extended to service providers and suppliers, mirrored in guiding documents such as the codes of conduct.

GRI 413: LOCAL COMMUNITIES Location

Referring to the standard published in 2016

413-1 Operations engaging the local community, impact assessments, and development programmes

Chap. 4.3 Our Community Page 71

GRI 414: SOCIAL EVALUATION OF SUPPLIERS Location

Referring to the standard published in 2016

414-1 New suppliers selected based on social criteria

Chap. 6.3.3 Our Suppliers Page 114

We are striving towards an increasingly sustainable supply chain, and thus becoming more responsible from an environmental point of view. In 2022, a code of conduct for suppliers was developed and published, highlighting concerns about environmental issues, safety, human rights and fundamental labour rights. In the near future, Secil plans to begin assessing suppliers in accordance with environmental and social criteria.

414-2 Negative social impacts in the supply chain and actions taken

Chap. 6.3.3 Our Suppliers Page 114

Based on the existing irregularities channels, no complaints about impacts at this level were received.



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OUR REPORT

GRI 415: PUBLIC POLICIES

Location

Referring to the standard published in 2016

415-1 Political contributions

Secil does not make contributions to political parties.

GRI 417: MARKETING AND LABELLING

Location

Referring to the standard published in 2016

417-1 Requirements on product and service information and labelling

Secil responds to Regulation (EU) No. 453/2010 of 20 May by publishing, for all products, a technical safety data sheet containing a description of the main characteristics, applications and advice on use and recycling.

417-2 Incidents of non-compliance relating to the labelling of products and services

Chap. 6.3.1 Our products

Page 107

No cases of non-conformities concerning labelling and information were recorded during the reporting period.

Non-conformities regarding product and service labelling and information	'20	'21	'22
No. of cases of non-compliance with regulations that resulted in fines or penalties	-	0	0
No. of cases of non-compliance with regulations that resulted in warnings	-	0	0
No. of cases of non-compliance with voluntary codes	-	0	0
Total no. of non-conformities	-	0	0

417-3 Incidents of non-compliance related to marketing communications

Chap. 6.3.1 Our products

Page 107

No cases of non-compliance relating to marketing communications were recorded during the reporting period Non-compliances related to marketing communications	'20	'21	'22
No. of cases of non-compliance with regulations that resulted in fines or penalties	-	0	0
No. of cases of non-compliance with regulations that resulted in warnings	-	0	0
No. of cases of non-compliance with voluntary codes	-	0	0
Total no. of non-conformities	-	0	0



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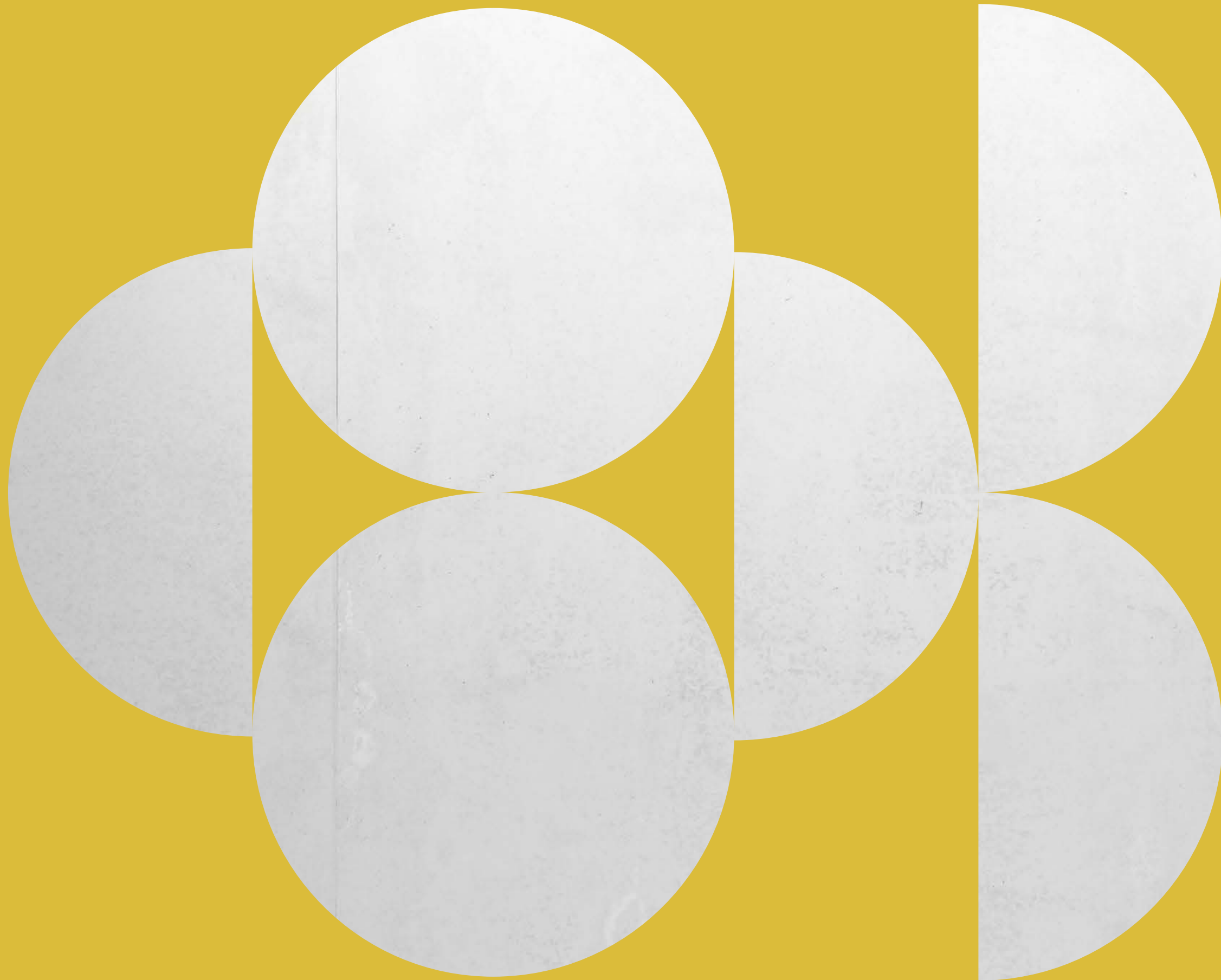
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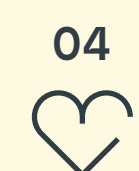
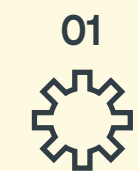


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Summary Table of the World Economic Forum's Stakeholder Capitalism Metrics	147
GCCA Indicators	149



Correlation Table

Pillars of the sustainability strategy	Secil Group material topics	GRI Standards	GRI Indicators	Report chapter/subchapter
Environmental	Greenhouse Gas (GHG) Emissions	GRI 305: Emissions 2016	305-1/2/4/5	Chap. 5.1 GRI table
	Energy	GRI 302: Energy 2016	302-1/3	Chap. 5.1 GRI table
	Waste Management and Circular Economy	GRI 301: Materials 2016	304-1/2/3	Chap. 5.3 GRI table
	Water use and management	GRI 303: Water and Effluents 2018 GRI 306: Waste 2020	301-1/2 306-1/2/3/4/5	Chap. 5.4 GRI table
	Other emissions	GRI 305: Emissions 2016	305-7	Chap. 5.1 GRI table
	Water use and management	GRI 303: Water and Effluents 2018	303-1/2/3/4/5	Chap. 5.2 GRI table
Social	Community development and management of local impact	GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	GRI table
		GRI 408: Child Labour 2016	408-1	
		GRI 409: Forced or Bonded Labour 2016	409-1	
		GRI 410: Security Practices 2016	410-1	
	Talent management, diversity and inclusion	GRI 413: Local Communities 2016	413-1	Chap. 4.3
		GRI 2: General Content	2-7/30	Chap. 4.2.1 Chap. 4.2.2 GRI table
		GRI 202: Market presence 2016	202-1	
		GRI 401: Employment 2016	401-1/2/3	
		GRI 404: Training and Education 2016	404-1/3	
		GRI 405: Diversity and Equal Opportunities 2016	405-1/2	
GRI 406: Non-Discrimination 2016	406-1			
Health and Safety	GRI 403: Occupational Health and Safety 2018	403-1/2/3/4/5/6/7/8/9/10	Chap. 4.2.3 GRI table	
Stakeholder engagement	GRI 2: General Content	2-29	Chap. 4.1 GRI table	



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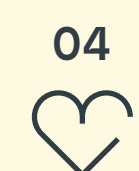
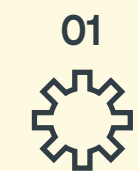
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Pillars of the sustainability strategy	Secil Group material topics	GRI Standards	GRI Indicators	Report chapter/subchapter
Economic	Product safety and quality	GRI 417: Product and Service Labelling 2016	417-1/2/3	Chap. 6.4 GRI table
	Innovation	N.A.		Chap. 6.2
	Customer satisfaction and relationship	N.A.		Chap. 6.3.2
	Product responsibility and sustainable construction	N.A.		Chap. 6.3.1 Chap. 6.3.2
		GRI 201: Economic Performance 2016	201-1/2/3/4	Chap. 6.1 GRI table
		GRI 203: Indirect Economic Impacts 2016	203-1	Chap. 6.1 Chap. 6.3.3 GRI table
		GRI 204: Purchasing/Supply Practices 2016	204-1	Chap. 6.3.3 GRI table
		GRI 207: Taxation 2019	207-1/2/3/4	GRI table
		GRI 308: Environmental Assessment of Suppliers 2016	308-1	Chap. 6.3.3 GRI table
		GRI 414: Social assessment of suppliers	414-1/2	Chap. 6.3.3 GRI table
Governance		GRI 2: General Content	2-9/10/11/12/13/14/15/16/ 17/18/ 19/20/21/23/24/ 25/26/ 27	GRI table
		GRI 205: Anti-Corruption 2016	205-3	Chap. 3.1 GRI table
		GRI 415: Public Policies 2016	415-1	

Note: To the indicated standards and indicators should be added: GRI Standard 3: Material topics, transversely applicable; GRI Standard indicators 2: General contents of compulsory reporting.



Summary Table of the World Economic Forum's Stakeholder Capitalism Metrics

The following table presents our response to the WEF framework (core metrics), through the alignment between the metrics established by the WEF and the GRI metrics (which are at the genesis of the new framework). Some of these metrics do not

correspond to the GRI, however Secil responds indirectly through the contents related to the themes in question presented throughout the Sustainability Report 2022.

Pillar	Theme	Metrics	Alignment with gri
Governance	Governance purpose	Purpose set	GRI 2-12
	Quality of Governance Body	Composition of the Governance Body	GRI 2-9 GRI 405-1
	Stakeholder engagement	Stakeholder engagement	GRI 2-12 GRI 2-29
	Ethical behaviour	Anti-corruption	GRI 3-2 GRI 205-2 (No response)
	Ethical behaviour	Counselling mechanisms	GRI 205-3 GRI 2-26
	Risks and Opportunities	Integration of risks and opportunities	Sem GRI associada
	Planet	Climate Change	Greenhouse Gas (GHG) Emissions Implementation of the TCFD recommendations - Task Force on Climate Related Financial Disclosures
Loss of biodiversity		Land use and ecological protection focused on protected areas or areas of high biodiversity value	GRI 304-1
Availability of drinking water		Water abstraction and consumption in water stress areas	GRI 303-3/4



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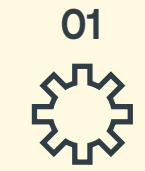


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Pillar	Theme	Metrics	Alignment with gri
People	Dignity and equity	Diversity and Inclusion: % of employees by employee category, gender, age group and gender age and other diversity categories	GRI 405-1 e 405-2
		Salary ratios between men and women, minorities and ethnic majorities, among others	
		Wage variation (%) between entry level wage and national minimum wage, by gender	GRI 202-1
		Salary variation (%) between the CEO's annual total compensation and the median total compensation of employees other than the CEO	GRI 2-21
	Health and well-being	Risk of incidents of child, forced or bonded labour	GRI 408-1 and 409-1
		Health and safety (%). Number and ratio of accidents at work, serious accidents and deaths	GRI: 403-9
		An explanation of how the organisation facilitates workers' access to non-work-related medical and health services, and the scope of access provided.	GRI 403-6
Chapacity building for the future	Training (no.) hours of training per employee	GRI 404-1	
	Training (€) investment in training per employee	No associated GRI	
Prosperity	Employment and wealth creation	Turnover rate (%) between incoming and outgoing employees by age and gender or other diversity indicators	GRI 401-1
		Economic contribution: Direct economic value generated and distributed (EVG&D) by revenues; operating costs, employee salaries and benefits, payments to capital providers, payments to government (by country) and community investments.	GRI 201-1
		Financial support received from government: benefits and tax credits; subsidies; grants for investment, research and development and other relevant types of concessions among others.	GRI 201-4
	Innovation for better products and services	Financial contribution of investment Total capital expenditure or investment in capital assets (CapEx) without amortisation, supported by the narrative described by the organisation's investment strategy.	No associated GRI
		Share buybacks and dividend payments, supported by narrative to explain the company's strategy for returning capital to shareholders.	No associated GRI
		Expenditure on R&D	No associated GRI
Community and social vitality	Total development costs		
	Taxes: The total overall global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, payroll taxes paid by the employer and other taxes that constitute costs to the company, by tax category.	GRI 201-1 and 207-4	



GCCA Indicators

Pillar	KPI	Unit	2020	2021	2022
H&S	No. of fatal employee accidents	On	0	1	0
	No. of fatal accidents for third party employees (contractors and subcontractors)	On	0	1	0
	No. of fatal off-site accidents	On	1	1	0
	No. of accidents with lost working days	On	30	33	24
	Lost-time accident frequency rate, per 1,000,000 hours worked, for employees	-	6.4	7.0	5.1
	No. of accidents with lost working days for third party employees (contractors and subcontractors)	On	27	20	18
	Lost-time accident frequency rate, per 1,000,000 hours worked, for third party employees (contracts and sub-contracts)	-	9.2	6.3	5.5
Total number of accidents (employees, contractors and subcontractors)		On	57	53	42
CO ₂	Global absolute (gross) emissions of CO ₂ (million tonnes of CO ₂)	Mt CO ₂	3.63	3.59	3.25
	Global absolute (net) emissions of CO ₂ (million tonnes of CO ₂)	Mt CO ₂	3.39	3.34	3.04
	Global (gross) specific emissions of CO ₂ (kg CO ₂ / tonne of cement product)	kg CO ₂ /t	680	668	649
	Global specific (net) emissions of CO ₂ (kg CO ₂ / tonne of cement product)	kg CO ₂ /t	634	621	607
Co-processing	Alternative fuels use rate (%) - alternative fossil fuels and biomass	%	26.6	28.3	27.4
	Rate of biomass use (%)	%	8.7	9.7	9.2
	Kiln energy efficiency (MJ / ton of clinker)	MJ/t Clk	3 736	3 727	3 691
	Alternative raw materials (clinker and cement) (%)	%	11.7	9.5	8.1
	Clinker amount in cement (%)	MJ/t Clk	79.1	78.7	78.0
Other emissions	Coverage rate - general (%)	%	87	67	71
	Coverage rate - continuous measurement (%)	%	100	100	76
	PM - Total emissions (t/year)	t/year	66	83	121
	PM - Specific emissions (g/t clinker)	g/t clinker	16	19	31
	PM - Coverage rate (%)	%	100	100	76
	NOx - Total emissions (t/year)	t/year	6 185	7 027	5 891



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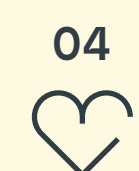
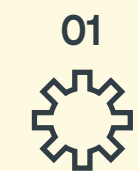
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ANNEXES

Pilar	KPI	Unidade	2020	2021	2022
Other emissions	NO _x - Specific emissions (g/t clinker)	g/t clínquer	1 497	1 642	1 535
	NO _x - Coverage rate (%)	%	100	100	76
	SO ₂ - Total emissions (t/year)	t/year	1 030	1 203	1 163
	SO ₂ - Specific emissions (g/t clinker)	g/t clínquer	249	281	303
	SO ₂ - Coverage rate (%)	%	100	100	76
	VOC/THC - Total emissions (t/year)	t/year	244	209	154
	VOC/THC -Specific emissions (g/t clinker)	g/t clínquer	59	49	40
	VOC/THC - coverage rate (%)	%	87	81	76
	Hg - Total emissions (kg/year)	kg/year	19	36	32
	Hg - Specific emissions (mg/t clinker)	mg/t clínquer	4	12	12
	Hg - Coverage rate (%)	%	87	67	71
	HM1* - Total emissions (kg/year)	kg/year	150	44	35
	HM1* - Specific emissions (mg/t clinker)	mg/t clínquer	36	10	9
	HM1* - Coverage rate (%)	%	87	67	71
Biodiversity	HM2** - Total emissions (kg/year)	kg/year	571	436.59	725
	HM2** - Specific emissions (mg/t clinker)	mg/t clínquer	138	102	189
	HM2** - Coverage rate (%)	%	87	67	71
	PCDD/F - Total emissions (mg/year)	mg/year	31	38	46
	PCDD/F - Specific emissions (mg/t clinker)	mg/t clínquer	8	9	12
	PCDD/F - Coverage rate (%)	%	87	67	71
	% of quarries with high ecological value with biodiversity management plans***	%	40	40	33
% of quarries with implemented rehabilitation plans***	%	77	77	79	
Water	Water consumption = Water abstraction - total water launched in the receiving medium (m ³ /year)	m ³ /year	1 454 615	1 335 347	1 221 073
	Amount of water consumption per product unit (l/ t cement product)	l/t product	272.1	248.8	243.9

* HM1 (sum of Cd, Tl)
 ** HM2 (sum of Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V)
 *** Active quarries



Independent Limited Liability Assurance Report



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INDEPENDENT LIMITED ASSURANCE REPORT FOR SECIL – COMPANHIA GERAL DE CAL E CIMENTO, S.A.

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

Introduction

We have been engaged by the Board of Directors of **SECIL - Companhia Geral de Cal e Cimento S.A.** ("Entity" or "Secil") to perform a limited assurance engagement on the sustainability information included in the Sustainability Report for the period ended 31 December 2022 prepared in accordance with the requirements of the "Global Reporting Initiative" ("GRI Standards").

Responsibilities of Management

Management is responsible for:

- For the preparation of sustainability information, included in the 2022 Sustainability Report, in accordance with the GRI Standards ("Information");
- For the design, implementation and maintenance of an appropriate information and internal control system to enable the preparation of information that is free from material misstatement, whether due to errors or fraud;
- For the prevention and detection of fraud and errors and for the identification and ensuring that SECIL complies with laws and regulations applicable to its activities;
- Ensuring that Management and staff involved with the preparation of the Information are properly trained

Auditor responsibility

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements other than Audits or Reviews of Historical Financial Information – ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the other standards and technical guidance issued by the Portuguese Institute of Statutory Auditors (Ordem dos Revisores Oficiais de Contas). These Standards require that we plan and perform the engagement to obtain limited assurance about whether nothing has come to our attention that causes us to believe that the sustainability information included in the Sustainability Report for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with GRI Standards and that the Entity has not applied, in the sustainability information included in the

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KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. Capital Social: 3.916.000 Euros – Pessoa Colectiva Nº PT 502 161 078 – Inscrito na O.R.O.C. Nº 189 – Inscrito na C.M.V.M. Nº 20161489 – Matriculada na Conservatória do Registo Comercial de Lisboa sob o Nº PT 502 161 078.



Sustainability Report for the year ended 31 December 2022, the GRI Standards. This work includes, among others, the following procedures:

- Interviews with senior management and relevant staff at corporate and operational level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- Interviews with relevant staff responsible for preparing the information of the sustainability information for the year ended 31 December 2022;
- Comparing the information presented in the Entity's Sustainability Report for the year ended 31 December 2022 to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Report; and
- Reading the information presented in the Sustainability Report to determine whether it is in line with our overall knowledge of the Entity.

The procedures selected depend on our knowledge of compliance with GRI requirements and other circumstances related to the work, and considerations about areas where material misstatements are likely to arise.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Quality and Independence

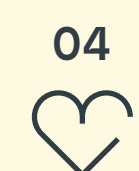
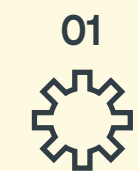
We applied the International Standard on Quality Control ISQM 1 and accordingly we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Portuguese Institute of Statutory Auditors (including international independence standards), (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information included in the Sustainability Report for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards and that the Entity has not applied, in the sustainability information included in the Sustainability Report for the year ended 31 December 2022, the GRI Standards.



Independent Limited Liability Assurance Report



Use and disclosure of the information provided

Our Limited Assurance Report is issued solely for the information and use of the Board of Directors of Secil – Companhia Geral de Cal e Cimento, S.A. in connection with the release of the 2022 Sustainability Report and should not be used for any other purpose. We accept or assume no responsibility and deny any liability to any party other than the Entity for our work, for this independent limited assurance report, or for the conclusions we have reached.

Lisbon, 21 July 2023

SIGNED ON THE ORIGINAL

**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
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Datasheet

Development and coordination

Secil

Technical support

Stavillia Sustainability Hub

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