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INDEPENDENT LIMITED ASSURANCE REPORT

To the Board of Directors of
Secil – Companhia Geral de Cal e Cimento, S.A.

Introduction

We were engaged to perform a limited assurance engagement regarding **Secil – Companhia Geral de Cal e Cimento, S.A.**'s ("Secil" or "Company") Sustainability-Linked Financing Framework for Sustainability-Linked financing instruments (hereafter "Sustainability-Linked Financing Framework") alignment with the five core components of the Sustainability-Linked Bond Principles issued by the International Capital Market Association ("ICMA") in June 2020 ("SLBP") and with the five core components of the Sustainability-Linked Loan Principles issued by the Loan Market Association ("LMA") in February 2023 ("SLLP").

Management's Responsibilities

The Management is responsible for the:

- Preparation and presentation of the Sustainability-Linked Financing Framework and its stated policies and procedures in accordance with the five core component requirements of the SLBP and of the SLLP (Selection of Key Performance Indicators (KPIs), Calibration of Sustainability Performance Targets (SPTs), Bond and loan characteristics, Reporting and Verification) including the:
 - Description and definition of KPI(s) (including calculation methodologies);
 - Rationale behind the selection of KPI(s) (i.e. relevance with issuer's strategy);
 - Description and definition of Sustainability Performance Targets ("SPT");
 - Motivation for the outlined SPTs (i.e. ambition level, benchmarking approaches and consistency with overall strategic planning);
 - Timelines for the target achievement, including the target observation date(s)/ period(s), the trigger event(s) and the frequency of SPTs;
 - Strategic information that would decisively impact the achievement of the SPTs;
 - Bond and Loan characteristics, including a detailed description of the potential variation of the Sustainability-Linked Bond ("SLB") or Sustainability-Linked Loan ("SLL") financial and/or structural characteristics of the bond or of the loan; and,
 - Reporting commitments and post-issuance reports.

- Selection of KPIs that are relevant, core and material to the Company's overall business, of high strategic significance to the Company's current and / or future operations, which are measurable or quantifiable on a consistent methodological basis, able to be benchmarked and externally verifiable, in accordance with section 1 of the SLBP and of the SLLP;
- Selection of ambitious Sustainability Performance Targets based on the criteria defined in section 2 of the SLBP and of the SLLP;
- Selection of relevant and reliable benchmarks for the target setting exercise, in accordance with the criteria defined in section 2 of the SLBP and of the SLLP;
- Design, implementation and maintenance of an appropriate information and internal control system to enable the preparation and presentation of Sustainability-Linked Financing Framework to the SLBP and to the SLLP that is free from material misstatement, whether due to errors or fraud;
- Prevention and detection of fraud and errors and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities; and,
- Process to ensure that the Management and staff involved with the preparation and presentation of the Sustainability-Linked Financing Framework have the appropriate skills.

Our Responsibilities

Our responsibility is to perform a limited assurance work and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained.

Our engagement was performed in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the other standards and technical guidelines as issued by Ordem dos Revisores Oficiais de Contas (OROC), which require that we plan and perform our work to obtain limited assurance as to whether anything has come to our attention that causes us to believe that the Sustainability-Linked Financing Framework, presented by Secil, has not been prepared, in all material respects, in accordance with the five core components of the Sustainability-Linked Loan Principles issued by the Loan Market Association in February 2023. For this purpose, this work included, amongst other procedures, the following:

- Interviews with management and key staff responsible for Sustainability-Linked Financing Framework to obtain an understanding of the processes, systems and controls in place in respect of the selection of KPIs, calibration of SPTs, bond and loan characteristics, reporting and verification;
- Revision of the Sustainability-Linked Financing Framework and comparison of its five core components with the requirements of the SLBP and of the SLLP; and,
- Inspection of documentation which supports Management's assertion about conformance to the five core components of the SLBP and of the SLLP requirements for selection of KPIs, calibration of SPTs, bond and loan characteristics, reporting and verification.

The procedures selected depend on our understanding of the compliance with the Sustainability-Linked Financing Framework and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.



The procedures performed in a limited assurance engagement are different in nature and timing and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

A summary of assurance procedures (Appendix I) and our key findings and observations regarding each core component of SLBP (Appendix II) and of SLLP (Appendix III) may be found as appendices of this report.

Quality and independence

The firm applied the International Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements in the Ordem dos Revisores Oficiais de Contas' code of ethics and the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Inherent Limitations

Our work was conducted to obtain a limited assurance over the compliance of this Sustainability-Linked Financing Framework with the SLBP issued by the ICMA in June 2020 and with the SLLP issued by the LMA in February 2023. Therefore, we do not express a conclusion over the compliance of future bonds or loans issued with this framework. Consequently, readers are cautioned that this report may not be appropriate for purposes other than that described above.

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 evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability-Linked Financing Framework, presented by Secil – Companhia Geral de Cal e Cimento, S.A., has not been prepared, in all material respects, in accordance with five core components of the Sustainability-Linked Bond Principles issued by the International Capital Market Association in June 2020 and with the five core components of the Sustainability-Linked Loan Principles issued by the Loan Market Association in February 2023.



Restriction of Use

Our limited assurance report is issued exclusively for the information and use of the Management of Secil, within the purpose expressed in the “Introduction” paragraph above and is not intended to be used for any other purpose. Our report, together with the Sustainability-Linked Financing Framework, may be shared by Secil with third parties, on its website or otherwise, but we accept or assume no responsibility and deny any liability to any party other than Secil for our work, for this independent assurance report, or for the conclusions we have reached.

Lisboa, 28 July 2023

A handwritten signature in blue ink, appearing to read 'Pedro Jorge Quental e Cruz', written over a horizontal line.

KPMG & Associados

Sociedade de Revisores Oficiais de Contas, S.A.
(nr. 189 and registered at CMVM with the nr. 20161489)

Represented by

Pedro Jorge Quental e Cruz

(ROC nr. 1765 and registered at CMVM with the nr. 20161607)



Appendices

Findings and observations related to particular aspects of the engagement

We provide a summary of our assurance procedures under the external review form recommended by the ICMA (Appendix I), findings and observations in alignment with ICMA's pre-issuance checklist to the SLBP (Appendix II) for the core components and findings and observations in alignment with a checklist regarding SLLP (Appendix III), to provide the reader with further understanding on how the Sustainability-Linked Financing Framework meets the Criteria. These observations are not intended to detract from our conclusion provided above.

We include Secil's Sustainability-Linked Financing Framework as Appendix IV.



Appendix I – External Review Form

Section 1. Basic Information

Issuer name:	Secil – Companhia Geral de Cal e Cimento S.A.
Sustainability-Linked Bond ISIN or Framework Name, as applicable:	Sustainability-Linked Financing Framework
Independent External Review provider’s name for pre-issuance review (sections 2 & 3):	KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. (“KPMG”)
Completion date of this form:	28 July 2023

Section 2. Review overview

SCOPE OF REVIEW

The review:

<input checked="" type="checkbox"/>	Assessed all the following 5 core components (complete review):	<input type="checkbox"/>	Only some of them (partial review)
<input checked="" type="checkbox"/>	Selection of Key Performance Indicators (KPIs)	<input checked="" type="checkbox"/>	Reporting
<input checked="" type="checkbox"/>	Calibration of Sustainability Performance Targets (SPTs)	<input checked="" type="checkbox"/>	Verification
<input checked="" type="checkbox"/>	Bond & Loan Characteristics (acknowledgement of)		
<input checked="" type="checkbox"/>	And confirmed their alignment with the SLBP and SLLP.		

ROLE(S) OF Independent External REVIEW PROVIDER

- Second Party Opinion Certification
- Verification Scoring/Rating
- Other: **Independent Limited Assurance Report**, 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).

EXECUTIVE SUMMARY OF REVIEW AND/OR LINK TO FULL REVIEW

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability-Linked Financing Framework is not prepared, in all material respects, in accordance with the five core components of the Sustainability-Linked Bond Principles issued by the International Capital Market Association in June 2020 and with the five core components of the Sustainability-Linked Loan Principles issued by the Loan Market Association in February 2023.



Section 3. Detailed pre-issuance review

1. SELECTION OF KEY PERFORMANCE INDICATORS (KPIs)

Overall comment on the section:

See Appendix II and Appendix III of the Independent Limited Assurance Report.

List of selected KPIs:

Portugal:

- ✓ Gross CO₂ emissions (Scope 1 + 2) per tonne of cement
- ✓ Lost Time Injury Frequency Rate (LTIRF)

Brazil:

- ✓ Gross CO₂ emissions (Scope 1 + 2) per tonne of cement
- ✓ % Total Women in Total End Year Headcount

Tunisia:

- ✓ Gross CO₂ emissions (Scope 1 + 2) per tonne of cement
- ✓ % Total Women in Total End Year Headcount

Definition, Scope, and parameters

- Clear definition of each selected KPIs
- Clear calculation methodology
- Other (please specify):

Relevance, robustness, and reliability of the selected KPIs

- Credentials that the selected KPIs are relevant, core and material to the issuer's sustainability and business strategy.
- Evidence that the KPIs are externally verifiable.
- Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis
- Evidence that the KPIs can be benchmarked
- Other (please specify):

2. CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)

Overall comment on the section:

See Appendix II and Appendix III of the Independent Limited Assurance Report.



Rationale and level of ambition:

- Evidence that the SPTs represent a material improvement
- Evidence that SPTs are consistent with the issuer's sustainability and business strategy
- Credentials on the relevance and reliability of selected benchmarks and baselines
- Credentials that the SPTs are determined on a predefined timeline
- Other *(please specify)*:

Benchmarking approach:

- Issuer own performance
- Reference to the science
- Issuer's peers
- Other *(please specify)*:

Additional disclosure:

- Potential recalculations or adjustments description
- Identification of key factors that may affect the achievement of the SPTs
- Issuer's strategy to achieve description
- Other *(please specify)*:

3. BOND & LOAN CHARACTERISTICS

Overall comment on the section:

See Appendix II and Appendix III of the Independent Limited Assurance Report.

Financial impact:

- Variation of the coupon, interest rates and/or fees
- Other *(please specify)*:

Structural characteristics:

- See section 4.3. "Bond & Loan characteristics"
- Other *(please specify)*:

4. REPORTING

Overall comment on the section:

See Appendix II and III of the Independent Limited Assurance Report.



Information expected to be reported:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance of the selected KPIs | <input checked="" type="checkbox"/> Verification assurance report |
| <input checked="" type="checkbox"/> Level of ambition of the SPTs | <input checked="" type="checkbox"/> Other (<i>please specify</i>): |
| | <ul style="list-style-type: none">- Updates to sustainability strategy- Governance considerations that may have an impact on KPIs/SPTs- Information relevant to the analysis of KPIs/SPTs- Any re-assessment of KPIs and/or restatement of the SPTs- Any pro-forma adjustments of KPI scope- Financial characteristics impact on the issued Sustainability-Linked Bonds |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Means of Disclosure:

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input checked="" type="checkbox"/> Information published in ad hoc documents | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> Reporting reviewed | |

Level of Assurance on Reporting:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Limited assurance | <input type="checkbox"/> Reasonable assurance |
| | <input type="checkbox"/> Other (<i>please specify</i>): |

USEFUL LINKS (*e.g., to review provider methodology or credentials, to issuer's documentation, etc.*)

Secil's website: www.secil-group.com



Appendix II – Sustainability-Linked Bond Principles issued by the International Capital Market Association (“ICMA”) in June 2020

Findings and observations related to particular aspects of the engagement

We provide a summary of our findings and observations in alignment with ICMA’s pre-issuance checklist to the SLBP for the five core components, to provide the reader with further understanding on how the Sustainability-Linked Bond Framework meets the Criteria. These observations are not intended to detract from our conclusion provided above.

SLBP component 1: Pre-issuance – General			
Topic	Content	Recommended vs Necessary	Observations and findings
General	<ul style="list-style-type: none"> Rationale for SLB issuance & consistency with issuers’ overall Sustainability and Business strategy Alignment with SLBP’s five core components External review types, publication dates, reviewer name 	Recommended	<p>Secil states in the Sustainability-Linked Financing Framework that the Framework has been established since financial instruments are effective tools to channel investments to projects that have demonstrated environmental and social benefits. It is also stated that the issuing of these financial instruments will continue to support Secil’s sustainability strategy and vision.</p> <p>The Framework states it has been established in alignment with SLBP’ five core principles.</p> <p>The Framework defines that Secil will report on the performance of the KPIs and SPTs on an annual basis, make such reports publicly available on Secil’s website and publish those results in one of the Company’s annually published reports.</p> <p>The Framework indicates that Secil engaged KPMG for a limited assurance engagement regarding the Framework’s alignment with SLBP’ and SLLP’s five core components, before issuing the financial instruments, and that, regarding post-issuance reviews, the performance of each KPI will be verified, on an annual basis, for at least a limited level of assurance by an appropriately qualified independent party.</p>

SLBP component 2: Calibration of Sustainability Performance Targets (SPTs)			
Topic	Content	Recommended vs Necessary	Observations and findings
Selection of KPIs	<ul style="list-style-type: none"> • Description and definition of KPI(s) • Rationale behind the selection of KPI(s) (i.e., relevance with issuer's strategy, materiality) • Historical externally verified KPI values covering at least the previous [3] years, where feasible • Where relevant, the verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used (including date/period) 	Recommended	<p>The Framework describes and presents six KPIs uniformly distributed across three locations (two KPIs per geography) – Portugal, Brazil and Tunisia. The Framework serves the purpose to create a generalized financing framework that works to support any finance or refinance projects that Secil may establish across the three geographies through the emission of Bonds or Loans linked to sustainability KPIs.</p> <p>Portugal:</p> <p>According to the Framework, KPI #1 was defined as the Gross CO2 emissions (Scope 1 + 2) per tonne of cement. Scope 1 emissions shall include specific process CO2 emissions due to the calcination of raw materials and specific gross CO2 emissions from the use of fossil fuels and alternative fuels. Scope 2 emissions shall include specific CO2 emissions from the use of electricity. The unit was set at kgCO2/tCem. According to the Framework, and consistently being reported in Secil's sustainability reports, CO2 emissions have long been a material topic for Secil, ever since its first reported value in 2017, and has always been placed as a top priority for Secil's stakeholders ever since the first materiality assessment carried out in 2019. For this KPI, the Scopes defined to be included are Scope 1 and Scope 2 as these are, according to the Framework, within Secil's control and are considered material to the business. The Framework states that Secil follows the sustainability reporting guidelines set out by the Global Cement and Concrete Association (GCCA) ("GCCA Sustainability Guidelines") on the monitoring and reporting of CO2 emissions. The Framework indicates that the GCCA Sustainability Guidelines are based on the GHG Standard Protocol and the CEN Standard EN 19694-3. The baseline value was defined in the Framework to be set at 635</p>

		<p>kgCO₂/tCem, which corresponds to the twelve-month period between January 2020 and December 2020. The baseline year was chosen to be 2020 since it represents the industry's general baseline, and it also corresponds to the first year in which the results have been validated by external auditors.</p> <p>KPI #2 was defined as the Lost Time Injury Frequency Rate (LTIFR) and the Framework states it shall be calculated as the ratio of the number of accidents that led to sick leave to the total number of hours worked by all direct and indirect employees, multiplied by a factor of 1,000,000, which is presented by the Framework as the normalization factor commonly used by the International Labour Organization (ILO). This KPI is to be applied only to workers in the cement business stream. The Framework states that Secil believes that this KPI is closely related to the Sustainable Development Goals 3 (Good Health and Wellbeing) and 8 (Decent Work and Economic Growth). It is stated that Secil considers Health and Safety as a fundamental value to be integrated in all its activities and that the Secil Group is committed to achieving zero harm to its workforce, contractors, and communities. The baseline value was defined in the Framework to be set at 9.3, which corresponds to the twelve-month period between January 2022 and December 2022. The baseline year was chosen to be 2022 since it corresponds to the first year in which the results have been validated by external auditors.</p> <p>Brazil:</p> <p>According to the Framework, KPI #1 was defined as the Gross CO₂ emissions (Scope 1 + 2) per tonne of cement. Scope 1 emissions shall include specific process CO₂ emissions due to the calcination of raw materials and specific gross CO₂ emissions from the use of fossil fuels and alternative fuels. Scope 2 emissions shall include specific CO₂ emissions from the use of electricity. The unit was set at kgCO₂/tCem. According to the Framework, and consistently being reported in Secil's sustainability</p>
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		<p>reports, CO2 emissions have long been a material topic for Secil, ever since its first reported value in 2017, and has always been placed as a top priority for Secil's stakeholders ever since the first materiality assessment carried out in 2019. For this KPI, the Scopes defined to be included are Scope 1 and Scope 2 as these are, according to the Framework, within Secil's control and are considered material to the business. Secil understands that the Transport, Industry and Buildings sector is responsible for nearly half of the yearly global emissions and believes it can leave its mark in the globe's work towards achieving carbon neutrality by 2050. The Framework states that Secil follows the sustainability reporting guidelines set out by the Global Cement and Concrete Association (GCCA) ("GCCA Sustainability Guidelines") on the monitoring and reporting of CO2 emissions. The Framework indicates that the GCCA Sustainability Guidelines are based on the GHG Standard Protocol and the CEN Standard EN 19694-3. The baseline value was defined in the Framework to be set at 695 kgCO2/tCem, which corresponds to the twelve-month period between January 2020 and December 2020. The baseline year was chosen to be 2020 since it represents the industry's general baseline, and it also corresponds to the first year in which the results have been validated by external auditors.</p> <p>KPI #2 was defined as the percentage of women in the Total End Year Headcount and the Framework states that the KPI shall account for the number of women in the workforce (end-year total headcount), excluding trainees. The Framework states that the Social pillar of Secil's ESG+E Strategy includes DEI (Diversity, Equity and Inclusion) as one of the main focus points, where gender balance is indicated as being one of the international common concerns and priorities across all benchmarks and best practices. It is stated that Secil aims to ensure diversity is present at both the management decision levels and the base employee level. The Framework states that Secil's main gap with the industry is in the percentage of women in the total workforce, rather than in the</p>
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		<p>management level, which is the fact behind the choosing of the KPI. The baseline value was defined in the Framework to be set at 16.8%, which corresponds to the twelve-month period between January 2022 and December 2022. The baseline year was chosen to be 2022 since it corresponds to the first year in which the results have been validated by external auditors.</p> <p>Tunisia:</p> <p>According to the Framework, KPI #1 was defined as the Gross CO2 emissions (Scope 1 + 2) per tonne of cement. Scope 1 emissions shall include specific process CO2 emissions due to the calcination of raw materials and specific gross CO2 emissions from the use of fossil fuels and alternative fuels. Scope 2 emissions shall include specific CO2 emissions from the use of electricity. The unit was set at kgCO2/tCem. According to the Framework, and consistently being reported in Secil's sustainability reports, CO2 emissions have long been a material topic for Secil, ever since its first reported value in 2017, and has always been placed as a top priority for Secil's stakeholders ever since the first materiality assessment carried out in 2019. For this KPI, the Scopes defined to be included are Scope 1 and Scope 2 as these are, according to the Framework, within Secil's control and are considered material to the business. Secil understands that the Transport, Industry and Buildings sector is responsible for nearly half of the yearly global emissions and believes it can leave its mark in the globe's work towards achieving carbon neutrality by 2050. The Framework states that Secil follows the sustainability reporting guidelines set out by the Global Cement and Concrete Association (GCCA) ("GCCA Sustainability Guidelines") on the monitoring and reporting of CO2 emissions. The Framework indicates that the GCCA Sustainability Guidelines are based on the GHG Standard Protocol and the CEN Standard EN 19694-3. The baseline value was defined in the Framework to be set at 826 kgCO2/tCem, which corresponds to the twelve-month</p>
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		<p>period between January 2020 and December 2020. The baseline year was chosen to be 2020 since it represents the industry's general baseline, and it also corresponds to the first year in which the results have been validated by external auditors.</p> <p>KPI #2 was defined as the percentage of women in the Total End Year Headcount and the Framework states that this KPI shall account for the total number of women in the workforce (end-year total headcount), excluding trainees. The Framework states that the Social pillar of Secil's ESG+E Strategy includes DEI (Diversity, Equity and Inclusion) as one of the main focus points, where gender balance is indicated as being one of the international common concerns and priorities across all benchmarks and best practices. It is stated that Secil aims to ensure diversity is present at both the management decision levels and the base employee level. The Framework states that Secil's main gap to the industry regards the percentage of women in the total workforce, rather than at the management level, presenting this fact for the selection of the KPI. The baseline value was defined in the Framework to be set at 9.5%, which corresponds to the twelve-month period between January 2022 and December 2022. The baseline year was chosen to be 2022 since it corresponds to the first year in which the results have been validated by external auditors.</p>
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SLBP component 3: Pre-issuance – Calibration of SPTs			
Topic	Content	Recommended vs Necessary	Observations and findings
Calibration of SPTs	<ul style="list-style-type: none"> • Description and definition of SPT(s) • Motivation for the outlined SPTs (i.e., ambition level, benchmarking approaches and consistency with overall strategic planning) • The timelines for the target achievement, including the target observation date(s)/ period(s), the trigger event(s) and the frequency of SPTs • Strategic information that would decisively impact the achievement of the SPTs • Where feasible, science-based or benchmarked against an industry standard (e.g., consider SMART philosophy (specific, measurable, attainable, relevant and time-bound)) • The means for achieving the target(s), where possible and taking competition and confidentiality considerations into account, i.e., how the issuers intend to reach such SPTs, e.g., by describing its ESG strategy and supporting ESG governance and investments, and its operating strategy, i.e., through highlighting the key levers / type of actions that are expected to drive the performance towards the SPTs as well as their expected respective contribution, in quantitative terms wherever possible • Other key factors beyond the issuers' direct control that may affect the achievement of the target(s) 	Recommended	<p>According to the Framework, Secil has developed a series of SPTs that will help assess the Company's sustainability performance.</p> <p>This section in the Framework presents a statement on the ambition, method of attainment of the respective SPTs and evolution of the Gross CO₂ emissions (Scope 1 + 2) per tonne of cement KPI. The Framework states that the evolution of this KPI across the three geographies is expected to be different, with the KPI in Portugal to be more likely to have a faster evolution due to the support from the EU market's existing emission allowances, more ambitious goals and more supportive funds. In the remaining two geographies (Brazil and Tunisia), the evolution of the KPI is likely to be guided by the development of potential environmental commitments of the respective countries and the economic justification of the actions to be carried out as a means to achieve the SPTs. Said actions will, according to the Framework, include, in a first phase, the upgrade of the current installations with more efficient, mature technology that allows for the maximization of the use of alternative fuels and decarbonated raw materials and for the reduction of clinker incorporation in cement with secondary alternative raw materials with hydraulic properties and calcinated clay. The emissions associated with Scope 2 will be reduced, as stated in the Framework, through the reduction of the carbon content of the electricity used in line with the reductions foreseen in each country. It is noted that Secil is currently considering using carbon neutral energy produced by an external company in Tunisia as an action for the attainment of the SPTs. The Framework states that, at a later date, Secil will be looking into making use of disruptive technologies such as CCUS (Carbon Capture Usage and Storage), which have the</p>

		<p>potential to be adopted before 2030 if local legislation creates appropriate and compatible conditions.</p> <p>The remaining information on SPTs is separated by geography.</p> <p><u>Portugal:</u></p> <p>The Framework states that Secil has developed two SPTs for KPI #1 (Gross CO₂ emissions (Scope 1 + 2) per tonne of cement). SPT #1 was set at 535 kgCO₂/tCem in 2025, representing a reduction of 16% from the baseline value in 2020. The Framework states this SPT is to be achieved through the reduction of CO₂ emissions derived from the results of the major planned upgrade in the kiln 9 of Outão Plant. SPT #2 was set at 391 kgCO₂/tCem in 2030, representing a reduction of 38% from the baseline value in 2020. The Framework states this SPT is to be achieved due to the reduction of emissions originated from investments done to upgrade the Maceira facility, which will be channelled to maximize the use of alternative fuels, decrease thermal consumption, allow for the usage of 5% H₂, and reduce the clinker percentage in the cement produced in both Maceira and Outão installations. The observation dates of the SPTs were defined to be 31st December of 2025 and 2030. The Framework further states that there exist external key factors that may affect the achievement of these SPTs, namely the operational performance of the technology available in the market (that is not yet mature) and any potential regulatory changes and/or the evolution of legislation.</p> <p>The Framework indicates that Secil has developed seven SPTs (yearly targets) until 2030 to monitor KPI #2 (Lost Time Injury Frequency Rate (LTIFR)). According to the Framework, in 2016, a challenge aimed at various cement plants was launched, whose aim was to develop a Health and Safety Roadmap for the 2017-2020 period. It is stated that in order to be aligned with the challenge, Secil developed a Health and Safety Policy for the entire Group that was made up of five pillars: Leadership, Operational Safety,</p>
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		<p>Management Systems, Communication, and Training. The Framework states that the main critical activities that were identified in terms of safety in the cement sector included: Work at Height, Hot Work, Control of Hazardous Energies, Work in Confined Spaces, Work Equipment Checks, Loading Operations, Internal Circulation Plan, Rules for Contractors, and Rules for Carriers. It is stated that Secil has developed 10 Personal Commitments, which are, according to the Framework, “life-saving” rules, also known as Golden Rules, that when respected by all workers, prevent accidents and protect life. According to the Framework, the Health and Safety Roadmap has been extended for a second period that runs from 2021 to 2025 and coincides with the strategic cycle of Ambition 2025. SPT #1 was set at 5.0 in 2024, SPT #2 was set at 4.5 in 2025, SPT #3 was set at 4.0 in 2026, SPT #4 was set at 3.6 in 2027, SPT #5 was set at 3.2 in 2028, SPT #6 was set at 2.9 in 2029, and SPT #7 was set at 2.6 in 2030. The observation dates of the SPTs were set on the 31st of December of 2024, 2025, 2026, 2027, 2028, 2029, and 2030. The Framework further states that there exist external key factors that may affect the achievement of these SPTs, namely the unbalanced attitudes that result from undetected mental health problems.</p> <p>The Framework states that Secil shall recalculate its KPI baselines and/or SPTs to reflect Recalculation Events that, individually or in aggregate, affect positively or negatively the value of those KPIs by at least 5% cumulatively versus the respective baselines. It is stated that such Recalculation Events include: i) changes in Secil’s owned and managed companies; ii) changes in the calculation methodology of CO² Scope 1 and/or Scope 2 emissions; iii) changes in the emission factors; iv) changes in data reported due to better accessibility, including the identification of data errors; and v) changes in legislation and/or regulation relevant to KPIs and SPTs.</p> <p><u>Brazil:</u></p>
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		<p>The Framework states that Secil has developed two SPTs for KPI #1 (Gross CO₂ emissions (Scope 1 + 2) per tonne of cement). SPT #1 was set at 633 kgCO₂/tCem in 2025, representing a reduction of 9% from the baseline value in 2020. The Framework states this SPT is to be achieved due to investment in equipment that is set to increase the use of alternative fuels that will in turn reduce CO₂ emissions. SPT #2 was set at 590 kgCO₂/tCem in 2030, representing a reduction of 15% from the baseline value in 2020. The Framework states this SPT is to be achieved due to the optimization of the usage of alternative fuels and due to the reduction of the incorporation of clinker in cement. The observation dates of SPTs were set on the 31st of December of 2025 and 2030. The Framework further states that there exist external key factors that may affect the achievement of these SPTs, namely the operational performance of the technology available in the market (that is not yet mature) and any potential regulatory changes and/or the evolution of legislation.</p> <p>The Framework states that Secil has developed eight SPTs for KPI #2 (% Total Women in Total End Year Headcount). According to the Framework, Secil has developed a 3-year specific roadmap for its installations in Brazil whose goal is to address the total share of women in the workforce. It is stated that the roadmap is comprised of commitments and initiatives that Secil indicates are sure to have lasting effecting beyond 2025. The roadmap includes five separate commitments that include the adjustment of the internal and external recruitment processes, the development of a profit sharing payment policy, the development and creation of a chatting circle, the designing of a policy that enables women after maternity leave to work full-time from home for a set period of time, and the training and hiring of women to attract them towards the cement business. SPT #1 was set at 17.5% in 2023, representing an increase of 4% from the baseline value in 2022. SPT #2 was set at 18.2% in 2024, representing an increase of 8%</p>
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		<p>from the baseline value in 2022. SPT #3 was set at 18.9% in 2025, representing an increase of 13% from the baseline value in 2022. SPT #4 was set at 19.7%, representing an increase of 17% from the baseline value in 2022. SPT #5 was set at 20.4%, representing an increase of 22% from the baseline value in 2022. SPT #6 was set at 21.3%, representing an increase of 27% from the baseline value in 2022. SPT #7 was set at 22.1%, representing an increase of 32% from the baseline value in 2022. SPT #8 was set at 23.0%, representing an increase of 37% from the baseline value in 2022. The observation dates of the SPTs were set on the 31st of December of 2023, 2024, 2025, 2026, 2027, 2028, 2029, and 2030. The Framework further states that there exist external key factors that may affect the achievement of these SPTs, namely the socio-political and regulatory situation that could reduce the female population in the labour market, as well as the usual employment rotation in the country.</p> <p>The Framework states that Secil shall recalculate its KPI baselines and/or SPTs to reflect Recalculation Events that, individually or in aggregate, affect positively or negatively the value of those KPIs by at least 5% cumulatively versus the respective baselines. It is stated that such Recalculation Events include: i) changes in Secil's owned and managed companies; ii) changes in the calculation methodology of CO₂ Scope 1 and/or Scope 2 emissions; iii) changes in the emission factors; iv) changes in data reported due to better accessibility, including the discovery of data errors; and v) changes in legislation and/or regulation relevant to KPIs and SPTs.</p> <p><u>Tunisia:</u></p> <p>The Framework states that Secil has developed two SPTs for KPI #1 (Gross CO₂ emissions (Scope 1 + 2) per tonne of cement). SPT #1 was set at 785 kgCO₂/tCem in 2025, representing a reduction of 5% from the baseline value in 2020. The Framework states this SPT is to be achieved due to the usage of</p>
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		<p>carbon neutral electric energy produced by an internal company, that is expected to reduce Scope 2 emissions. SPT #2 was set at 657 kgCO₂/tCem in 2030, representing a reduction of 20% from the baseline value in 2020. The Framework states this SPT is to be achieved due to investments in two pre-calciners, equipment to increase the usage of alternative fuels with a composition of 15.9% biomass, the reduction of incorporation of clinker in cement through the production of more compound cements, and the reduction of 20% in CO₂ content in electric energy produced locally. The observation dates of the SPTs were set on the 31st of December of 2025 and 2030. The Framework further states that there exist external key factors that may affect the achievement of these SPTs, namely the operational performance of the technology available in the market (that is not yet mature) and any potential regulatory changes and/or the evolution of legislation.</p> <p>The Framework states that Secil has developed eight SPTs for KPI #2 (% Total Women in Total End Year Headcount). According to the Framework, Secil has developed a 3-year specific roadmap for its installations in Tunisia whose goal is to address the total share of women in the workforce. It is stated that the roadmap is comprised of commitments and initiatives that Secil indicates are sure to have lasting effecting beyond 2025. The roadmap includes the adjustment of the internal and external recruitment processes to improve the percentage of women amongst the shortlisted candidates. SPT #1 was set at 8.4% in 2023, representing an increase of 4% from the baseline value in 2022. SPT #2 was set at 8.8% in 2024, representing an increase of 8% from the baseline value in 2022. SPT #3 was set at 9.1% in 2025, representing an increase of 13% from the baseline value in 2022. SPT #4 was set at 9.5%, representing an increase of 17% from the baseline value in 2022. SPT #5 was set at 9.9%, representing an increase of 22% from the baseline value in 2022. SPT #6 was set at 10.3%, representing an increase of 27% from the baseline value in 2022. SPT #7 was set</p>
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		<p>at 10.7%, representing an increase of 32% from the baseline value in 2022. SPT #8 was set at 11.1%, representing an increase of 37% from the baseline value in 2022. The observation dates of the SPTs were set on the 31st of December of 2023, 2024, 2025, 2026, 2027, 2028, 2029, and 2030. The Framework further states that there exist external key factors that may affect the achievement of these SPTs, namely the socio-political and regulatory situation that could reduce the female population in the labour market, as well as the usual employment rotation in the country.</p> <p>The Framework states that Secil shall recalculate its KPI baselines and/or SPTs to reflect Recalculation Events that, individually or in aggregate, affect positively or negatively the value of those KPIs by at least 5% cumulatively versus the respective baselines. It is stated that such Recalculation Events include: i) changes in Secil's owned and managed companies; ii) changes in the calculation methodology of CO2 Scope 1 and/or Scope 2 emissions; iii) changes in the emission factors; iv) changes in data reported due to better accessibility, including the discovery of data errors; and v) changes in legislation and/or regulation relevant to KPIs and SPTs.</p>
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SLBP component 4: Pre-issuance – Bond Characteristics			
Topic	Content	Recommended vs Necessary	Observations and findings
Bond characteristics	<ul style="list-style-type: none"> • Definition of KPI(s) and SPT(s) (including calculation methodologies) • Detailed description of the potential variation of the SLB financial and/or structural characteristics of the bond • If applicable, explanation of the considered back-up mechanisms in case the SPTs cannot be calculated or observed, or not in a satisfactory manner • If applicable, language to take into consideration potential extreme / exceptional events (such as significant change in perimeters through material M&A activities or drastic changes in regulatory environment or extreme events) that could substantially impact the calculation of the KPI, the restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope 	Necessary	<p>According to the Framework, each Sustainability-Linked instrument will incorporate one or both KPIs (and respective SPTs) of the respective geography as outlined. The Framework states that the failure and/or the success to meet the SPTs at the respective observation dates will impact the financial characteristics of the sustainability-linked bonds and loans. If Secil fails to meet the SPTs, the impact will be in the form of higher financial costs, for instance (but not limited to), an increase in interest rates or fees, or a combination of both. If Secil successfully meet the SPTs, the impact will be in the form of lower financial costs, for instance (but not limited to), a decrease in interest rates or fees, or a combination of both. It is stated that for a given Sustainability-Linked financing instrument, such impact on its financial characteristics shall be commensurate and meaningful relative to its original financial terms. The Framework further states that if a Sustainability-Linked financing instrument incorporates the two KPIs of the respective geography, each KPI may be assigned with a different impact in the financial costs, as applicable.</p> <p>The Framework states that the specific characteristics of a Sustainability-Linked financing instrument issued under the Framework will be identified in the relevant documentation of said Sustainability-Linked financing instrument, which shall specify the exact financial and/or structural implications.</p> <p>The Framework further states that if following an SPT Observation Date and within the time limit prescribed in the documentation of the Sustainability-Linked financing instrument, Secil does not make available the information on the actual performance of the KPI relative to the respective SPT, together with the Verification Assurance Certificate or, for any reason,</p>



			<p>the performance level of the KPI relative to the respective SPT cannot be calculated or observed as prescribed, or not in a satisfactory manner), the following shall apply: (i) for a Sustainability-Linked financing instrument impacted by the failure, but not by the success, to meet the relevant SPTs, the higher financial costs shall be triggered; (ii) for a Sustainability-Linked financing instrument impacted by the success, but not by the failure, to meet the relevant SPTs, the lower financial costs shall not be triggered; and (iii) for a Sustainability-Linked financing instrument impacted by both the failure and the success to meet the relevant SPTs, the higher financial costs shall be triggered.</p>
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SLBP component 5: Pre-issuance – Reporting			
Topic	Content	Recommended vs Necessary	Observations and findings
Reporting commitments	<ul style="list-style-type: none"> • Location & frequency of reporting • Intended scope & granularity of reporting • Commitment & disclosure of post-issuance external review (verification / assurance report) 		<p>The Framework states that Secil commits to provide its investors and lenders with adequate information about the progress made on the KPIs and the achievement or failure to achieve the SPTs set out in the Framework and in the legal documentation of the Sustainability-Linked financing instruments through the publishing of the information at least annually in any annual report (which may include Secil's annual sustainability report), to be kept easily accessible on the Company's website (www.secil-group.com).</p> <p>The Framework states that these annual reports will present (i) up-to-date information on the performance of the selected KPI, including the calculation methodology and baselines, where relevant, (ii) any relevant information enabling investors and lenders to monitor the ambition of the SPTs (including any update in Secil's sustainability strategy or governance associated with ESG themes or the KPIs), (iii) any information relevant to the analysis of the KPIs and SPTs, and (iv) when relevant, any re-assessments of KPIs or restatements of SPTs or pro-forma adjustments of KPIs.</p> <p>The Framework further states that, following the occurrence of a Recalculation Event that leads to the recalculation of a KPI baseline or SPT, Secil shall publish on its website, annual report or otherwise, information on such recalculation together with the associated verification assurance report.</p>



SLBP component 6: Pre-issuance – Verification			
Topic	Content	Recommended vs Necessary	Observations and findings
Second Party Opinion	<ul style="list-style-type: none"> Publication of any pre-issuance external review, such as a second party opinion, or if relevant a verification of baselines 	Recommended	<p>The Framework states that Secil has appointed KPMG to provide independent limited assurance on the alignment of the Framework with the SLBP's five core components and SLLP's five core components, and that the resulting pre-issuance Limited Assurance Report shall be made available on the Company's website (www.secil-group.com).</p> <p>Additionally, Secil has stated in its Framework that it will ensure that the annual performance of each KPI will be verified for at least a limited level of assurance by an appropriately qualified independent party, and that such annual reports will be made publicly available on the Company's website (www.secil-group.com).</p>



Appendix III – Summary of assurance key findings and observations regarding each core component of SLLP

Findings and observations related to particular aspects of the engagement

We provide a summary of our findings and observations in alignment with the SLLP for the five core components, to provide the reader with further understanding on how the Sustainability-Linked Financing Framework meets the Criteria. These observations are not intended to detract from our conclusion provided above.

Component	Content	Observations and findings
Selection of KPIs	<ul style="list-style-type: none"> • A clear definition of the KPIs including the applicable scope or parameters, the calculation methodology, a definition of a baseline and be benchmarked against an industry standard and/or industry peers where feasible • The KPIs must be: <ul style="list-style-type: none"> - Relevant, core and material to the overall business and of high strategic significance to current and future operations; - Measurable or quantifiable on a consistent methodological basis; and - Able to be benchmarked 	<p>The Framework describes and presents six KPIs uniformly distributed across three locations (two KPIs per geography) – Portugal, Brazil and Tunisia. The Framework serves the purpose to create a generalized financing framework that works to support any finance or refinance projects that Secil wishes to finance across the three geographies through the emission of Bonds or Loans linked to sustainability KPIs.</p> <p><u>Portugal:</u></p> <p>According to the Framework, KPI #1 was defined as the Gross CO₂ emissions (Scope 1 + 2) per tonne of cement. Scope 1 emissions shall include specific process CO₂ emissions due to the calcination of raw materials and specific gross CO₂ emissions from the use of fossil fuels and alternative fuels. Scope 2 emissions shall include specific CO₂ emissions from the use of electricity. The unit was set at kgCO₂/tCem.</p> <p>According to the Framework, and consistently being reported in Secil's sustainability reports, CO₂ emissions have long been a material topic for Secil, ever since its first reported value in 2017, and has always been placed as a top priority for Secil's stakeholders ever since the first materiality assessment carried out in 2019. For this KPI, the Scopes defined to be included are Scope 1 and Scope 2 as these are, according to the Framework, within Secil's control and are considered material to the business. Secil understands that the Transport, Industry and Buildings sector is responsible for nearly half of the yearly global emissions and believes it can leave its mark in the globe's work towards achieving carbon neutrality by 2050. The Framework states that Secil follows the sustainability reporting guidelines set out by the Global Cement and Concrete Association (GCCA) ("GCCA</p>

Component	Content	Observations and findings
		<p>Sustainability Guidelines”) on the monitoring and reporting of CO₂ emissions. The Framework indicates that the GCCA Sustainability Guidelines are based on the GHG Standard Protocol and the CEN Standard EN 19694-3. The baseline value was defined in the Framework to be set at 635 kgCO₂/tCem, which corresponds to the twelve-month period between January 2020 and December 2020. The baseline year was chosen to be 2020 since it represents the industry’s general baseline, and it also corresponds to the first year in which the results have been validated by external auditors.</p> <p>KPI #2 was defined as the Lost Time Injury Frequency Rate (LTIFR) and the Framework states it shall be calculated as the ratio of the number of accidents that led to sick leave to the total number of hours worked by all direct and indirect employees, multiplied by a factor of 1,000,000, which is, according to the Framework, a normalization factor commonly used by the International Labour Organization (ILO). This KPI is to only be applied to workers in the cement business stream. The Framework states that Secil believes that this KPI is closely related to the Sustainable Development Goals 3 (Good Health and Wellbeing) and 8 (Decent Work and Economic Growth). It is stated that Secil considers Health and Safety a fundamental value to be integrated in all its activities and that the Secil Group is committed to achieving zero harm to its workforce, contractors, and communities. The baseline value was defined in the Framework to be set at 9.3, which corresponds to the twelve-month period between January 2022 and December 2022. The baseline year was chosen to be 2022 since it corresponds to the first year in which the results have been validated by external auditors.</p> <p><u>Brazil:</u></p> <p>According to the Framework, KPI #1 was defined as the Gross CO₂ emissions (Scope 1 + 2) per tonne of cement. Scope 1 emissions shall include specific process CO₂ emissions due to the calcination of raw materials and specific gross CO₂ emissions from the use of fossil fuels and alternative fuels. Scope 2 emissions shall include specific CO₂ emissions from the use of electricity. The unit was set at kgCO₂/tCem. According to the Framework, and consistently being reported</p>

Component	Content	Observations and findings
		<p>in Secil's sustainability reports, CO2 emissions have long been a material topic for Secil, ever since its first reported value in 2017, and has always been placed as a top priority for Secil's stakeholders ever since the first materiality assessment carried out in 2019. For this KPI, the Scopes defined to be included are Scope 1 and Scope 2 as these are, according to the Framework, within Secil's control and are considered material to the business. Secil understands that the Transport, Industry and Buildings sector is responsible for nearly half of the yearly global emissions and believes it can leave its mark in the globe's work towards achieving carbon neutrality by 2050. The Framework states that Secil follows the sustainability reporting guidelines set out by the Global Cement and Concrete Association (GCCA) ("GCCA Sustainability Guidelines") on the monitoring and reporting of CO₂ emissions. The Framework indicates that the GCCA Sustainability Guidelines are based on the GHG Standard Protocol and the CEN Standard EN 19694-3. The baseline value was defined in the Framework to be set at 695 kgCO₂/tCem, which corresponds to the twelve-month period between January 2020 and December 2020. The baseline year was chosen to be 2020 since it represents the industry's general baseline, and it also corresponds to the first year in which the results have been validated by external auditors.</p> <p>KPI #2 was defined as the percentage of women in the Total End Year Headcount and the Framework states that the KPI shall account for the number of women in the workforce (end-year total headcount), excluding trainees. The Framework states that the Social pillar of Secil's ESG+E Strategy includes DEI (Diversity, Equity and Inclusion) as one of the main focus points, where gender balance is indicated as being one of the international common concerns and priorities across all benchmarks and best practices. It is stated that Secil aims to ensure diversity is present at both the management decision levels and the base employee level. The Framework states that Secil's main gap with the industry is in the percentage of women in the total workforce, rather than in the management level, which is the fact behind the choosing of the KPI. The baseline value was defined in the Framework to be set at 16.8%, which corresponds to the twelve-month period</p>

Component	Content	Observations and findings
		<p>between January 2022 and December 2022. The baseline year was chosen to be 2022 since it corresponds to the first year in which the results have been validated by external auditors.</p> <p><u>Tunisia:</u></p> <p>According to the Framework, KPI #1 was defined as the Gross CO₂ emissions (Scope 1 + 2) per tonne of cement. Scope 1 emissions shall include specific process CO₂ emissions due to the calcination of raw materials and specific gross CO₂ emissions from the use of fossil fuels and alternative fuels. Scope 2 emissions shall include specific CO₂ emissions from the use of electricity. The unit was set at kgCO₂/tCem.</p> <p>According to the Framework, and consistently being reported in Secil's sustainability reports, CO₂ emissions have long been a material topic for Secil, ever since its first reported value in 2017, and has always been placed as a top priority for Secil's stakeholders ever since the first materiality assessment carried out in 2019. For this KPI, the Scopes defined to be included are Scope 1 and Scope 2 as these are, according to the Framework, within Secil's control and are considered material to the business. Secil understands that the Transport, Industry and Buildings sector is responsible for nearly half of the yearly global emissions and believes it can leave its mark in the globe's work towards achieving carbon neutrality by 2050. The Framework states that Secil follows the sustainability reporting guidelines set out by the Global Cement and Concrete Association (GCCA) ("GCCA Sustainability Guidelines") on the monitoring and reporting of CO₂ emissions. The Framework indicates that the GCCA Sustainability Guidelines are based on the GHG Standard Protocol and the CEN Standard EN 19694-3. The baseline value was defined in the Framework to be set at 826 kgCO₂/tCem, which corresponds to the twelve-month period between January 2020 and December 2020. The baseline year was chosen to be 2020 since it represents the industry's general baseline, and it also corresponds to the first year in which the results have been validated by external auditors.</p> <p>KPI #2 was defined as the percentage of women in the Total End Year Headcount and the Framework states that the KPI</p>

Component	Content	Observations and findings
		<p>shall account for the number of women in the workforce (end-year total headcount), excluding trainees. The Framework states that the Social pillar of Secil's ESG+E Strategy includes DEI (Diversity, Equity and Inclusion) as one of the main focus points, where gender balance is indicated as being one of the international common concerns and priorities across all benchmarks and best practices. It is stated that Secil aims to ensure diversity is present at both the management decision levels and the base employee level. The Framework states that Secil's main gap with the industry is in the percentage of women in the total workforce, rather than in the management level, which is the fact behind the choosing of the KPI. The baseline value was defined in the Framework to be set at 9.5%, which corresponds to the twelve-month period between January 2022 and December 2022. The baseline year was chosen to be 2022 since it corresponds to the first year in which the results have been validated by external auditors.</p>
<p>Calibration of SPTs</p>	<ul style="list-style-type: none"> • Annual SPTs are recommended be set per KPI for each year of the loan term • SPTs should be ambitious and go beyond “business-as-usual” and regulatory targets • SPTs should be compared to benchmarks or external references when possible • SPTs should align with the borrower’s overall sustainability strategy • SPTs should be determined before or concurrently with the loan origination • SPTs should be based on recent performance levels and on a combination of benchmarking approaches: <ul style="list-style-type: none"> - The borrower’s own performance over time, for which a minimum of 3 years, where feasible, is recommended - Peer’s performance, and industry or sector standards - References to science-based scenarios, official targets and recognized best-available-technologies can be used to determine relevant targets across ESG themes • Information provided to lenders should include target achievement timelines, baseline or reference points, 	<p>According to the Framework, Secil has developed a series of SPTs that will help assess the Company's sustainability performance.</p> <p>This section in the Framework begins with a general statement on the ambition, method of attainment of the respective SPTs and evolution of the Gross CO₂ emissions (Scope 1 + 2) per tonne of cement KPI. The Framework states that the evolution of this KPI across the three geographies is expected to be different, with the KPI in Portugal to be more likely to have a more rapid evolution due to the support from the EU market's existing emission allowances, more ambitious goals, and more supportive funds. In the remaining two geographies (Brazil and Tunisia), the evolution of the KPI is likely to be guided by the development of potential environmental commitments of the respective countries and the economic justification of the actions to be carried out as a means to achieve the SPTs. Said actions will, according to the Framework, include, in a first phase, the upgrade of the current installations with more efficient, mature technology that allows for the maximization of the use of alternative fuels and decarbonated raw materials, and for the reduction of clinker incorporation in cement with secondary alternative raw</p>

Component	Content	Observations and findings
	<p>adjustments or recalculations, and the borrower's plan to reach the SPTs</p> <ul style="list-style-type: none"> • Borrowers can seek input from external parties through Second Party Opinions or assessments • Internal expertise should be developed or demonstrated to verify methodologies if no external input is sought out and borrowers should thoroughly document their expertise and internal processes and make them available to lenders upon request 	<p>materials with hydraulic properties and calcinated clay. The emissions associated with Scope 2 will be reduced, as stated in the Framework, through the reduction of the carbon content of the electricity used in line with the reductions foreseen in each country. It is noted that Secil is currently considering using carbon neutral energy produced by an external company in Tunisia to aid with the attainment of the SPTs. The Framework states that, at a later date, Secil will be looking into making use of disruptive technologies such as CCUS (Carbon Capture Usage and Storage), which have the potential to be adopted before 2030 if local legislation creates appropriate and compatible conditions.</p> <p>The remaining information on SPTs is separated by geography.</p> <p><u>Portugal:</u></p> <p>The Framework states that Secil has developed two SPTs for KPI #1 (Gross CO₂ emissions (Scope 1 + 2) per tonne of cement). SPT #1 was set at 535 kgCO₂/tCem in 2025, representing a reduction of 16% from the baseline value in 2020. The Framework states this SPT is to be achieved due to the reduction of CO₂ emissions derived from the results of the major planned upgrade in the kiln 9 Outão Plant. SPT #2 was set at 391 kgCO₂/tCem in 2030, representing a reduction of 38% from the baseline value in 2020. The Framework states this SPT is to be achieved due to the reduction of emissions originated from investments done to upgrade the Maceira facility, which will be channelled to maximize the use of alternative fuels, decrease thermal consumption, allow for the usage of 5% H₂, and reduce the clinker percentage in the cement produced in both Maceira and Outão installations. The observation dates of the SPTs were set on the 31st of December of 2025 and 2030. The Framework further states that there exist external key factors that may affect the achievement of these SPTs, namely the operational performance of the technology available in the market (that is not yet mature) and any potential regulatory changes and/or the evolution of legislation.</p> <p>The Framework indicates that Secil has developed seven SPTs (yearly targets) until 2030 to monitor KPI #2 (Lost Time</p>



Component	Content	Observations and findings
		<p>Injury Frequency Rate (LTIFR)). According to the Framework, in 2016, a challenge aimed at various cement plants was launched, whose aim was to develop a Health and Safety Roadmap for the 2017-2020 period. It is stated that in order to be aligned with the challenge, Secil developed a Health and Safety Policy for the entire Group that was made up of five pillars: Leadership, Operational Safety, Management Systems, Communication, and Training. The Framework states that the main critical activities that were identified in terms of safety in the cement sector included: Work at Height, Hot Work, Control of Hazardous Energies, Work in Confined Spaces, Work Equipment Checks, Loading Operations, Internal Circulation Plan, Rules for Contractors, and Rules for Carriers. It is stated that Secil has developed 10 Personal Commitments, which are, according to the Framework, "life-saving" rules, also known as Golden Rules, that when respected by all workers, prevent accidents and protect life. According to the Framework, the Health and Safety Roadmap has been extended for a second period that runs from 2021 to 2025 and coincides with the strategic cycle of Ambition 2025. SPT #1 was set at 5.0 in 2024, SPT #2 was set at 4.5 in 2025, SPT #3 was set at 4.0 in 2026, SPT #4 was set at 3.6 in 2027, SPT #5 was set at 3.2 in 2028, SPT #6 was set at 2.9 in 2029, and SPT #7 was set at 2.6 in 2030. The observation dates of the SPTs were set on the 31st of December of 2024, 2025, 2026, 2027, 2028, 2029, and 2030. The Framework further states that there exist external key factors that may affect the achievement of these SPTs, namely the unbalanced attitudes that result from undetected mental health problems.</p> <p>The Framework states that Secil shall recalculate its KPI baselines and/or SPTs to reflect Recalculation Events that, individually or in aggregate, affect positively or negatively the value of those KPIs by at least 5% cumulatively versus the respective baselines. It is stated that such Recalculation Events include: i) changes in Secil's owned and managed companies; ii) changes in the calculation methodology of CO2 Scope 1 and/or Scope 2 emissions; iii) changes in the emission factors; iv) changes in data reported due to better accessibility, including the discovery of data errors; and v)</p>

Component	Content	Observations and findings
		<p>changes in legislation and/or regulation relevant to KPIs and SPTs.</p> <p><u>Brazil:</u></p> <p>The Framework states that Secil has developed two SPTs for KPI #1 (Gross CO₂ emissions (Scope 1 + 2) per tonne of cement). SPT #1 was set at 633 kgCO₂/tCem in 2025, representing a reduction of 9% from the baseline value in 2020. The Framework states this SPT is to be achieved due to investment in equipment that is set to increase the use of alternative fuels that will in turn reduce CO₂ emissions. SPT #2 was set at 590 kgCO₂/tCem in 2030, representing a reduction of 15% from the baseline value in 2020. The Framework states this SPT is to be achieved due to the optimization of the usage of alternative fuels and due to the reduction of the incorporation of clinker in cement. The observation dates of the SPTs were set on the 31st of December of 2025 and 2030. The Framework further states that there exist external key factors that may affect the achievement of these SPTs, namely the operational performance of the technology available in the market (that is not yet mature) and any potential regulatory changes and/or the evolution of legislation.</p> <p>The Framework states that Secil has developed eight SPTs for KPI #2 (% Total Women in Total End Year Headcount). According to the Framework, Secil has developed a 3-year specific roadmap for its installations in Brazil whose goal is to address the total share of women in the workforce. It is stated that the roadmap is comprised of commitments and initiatives that Secil indicates are sure to have lasting effecting beyond 2025. The roadmap includes five separate commitments that include the adjustment of the internal and external recruitment processes, the development of a profit sharing payment policy, the development and creation of a chatting circle, the designing of a policy that enables women after maternity leave to work full-time from home for a set period of time, and the training and hiring of women to attract them towards the cement business. SPT #1 was set at 17.5% in 2023, representing an increase of 4% from the baseline value in 2022. SPT #2 was set at 18.2% in 2024, representing an</p>

Component	Content	Observations and findings
		<p>increase of 8% from the baseline value in 2022. SPT #3 was set at 18.9% in 2025, representing an increase of 13% from the baseline value in 2022. SPT #4 was set at 19.7%, representing an increase of 17% from the baseline value in 2022. SPT #5 was set at 20.4%, representing an increase of 22% from the baseline value in 2022. SPT #6 was set at 21.3%, representing an increase of 27% from the baseline value in 2022. SPT #7 was set at 22.1%, representing an increase of 32% from the baseline value in 2022. SPT #8 was set at 23.0%, representing an increase of 37% from the baseline value in 2022. The observation dates of the SPTs were set on the 31st of December of 2023, 2024, 2025, 2026, 2027, 2028, 2029, and 2030. The Framework further states that there exist external key factors that may affect the achievement of these SPTs, namely the socio-political and regulatory situation that could reduce the female population in the labour market, as well as the usual employment rotation in the country.</p> <p>The Framework states that Secil shall recalculate its KPI baselines and/or SPTs to reflect Recalculation Events that, individually or in aggregate, affect positively or negatively the value of those KPIs by at least 5% cumulatively versus the respective baselines. It is stated that such Recalculation Events include: i) changes in Secil's owned and managed companies; ii) changes in the calculation methodology of CO2 Scope 1 and/or Scope 2 emissions; iii) changes in the emission factors; iv) changes in data reported due to better accessibility, including the discovery of data errors; and v) changes in legislation and/or regulation relevant to KPIs and SPTs.</p> <p><u>Tunisia:</u></p> <p>The Framework states that Secil has developed two SPTs for KPI #1 (Gross CO₂ emissions (Scope 1 + 2) per tonne of cement). SPT #1 was set at 785 kgCO₂/tCem in 2025, representing a reduction of 5% from the baseline value in 2020. The Framework states this SPT is to be achieved due to the usage of carbon neutral electric energy produced by an internal company, that is expected to reduce Scope 2 emissions. SPT #2 was set at 657 kgCO₂/tCem in 2030,</p>

Component	Content	Observations and findings
		<p>representing a reduction of 20% from the baseline value in 2020. The Framework states this SPT is to be achieved due to investments in two pre-calciners, equipment to increase the usage of alternative fuels with a composition of 15.9% biomass, the reduction of incorporation of clinker in cement through the production of more compound cements, and the reduction of 20% in CO₂ content in electric energy produced locally. The observation dates of the SPTs were set on the 31st of December of 2025 and 2030. The Framework further states that there exist external key factors that may affect the achievement of these SPTs, namely the operational performance of the technology available in the market (that is not yet mature) and any potential regulatory changes and/or the evolution of legislation.</p> <p>The Framework states that Secil has developed eight SPTs for KPI #2 (% Total Women in Total End Year Headcount). According to the Framework, Secil has developed a 3-year specific roadmap for its installations in Tunisia whose goal is to address the total share of women in the workforce. It is stated that the roadmap is comprised of commitments and initiatives that Secil indicates are sure to have lasting effecting beyond 2025. The roadmap includes the adjustment of the internal and external recruitment processes to improve the percentage of women amongst the shortlisted candidates. SPT #1 was set at 8.4% in 2023, representing an increase of 4% from the baseline value in 2022. SPT #2 was set at 8.8% in 2024, representing an increase of 8% from the baseline value in 2022. SPT #3 was set at 9.1% in 2025, representing an increase of 13% from the baseline value in 2022. SPT #4 was set at 9.5%, representing an increase of 17% from the baseline value in 2022. SPT #5 was set at 9.9%, representing an increase of 22% from the baseline value in 2022. SPT #6 was set at 10.3%, representing an increase of 27% from the baseline value in 2022. SPT #7 was set at 10.7%, representing an increase of 32% from the baseline value in 2022. SPT #8 was set at 11.1%, representing an increase of 37% from the baseline value in 2022. The observation dates of the SPTs were set on the 31st of December of 2023, 2024, 2025, 2026, 2027, 2028, 2029, and 2030. The Framework further states that there exist external key factors that may</p>

Component	Content	Observations and findings
		<p>affect the achievement of these SPTs, namely the socio-political and regulatory situation that could reduce the female population in the labour market, as well as the usual employment rotation in the country.</p> <p>The Framework states that Secil shall recalculate its KPI baselines and/or SPTs to reflect Recalculation Events that, individually or in aggregate, affect positively or negatively the value of those KPIs by at least 5% cumulatively versus the respective baselines. It is stated that such Recalculation Events include: i) changes in Secil's owned and managed companies; ii) changes in the calculation methodology of CO2 Scope 1 and/or Scope 2 emissions; iii) changes in the emission factors; iv) changes in data reported due to better accessibility, including the discovery of data errors; and v) changes in legislation and/or regulation relevant to KPIs and SPTs.</p>
Loan Characteristics	<ul style="list-style-type: none"> A key characteristic of an SLL is that an economic outcome is linked to whether the selected predefined SPT(s) are met 	<p>According to the Framework, each Sustainability-Linked instrument will incorporate one or both KPIs (and respective SPTs) of the respective geography as outlined. The Framework states that the failure and/or the success to meet the SPTs at the respective observation dates will impact the financial characteristics of the sustainability-linked bonds and loans. If Secil fails to meet the SPTs, the impact will be in the form of higher financial costs, for instance (but not limited to), an increase in interest rates or fees, or a combination of both. If Secil successfully meet the SPTs, the impact will be in the form of lower financial costs, for instance (but not limited to), a decrease in interest rates or fees, or a combination of both. It is stated that for a given Sustainability-Linked financing instrument, such impact on its financial characteristics shall be commensurate and meaningful relative to its original financial terms. The Framework further states that if a Sustainability-Linked financing instrument incorporates the two KPIs of the respective geography, each KPI may be assigned with a different impact in the financial costs, as applicable.</p> <p>The Framework states that the specific characteristics of a Sustainability-Linked financing instrument issued under the Framework will be identified in the relevant documentation of</p>

Component	Content	Observations and findings
		<p>said Sustainability-Linked financing instrument, which shall specify the exact financial and/or structural implications.</p> <p>The Framework further states that if following an SPT Observation Date and within the time limit prescribed in the documentation of the Sustainability-Linked financing instrument, Secil does not make available the information on the actual performance of the KPI relative to the respective SPT, together with the Verification Assurance Certificate or, for any reason, the performance level of the KPI relative to the respective SPT cannot be calculated or observed as prescribed, or not in a satisfactory manner), the following shall apply: (i) for a Sustainability-Linked financing instrument impacted by the failure, but not by the success, to meet the relevant SPTs, the higher financial costs shall be triggered; (ii) for a Sustainability-Linked financing instrument impacted by the success, but not by the failure, to meet the relevant SPTs, the lower financial costs shall not be triggered; and (iii) for a Sustainability-Linked financing instrument impacted by both the failure and the success to meet the relevant SPTs, the higher financial costs shall be triggered.</p>
Reporting	<ul style="list-style-type: none"> • Borrowers should, at least one per annum, provide the lenders participating in the loan with: <ul style="list-style-type: none"> - Up-to-date information sufficient to allow them to monitor the performance of the SPTs and to determine that the SPTs remain ambitious and relevant to the borrower's business; and - A sustainability confirmation statement with verification report attached, outlining the performance against the SPTs for the relevant year and the related impact, and timing of such impact, on the loan's economic characteristics 	<p>The Framework states that Secil commits to provide its investors and lenders with adequate information about the progress made on the KPIs and the achievement or failure to achieve the SPTs set out in the Framework and in the legal documentation of the Sustainability-Linked financing instruments through the publishing of the information at least annually in any annual report (which may include Secil's annual sustainability report), to be kept easily accessible on the Company's website (www.secil-group.com).</p> <p>The Framework states that these annual reports will present (i) up-to-date information on the performance of the selected KPI, including the calculation methodology and baselines, where relevant, (ii) any relevant information enabling investors and lenders to monitor the ambition of the SPTs (including any update in Secil's sustainability strategy or governance associated with ESG themes or the KPIs), (iii) any information relevant to the analysis of the KPIs and SPTs, and (iv) when relevant, any re-assessments of KPIs or restatements of SPTs or pro-forma adjustments of KPIs.</p>



Component	Content	Observations and findings
		<p>The Framework further states that, following the occurrence of a Recalculation Event that leads to the recalculation of a KPI baseline or SPT, Secil shall publish on its website, annual report or otherwise, information on such recalculation together with the associated verification assurance report.</p>
Verification	<ul style="list-style-type: none"> • The borrower must obtain independent and external verification, conducted by a qualified reviewer, of the performance level against each SPT for each KPI for any date/period relevant for assessing SPT performance leading to a potential adjustment of the SLL economic characteristics, until after the last SPT trigger event of the loan has been reached • The verification of the performance against the SPTs must be shared with the lenders in a timely manner and, where appropriate, be made publicly available 	<p>The Framework states that Secil has appointed KPMG to provide independent limited assurance on the alignment of the Framework with the SLBP's five core components and SLLP's five core components, and that the resulting pre-issuance Limited Assurance Report shall be made available on the Company's website (www.secil-group.com).</p> <p>Additionally, Secil has stated in its Framework that it will ensure that the annual performance of each KPI will be verified for at least a limited level of assurance by an appropriately qualified independent party, and that such annual reports will be made publicly available on the Company's website (www.secil-group.com).</p>



SOLID IN EVOLUTION

Appendix IV

SUSTAINABILITY-LINKED
FINANCING FRAMEWORK
2023

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SUSTAINABILITY-LINKED
FINANCING FRAMEWORK
SOLID IN
TRANSFORMATION



01 _____



SECIL GROUP

SOLID IN EVOLUTION

01 _____ Secil Group



Through eight cement factories and presence in eight countries and four continents, the Secil Group guarantees an annual cement production capacity of over 9.75 million tonnes.

Secil is a business group founded in Portugal whose activity is based on the production and sale of cement, concrete, aggregates, mortars and hydraulic lime. It also integrates companies that operate in complementary areas in the circular economy and in the use of waste as a source of energy.

The Secil Group has consolidated itself in Portugal and has expanded in the last two decades to other markets. It currently operates three cement factories in Portugal (Outão, Maceira and Pataias) and is present abroad in Angola, Tunisia, Lebanon, Cape Verde, Spain, the Netherlands and Brazil.

Through eight cement factories and presence in eight countries and four continents, the Secil Group guarantees an annual cement production capacity of over 9.75 million tonnes.

Semapa, holder of the entire share capital of Secil, is a holding company listed on Euronext Lisbon, integrating the PSI - Portuguese Stock Index, and its majority

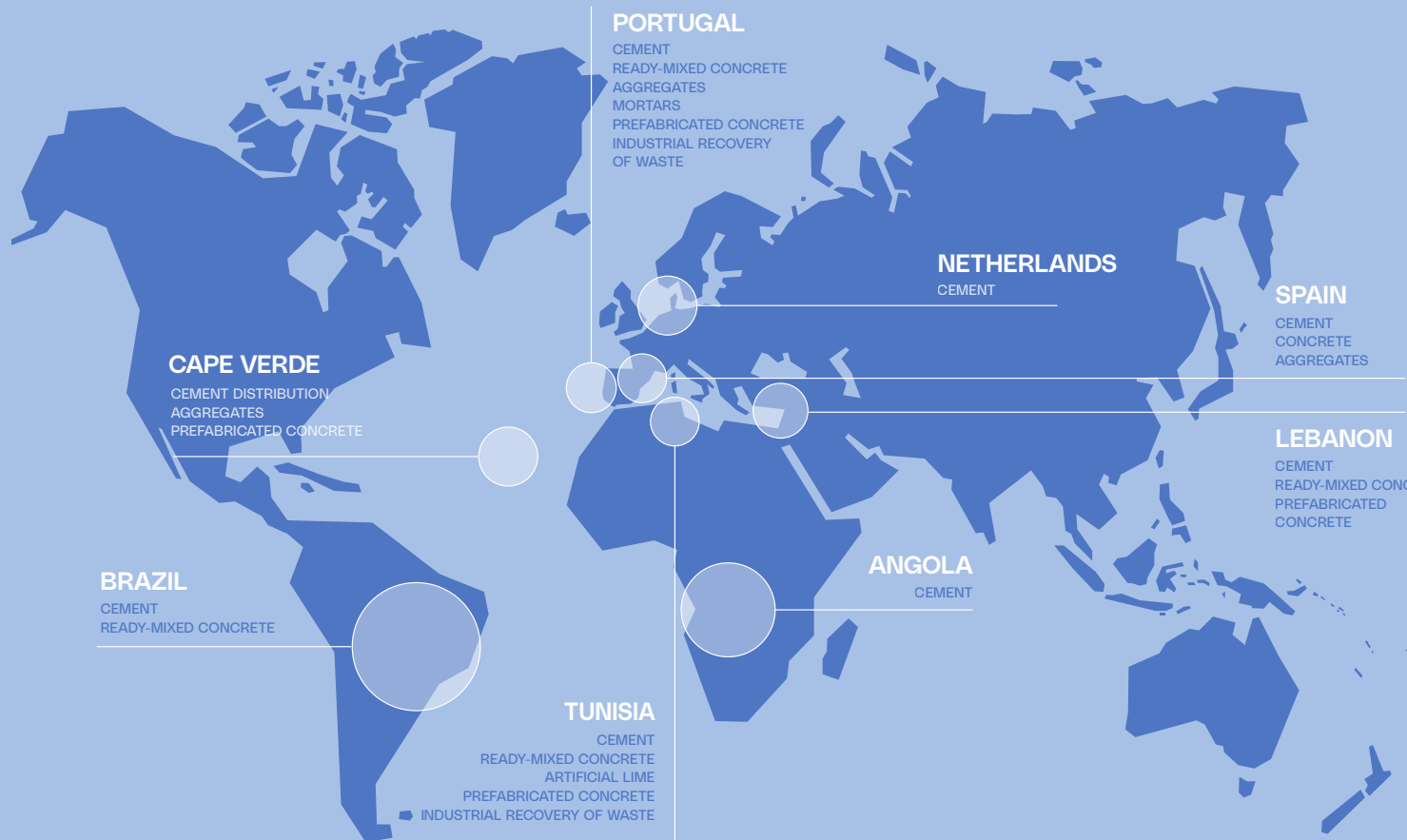
shareholder is the Queiroz Pereira family, with strong traditions in Portuguese industrial and financial activities.

1.1 Business Model

The cement industry has a marked financial impact in European, national and regional economies, in the construction supply chain and in employment. Secil Group Businesses are focused on economic performance and the environmental and social impact in the production and use of its products, which are highly relevant to customer satisfaction.

Secil has a significant presence in the cement industrial sector and is a group enterprise with various operations in Portugal and several countries around the world. Although the core activity is cement, expansion into other businesses and the integration of various companies with complementary services mean that today the Secil Group has a solid international position.

Where We Are



4 Continents

8 Countries

7 Plants

+20 Countries
Exports from Setúbal, Portugal

Business areas
Cement and Construction Materials

Main products
Cement, ready-mixed concrete, aggregates, mortars, prefabricated concrete and hydraulic lime.

1.2 Business Units

Cement is the core of the Secil Group's operations, but the Group soon began to develop other construction materials that set it apart in the market and made it a preferred brand among its customers. With a wide range of cement, concrete, aggregates, and mortar products, Secil combines quality with the responsibility to manage the social and environmental impacts of its production.

With a wide range of cement, concrete, aggregates, and mortar products, Secil combines quality with responsibility.



Products

CEMENT

Secil produces a wide range of gray and white cement grade types with applications ranging from small construction to large civil engineering works. Secil cements are certified (EN 197-1) and subject to strict and permanent quality control from the production stage to their placing on the market. By adopting the best practices and technologies available in the market, the company guarantees a high standard of quality in all its actions.

Markets

PORTUGAL	SPAIN
ANGOLA	NETHERLANDS
TUNISIA	BRAZIL
CAPE VERDE	LEBANON

Sales 2022 (quantity)

4,997,524 t

Sales 2022 (value)

€410,0 M



Products

CONCRETE

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

- Abundant, close to consumption centers, generating employment and versatile in its use, concrete is fully recyclable after its long-life cycle.
- Due to its high use, low cost and ease of manufacture, this material has no alternative competitor allowing the construction of development structures essential to human dignity.

Markets

PORTUGAL	BRAZIL
TUNISIA	SPAIN
LEBANON	CAPE VERDE

Sales 2022 (quantity)

1,985,787 m³

Sales 2022 (value)

€134,5 M



Products

MORTARS

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

The mixture of cement, lime, sand, and other additives serves to settle materials and waterproof, regularize and finish surfaces, whether in new works or in the renovation and rehabilitation of existing buildings.

Markets

PORTUGAL

Sales 2022 (quantity)

241,610 t

Sales 2021 (value)

€24,6 M



Products

AGGREGATES

Industrial aggregates are raw materials for the construction of other materials. Therefore, their choice has a strong influence on 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.

Markets

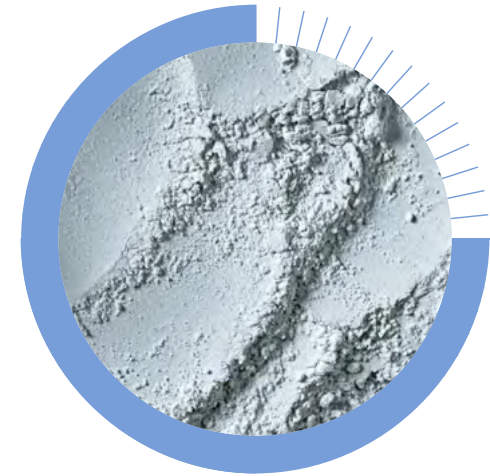
PORTUGAL
SPAIN
CAPE VERDE

Sales 2022 (quantity)

4,664,967 t

Sales 2022 (value)

€29,7 M



Products

HYDRAULIC LIME

In addition to cement, Secil Group also sells hydraulic lime, a widely used binder, particularly in the manufacture of mortars, soil treatment, soil-lime or filler for bituminous products. Currently Secil also produces natural hydraulic lime as the result of a research and development process at the Secil Group, which allows for a use compatible with old substrates but with a behavior that meets the rigorous requirements of today.

Markets

PORTUGAL
TUNISIA

Sales 2022 (quantity)

23,208 t

Sales 2022 (value)

€2.7 M



02 _____



SUSTAINABILITY STRATEGY

SOLID IN EVOLUTION

02 Sustainability Strategy



Secil wants to have a clear, transparent governance model that allows to anticipate risks and opportunities, based on ethics and integrity.

Secil is committed to Sustainability, seeking to reconcile its economic performance with environmental respect and responsible citizenship. The response to global climate change involves the reduction of the carbon intensity of production, the circular economy and the promotion of biodiversity, challenges that are accepted and will be overcome, with continued creation of economic value in the context of globalisation. To fulfil this design Secil has an empowered and autonomous team, being the main focus of the Company its development and recognition.

It is Secil's strategy:

- To 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 will allow reduction of work accidents and eliminate fatalities.

- Support equal opportunities and promote diversity in management decisions.
- Develop strong local synergies, giving back to our neighbors and stakeholders- Focus on the customer to provide him with exceptional experiences.
- Do all this Respecting Human and Labor Rights with Ethics, Integrity and Corporate Responsibility.

Secil integrates international institutions and partnerships that also assume this same commitment, achievable through the Sustainable Development Goals. Secil wants to have a clear, transparent governance model that allows to anticipate risks and opportunities, based on ethics and integrity. Secil's Sustainability Policy defines objectives and prioritizes actions in order to contribute to a better life on a planet dedicated to all humanity.

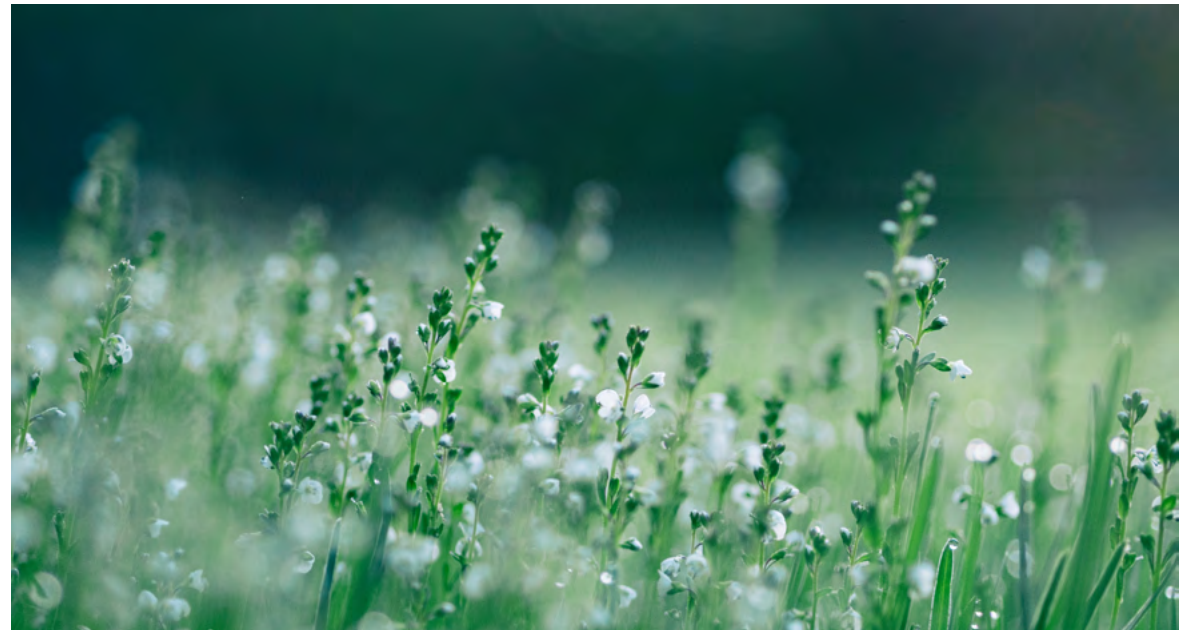


➔ See our Sustainability Policy

<https://www.secil-group.com/en/sustainability/sustainability-at-secil/sustainability-policy>

Secil has developed an internal framework to achieve its strategy, covering Environmental, Social, Governance and Economic pillars, named ESG+E.

In each ESG + E Pillar, the material topics on which Secil will focus up to 2025 have been identified.



Environmental (E)	Social (S)	Governance (G)	Economic (E)
Carbon Neutrality	Health & Safety	Corporate Governance	Sustainable Economic growth
Air Emissions	Stakeholder Engagement	Organization Strategy	Sustainable Finance
Circular Economy	Social Responsibility	Ethics, Integrity & Compliance	Sustainable Procurement
Resources & Energy Efficiency	Equity, Diversity & Inclusion	Sustainability Management	Customer centricity
Biodiversity	Human & Labor rights	Reporting	
Water			

The commitment to sustainability with several entities

Secil Group has always demonstrated its sense of responsibility for the impacts of its operations, not only on the environment, but also on communities and especially on people. Nowadays, companies are increasingly making commitments, individually or at sectoral level, and Secil is part of this movement. In this sense, Secil aligned itself with the sector, and initiated an internal process to establish concrete objectives, with associated goals, in order to reduce or compensate for the impact of its operations.

Secil is a member of Global Cement and Concrete Association (GCCA), which has issued a charter of ten commitments for the sector to contribute to the achievement of the Sustainable Development Goals (SDG's) of the United Nations. Secil has subscribed these 10 commitments that intends to meet in the 2020-2030 horizon, with concrete indicators and for which it will set goals.

→ 10 Commitments 2020-2030 (GCCA)

PILLAR HEALTH AND SAFETY Our People



1.
Apply the GCCA guidelines for best practices in Safety



2.
Encourage the continued sharing of best practice in Health and Well-being



PILLAR CLIMATE CHANGE AND ENERGY Protection of the Planet

3.
Delineate a strategy to mitigate climate change, with publication of concrete targets and their progress



_____ PILLAR

THE ENVIRONMENT AND NATURE

Protection of the Planet

4.
Implement the Environment and Nature Guidelines



5.
Set emission reduction targets and publish their progress



_____ PILLAR

CIRCULAR ECONOMY

Protection of the Planet

6.
Foster and circular economy principles in the value chain



7.
Implement guidelines for the use of fuels and raw materials in cement production

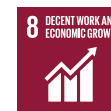


_____ PILLAR

SOCIAL RESPONSIBILITY

Community Involvement

8.
Publish a Code of Conduct that integrates the international principles of human rights



9.
Apply social impact assessment guidelines



10.
Establish a systematic dialogue process with stakeholders



These SDGs are identified in the next page and illustrated with the main initiatives that have contributed over the past two years to meet each of them.

At the same time, Secil is committed, along with a set of national companies, to the promotion of a more sustainable development model, having signed the Manifesto promoted by the Business Council for Sustainable Development (BCSD) Portugal.

In 2022 Secil has also joined Science Based Targets Initiative (SBTi) in order to validate Secil's target for CO₂ emissions and started to study and measure the scope 3 for CO₂ emissions.

The sustainability commitments allow Secil to align and consolidate its internal objectives, integrate all the perspectives of stakeholders, position the company alongside its peers and also contribute to the achievement of the United Nations Sustainable Development Goals.

Secil closely monitors the challenges of sustainable development. The United Nations' SDGs are therefore included in its agenda. In this regard, three priority SDGs were identified - 9, 12 and 13 - and five second-level or important SDGs - 4, 7, 8, 11 and 17.

There are a total of eight SDGs which are in line with the GCCA and the other companies in the Semapa Group, in which Secil is included. These SDGs are identified below and illustrated with the main initiatives that have contributed over the past two years to meet each of them.



Framework

Secil's companies operate in value chains with a clear local economic impact and in areas which are vital to society. They offer resilient solutions and products, and are committed to R&D, seeking to meet future challenges.

Secil's Solution

Offering resilient construction solutions and a sustainable life-cycle; technical development areas, focused on process and product innovation; support for the development of infrastructures in developing countries (Tunisia, Angola); donation of computers and other technologies to social projects; Secil Innovation Prize, aimed at promoting regional innovation.

The CCL project, which is being implemented by Secil, is highly innovative and involves several university researchers. This project will eventually lead to 12 new patents being filed.



Framework

Secil has environmental impacts in its production processes, which are mitigated and managed with its environmental management policies and systems. The Company is focused on resource efficiency and the promotion of a circular economy.

Secil's Solution

Efficiency in the use of resources - water, energy and raw materials; reduction, control and measurement of particle emissions; reuse of materials, recycling and reduction of consumption; development and expansion of the use of alternative, non-fossil fuels; concretes with less cement and more secondary raw materials, such as cork; development and production of thermal insulation, contributing to more efficient energy consumption in buildings.

Secil follows trends on the international agenda to measure circularity. Thus, during 2021, Secil followed the development of version 2.0 of the Circular Transition Indicators (CTI tool), developed by the WBCSD with the support of Circular IQ.



Framework

Secil is aware of its impact on CO₂ emissions, and is committed to contributing to the minimisation of climate change.

Secil's Solution

Strategy and actions to reduce the carbon footprint and decrease CO₂ emissions; reduction of admixtures: cement with less clinker (Low Carbon Clinker) and concretes with less cement; provision of a single product - cement - for society's infrastructures and its adaptation to climate change (with special focus on fire resistance) and to phenomena such as floods or storms; preference in the use of maritime and rail transport, in the movement of goods and fuels; increase in the energy efficiency of equipment and facilities.

<div data-bbox="136 284 248 400"> <p>4 QUALITY EDUCATION</p> </div> <div data-bbox="412 277 488 368"> <p>Important</p> </div> <p>Framework</p> <p>Secil assumes the responsibility of encouraging the personal and professional development of its employees. Attracting and retaining talent is a constant concern, given the high number of employees.</p>	<div data-bbox="546 277 658 395"> <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <div data-bbox="815 277 891 368"> <p>Important</p> </div> <p>Framework</p> <p>Secil accepts that one of the objectives is the conversion of the company's energy matrix, as can be seen in its decarbonisation roadmap.</p>	<div data-bbox="954 277 1066 395"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div data-bbox="1218 277 1294 368"> <p>Important</p> </div> <p>Framework</p> <p>Secil is a benchmark employer at a national and international level, and is focused on generating value, providing decent employment, favouring safety, training and respect for equality.</p>	<div data-bbox="1361 277 1473 395"> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> <div data-bbox="1621 277 1697 368"> <p>Important</p> </div> <p>Framework</p> <p>Secil is a benchmark employer at a national and international level, and is focused on generating value, providing decent employment, favouring safety, training and respect for equality.</p>	<div data-bbox="1769 277 1881 395"> <p>17 PARTNERSHIPS FOR THE GOALS</p> </div> <div data-bbox="2029 277 2105 368"> <p>Important</p> </div> <p>Framework</p> <p>Secil interacts with very diverse groups in civil society, both nationally and internationally. Multiple partnerships have been established that have promoted the improvement of their performance.</p>
<p>Secil's Solution</p> <p>Support for the development of education campaigns in developing countries such as Lebanon, Tunisia and Angola. Participation in School Councils in educational establishments in Portugal and various initiatives with universities, to encourage research or integration into working life, such as the Secil Universities Award. Educational field trips to plants, namely factories and the Cement Museum of the Maceira-Liz factory. Inauguration, in 2020, of the Casa da Cultura Pedro Queiroz Pereira (cultural centre), aimed at promoting activities in the Adrianópolis (Brazil) community, free of charge and for all ages, focusing on areas such as education, culture, sports and leisure. This cultural centre had increased its activity by the end of 2021.</p>	<p>Secil's Solution</p> <p>Development of its carbon neutrality roadmap in order to meet the challenges that climate change presents to society. Investment in improved combustion processes with hydrogen.</p>	<p>Secil's Solution</p> <p>Programmes in Leadership and Coaching in Safety Behaviour. TME Programme (including safety roadmaps for all regions) of training and capacity building of human capital extended to a larger number of employees.</p> <p>Implementation of a new positive reassurance programme, as we believe that positive feedback influences not only employee well-being, but also communication, trust and teamwork.</p>	<p>Secil's Solution</p> <p>By creating more sustainable product lines, with low environmental impact, Secil is contributing directly to this goal.</p>	<p>Secil's Solution</p> <p>Environmental Monitoring Committees; Secil Awards; partnerships with the Architects' and Engineers' Associations; partnerships with universities; support for NGO and IPSS (social welfare) initiatives in the communities surrounding the plants; close institutional links with local authorities in the areas where the plants are located, with financial and logistical support for various initiatives; participation in numerous business associations. Support for the publication of technical works or works of community interest; participation in Associations or Platforms for Business and Institutional Cooperation. Inauguration, in 2020, of the Casa da Cultura Pedro Queiroz Pereira (cultural centre), aimed at promoting activities in the Adrianópolis (Brazil) community, free of charge and for all ages, focusing on areas such as education, culture, sports and leisure. This cultural centre had increased its activity by the end of 2021</p>



03 _____



SUSTAINABILITY GOVERNANCE

SOLID IN EVOLUTION

03 Sustainability Governance



Secil's Chief Executive Officer (CEO) is responsible for promoting sustainability topics in the business, namely Governance topics, as well as approving related strategic objectives, strategic initiatives and priority actions.

Constitution of the Board of Directors/Areas of Responsibility

Secil has a two-tier governance structure with a Board of Directors (BoD) and a Supervisory Board (Fiscal Council). The BoD is composed of 4 executive directors and 5 non-executive directors. The Secil's BoD has only one committee: the Executive Committee to whom the BoD has delegated the day-to-day management of the company.

Secil's Chief Executive Officer (CEO) is responsible for promoting sustainability topics in the business, namely Governance topics, as well as approving related strategic objectives, strategic initiatives and priority actions. There is an Executive Director that is responsible for climate-related issues and for Environmental topics. Since the beginning of 2023, the Social topics are assured by the HR Manager, that is invited to all Executive meetings.

Sustainability management at the corporate level

In 2021, when defining the strategic plan that gave rise to Ambition 2025, one of the 7 elements defined was Sustainability, thus the ESG+E project (Environmental, Social, Governance and Economic) was born. The ESG+E project team will coordinate the entire sustainability area up to 2025, in order to consolidate its management and facilitate meeting all current ESG+E requirements.

This project has a Project Leader and a global manager for each Pillar (ESG+E), constituting the 5-person Sustainability Project Team.

There is a Steering Committee, composed by the Sustainability Project Team plus the Executive Committee, the Country CEOs and the Institutional Communication Manager, which meets every two-months for a status follow-up.

The Sustainability Committee was created in 2018 but since the beginning of 2023 it was extended and holds meetings on a quarterly basis. This Sustainability Committee is composed by all elements involved in the various topics of Sustainability (for topics see internal framework above), both corporate and local level:

- a) Corporate ESG+E pillars managers
- b) Corporate technical experts
- c) Local ESG+E pillars managers

For the Sustainability Committee are also invited to participate all first line managers.

Responsible business conduct

The Group's culture is based on values such as integrity and responsibility, which are expressed in the way Secil operates daily. The principles of ethics, compliance and respect for human rights

are integrated into the Governance model in this culture, extending to all geographies where it operates.

It was in this sense that Secil's Code of Conduct was developed, as one of the hand-held members of the construction of 'This Is Us' identity, and which mirrors the set of principles on which the Group's responsible conduct is based.

Involvement with stakeholders

Stakeholders are a key part of the way Secil manages the Group's business. Secil has been promoting the opening of channels that make it possible to involve more and more the different actors that are impacted by its operations, which should be heard and involved in Secil's decision-making process. As an example, the groups of stakeholders identified were also the ones auscultated for the definition of material topics (please see page 24 of the Sustainability Report:



➔ Scan to know more

https://www.secil-group.com/content/dam/secilInstitucional/documentos/en/documents/sustainability-reports/Sustainability-Report_2021.pdf



04 _____



SUSTAINABILITY- LINKED FINANCING FRAMEWORK

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04 Sustainability-Linked Financing Framework



Secil is deeply engaged in developing its activity by applying Environmental, Social and Governance (ESG) principles and **best practices**.

Rationale for Sustainable Finance

Secil is deeply engaged in developing its activity by applying Environmental, Social and Governance (ESG) principles and best practices and has established this Sustainability-Linked Financing Framework to support the general finance and/or refinance of its activity through the emission of Loans or Bonds linked to sustainability KPIs (hereafter the “Framework”).

Secil believes that Sustainability-Linked financial instruments (bonds and loans) are effective tools to raise funding for its operations and simultaneously reinforce the compromise of the Group towards sustainable practices. By issuing Sustainability-Linked Bonds and Loans, Secil will continue to support its sustainability strategy and vision.

Basis of this Sustainability-Linked Loans Framework

This Framework is aligned with the five core components of the Sustainability-Linked Bond Principles issued by the International Capital Market Association

(“ICMA”) in June 2020 (“SLBP”) and with the five core components of the Sustainability-Linked Loan Principles issued by the Loan Market Association (“LMA”) in February 2023 (“SLLP”).

These principles are voluntary guidelines that support transparency and credibility in the sustainability-linked bond and loan markets.

This Framework is divided into five core components:

- Selection of Key Performance Indicators (KPIs);

- Calibration of Sustainability Performance Targets (SPTs);

- Bond & Loan Characteristics;

- Reporting; and

- Verification.

4.1 Selection of Key Performance Indicators (KPIs)

4.1.1 Portugal

KPI#1: Gross CO₂ emissions (Scope 1+2) per tonne of cement

Secil reports and monitors annually Scope 1 and 2 GHG emissions from the principal emitter sources, the cement production units, following the Global Cement and Concrete Association's (GCCA) Sustainability Guidelines for the monitoring and reporting of CO₂ emissions from Cement manufacturing) that are verified by external accredited auditor.

The GCCA Sustainability Guidelines for the monitoring and reporting of CO₂ emissions from cement manufacturing are part of a package of guidelines developed to support compliance with the GCCA Sustainability Charter. This document, in conjunction with the GCCA Sustainability Framework Guidelines, provides guidance to GCCA members to fulfil the requirements of the GCCA Sustainability Charter relating to climate change and energy. The GCCA Sustainability Guidelines are based on the GHG Standard Protocol and the CEN Standard EN 19694-3.

Definition and methodology

Specific Gross CO₂ emissions (Scope 1+2) per tonne of cement:

→ Scope 1

Specific Process CO₂ Emissions due to the calcination of raw materials

Specific Gross CO₂ emissions from fuels utilisation. Fossil Emissions produced by fossil fuels and alternative fuels. Emissions from biomass present in biomass fuel sources and alternative fuels are considered neutral.

→ Scope 2

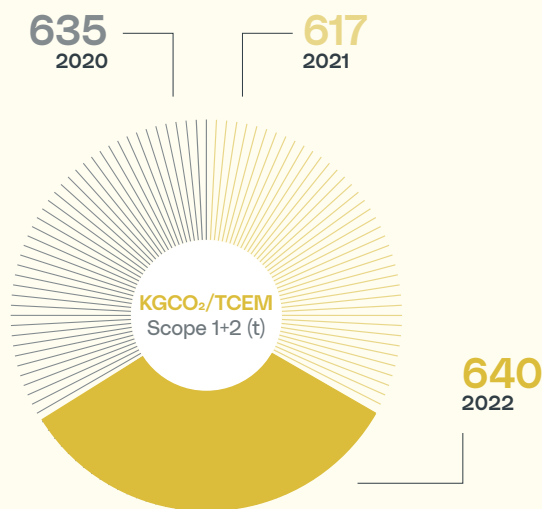
Specific CO₂ Emissions (Scope 2) – Fossil emissions presented in electricity consumed.

Rationale

According to the 6th Synthesis Report (AR6) of the International Panel on Climate Change (IPCC), the world needs to reduce global GHG emissions by up to 60% by 2030 compared to 2019 levels and work towards near carbon neutrality by 2050



Historical Values Portugal



Baseline chosen for KPI #1

The baseline chosen for the GHG Emissions KPI is the year 2020 (reference year/baseline).

2020 was chosen as baseline since it was the first year to be fully validated by external auditors, and also represents the industry baseline.

if we want to have 50% chance of achieving the 1.5-degree goal defined on the Paris Agreement. The Transport, Industry and Buildings sector is responsible for nearly half of emissions and it is here that Secil can leave its mark.

GHG emissions have long been a material topic for Secil. We reported our first value in 2017 alongside our first sustainability report. GHG emissions and climate change can also always be found as a top priority for stakeholders and for Secil ever since the first materiality analysis carried out in 2019.

For the purpose of this Framework, we have chosen to focus on Scope 1 and Scope 2 GHG emissions on the basis that emissions within both these scopes are within Secil's control and are considered material to the business.

This KPI includes all possible actions that can contribute to emissions reduction such as technological upgrades, increase utilisation of alternative fuels and alternative raw materials, reduction of clinker factor and future utilisation of disrupting technologies as CCUS (Carbon Capture Usage and Storage) that make

part of the roadmap (Scope 1) and the decarbonization of electrical power (Scope 2) that will allow Secil the attain carbon neutrality in 2050.

KPI #2: Lost Time Injury Frequency Rate (LTIFR)

Definition and methodology

(No. of accidents with sick leave / No. of hours worked) x 1,000,000

The KPI refers to direct and indirect employees of the cement business, and the value 1,000,000 used in the calculation is a normalization factor of the number of hours worked, being used as an indicator by the ILO, International Labour Organization.

Rationale

The importance of making workplaces safe and healthy is explicitly recognized in the United Nations 2030 Agenda, particularly in SDG 8 – Decent Work and Economic Growth, which has associated with its target 8.8 the reduction of the frequency rates of fatal and non-fatal occupational accidents.

Occupational health and safety also contributes to the achievement of SDG 3 – Quality health, since accidents at work and occupational diseases contribute significantly to the growing global problem of non-communicable and chronic diseases.

The Secil Group considers Health and Safety as a fundamental value to be integrated in all its activities. The Group is committed to achieving zero harm to its workforce, contractors and communities. For Secil, labor accidents assume an absolutely relevant character, being an ethical and strategic imperative.

The health and safety of people in general, and of the Group’s employees in particular, are priorities. That is why Secil actively seek to contribute to the increase of their well-being and to the reduction of work-related injuries and diseases.

Secil's motto is that Health and Safety are a way of being and that we should all get home every day, safe and sound. It applies to Secil's employees and contractors, so Secil's reports include the permanent service providers in Secil's facilities.

A shared vision

Based on its Safety Policy, the Group has identified key success factors for effective safety management, named Pillars:

a) Leadership

Develop a culture in which the value of safety is embedded in every level of the workforce.

Shape leaders with the ability to translate the safety goals into reality and to promote the safety culture.

b) Operational Safety

Ensure that all plants, installations and equipments are designed, operated and maintained to minimize risks and perform regular assessments to monitor health, safety and security of workers.

Ensure that hazard identification and risk assessment are carried out periodically for all activities, assuring the implementation of measures to prevent accidents and occupational diseases.

c) Management Systems

Implement management systems that are subject to regular audits and periodic updates and enable continuous improvement.

Develop procedures regarding key issues, assessing risks and applying risk controls to assure active safety at workplace.

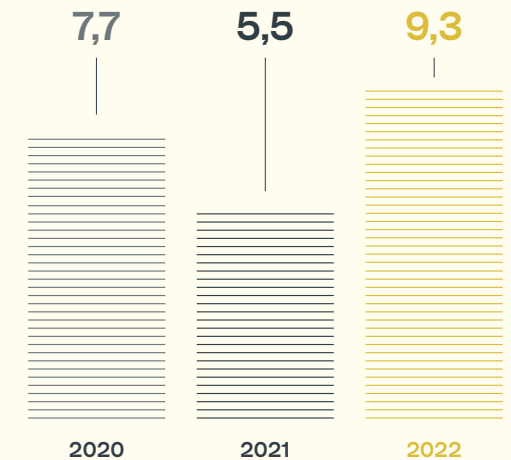
d) Communication

Grant transparent and effective information to workers, contractors and communities, using appropriate tools for reporting and analysing accidents or injuries, as well as for sharing best practices and recommendations.

e) Training

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

Historical Values Accidents frequency rate - cement

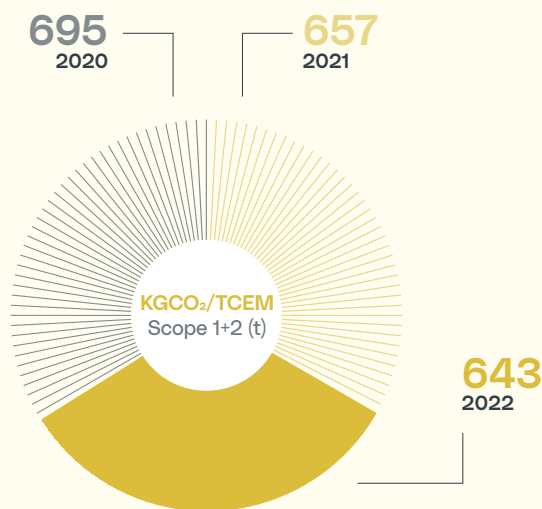


Baseline chosen for KPI #2

The baseline chosen for the Lost Time Injury Frequency Rate (LTIFR) KPI is the year 2022 (reference year/baseline).

2022 was chosen as baseline since it is the most recent year fully validated by external auditors.

Historical Values Brazil



Baseline chosen for KPI #1

The baseline chosen for the GHG Emissions KPI is the year 2020 (reference year/baseline).

2020 was chosen as baseline since it was the first year to be fully validated by external auditors, and also represents the industry baseline.

4.1.2 Brazil

KPI#1: Gross CO₂ emissions (Scope 1+2) per tonne of cement

Secil reports and monitor annually Scope 1 and 2 GHG emissions from the principal emitter sources, the cement production units, following the Global Cement and Concrete Association’s (GCCA) Sustainability Guidelines for the monitoring and reporting of CO₂ emissions from Cement manufacturing) that are verified by external accredit auditor.

The GCCA Sustainability Guidelines for the monitoring and reporting of CO₂ emissions from cement manufacturing are part of a package of guidelines developed to support compliance with the GCCA Sustainability Charter. This document, in conjunction with the GCCA Sustainability Framework Guidelines, provides guidance to GCCA members to fulfil the requirements of the GCCA Sustainability Charter relating to climate change and energy. The GCCA Sustainability Guidelines are based on the GHG Standard Protocol and the CEN Standard EN 19694–3.

Definition and methodology

Specific Gross CO₂ emissions (Scope 1+2) per tonne of cement:

→ Scope 1

Specific Process CO₂ Emissions due the calcination of raw materials

Specific Gross CO₂ emissions from fuels utilisation. Fossil Emissions produced by fossil fuels and alternative fuels. Emissions from biomass present in biomass fuel sources and alternative fuels are considered neutrals.

→ Scope 2

Specific CO₂ Emissions (Scope 2) – Fossil emissions presented in electricity consumed.

Rationale

According to the 6th Synthesis Report (AR6) of the International Panel on Climate Change (IPCC), the world needs to reduce global GHG emissions by up to 60% by 2030 compared to 2019 levels and work towards near carbon neutrality by 2050 if we want to have 50% chance of achieving the 1.5-degree goal defined on the Paris Agreement.

The Transport, Industry and Buildings sector is responsible for nearly half of emissions and it is here that Secil can leave its mark.

GHG emissions have long been a material topic for Secil. We reported our first value in 2017 alongside our first sustainability report. GHG emissions and climate change can also always be found as a top priority for stakeholders and for Secil ever since the first materiality analysis carried out in 2019.

For the purpose of this Framework, we have chosen to focus on Scope 1 and Scope 2 GHG emissions on the basis that emissions within both these scopes are within Secil's control and are considered material to the business.

This KPI includes all possible actions that can contribute to emissions reduction such as technological upgrades, increase utilisation of alternative fuels and alternative raw materials, reduction of clinker factor and future utilisation of disrupting technologies as CCUS (Carbon Capture Usage and Storage) that make part

of the roadmap (Scope 1) and the decarbonization of electrical power (Scope 2) that will allow Secil the attain carbon neutrality in 2050.

KPI #2: % total women in Total End Year Headcount

Definition and methodology

Number of women in total end year headcount (excluding trainees)

Rationale

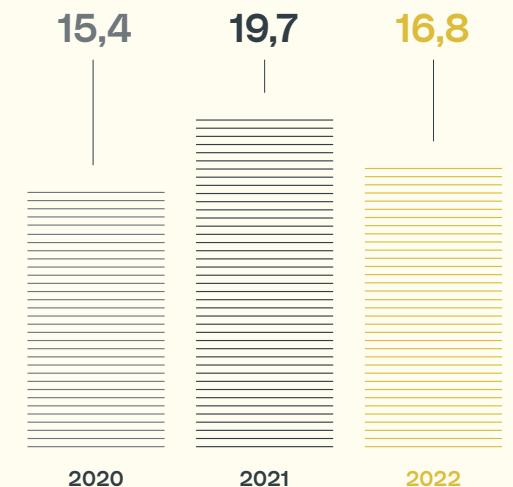
DEI - Diversity, Equity and Inclusion is one of the topics Secil has chosen to focus on its Social Pillar under its ESG +E Strategy. Under DEI the Gender balance is one of the international common concerns and priorities in all benchmarks and best practices across all industries around the world.

Secil wants to ensure diversity into the management decision levels, although it's on its total base of employees that is its main concern in current strategy because Secil wants to nurture in a sustainable way the diversity into the organization. Secil's goal is to attract, develop and

retain women across their life's cycles and support them with equal opportunities to achieve top management positions.

When Secil compares itself with its industry its main gap is in the total % of women and not in the management levels, that's why Secil selects the total % women in its workforce.

Historical Values
Women in total workforce (%)

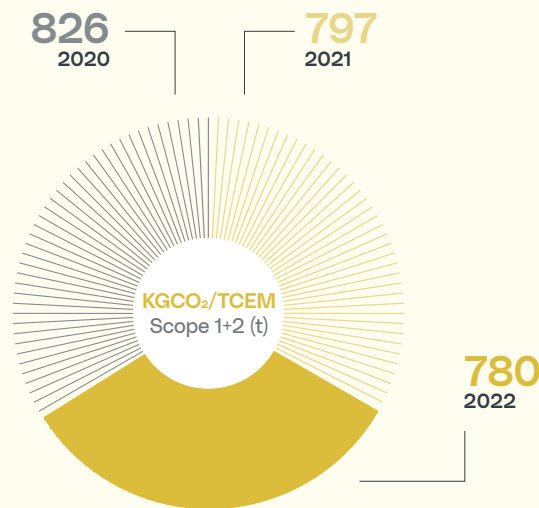


Baseline chosen for KPI #2

The baseline chosen for the % total women in Total End Year Headcount KPI is the year 2022 (reference year/baseline).

2022 was chosen as baseline since it is the most recent year fully validated by external auditors.

Historical Values Tunisia



Baseline chosen for KPI #1

The baseline chosen for the GHG Emissions KPI is the year 2020 (reference year/baseline).

2020 was chosen as baseline since it was the first year to be fully validated by external auditors, and also represents the industry baseline.

4.1.3 Tunisia

KPI#1: Gross CO₂ emissions (Scope 1+2) per tonne of cement

Secil reports and monitor annually Scope 1 and 2 GHG emissions from the principal emitter sources, the cement production units, following the Global Cement and Concrete Association's (GCCA) Sustainability Guidelines for the monitoring and reporting of CO₂ emissions from Cement manufacturing that are verified by external accredit auditor.

The GCCA Sustainability Guidelines for the monitoring and reporting of CO₂ emissions from cement manufacturing are part of a package of guidelines developed to support compliance with the GCCA Sustainability Charter. This document, in conjunction with the GCCA Sustainability Framework Guidelines, provides guidance to GCCA members to fulfil the requirements of the GCCA Sustainability Charter relating to climate change and energy. The GCCA Sustainability Guidelines are based on the GHG Standard Protocol and the CEN Standard EN 19694-3.

Definition and methodology

Specific Gross CO₂ emissions (Scope 1+2) per tonne of cement:

→ Scope 1

Specific Process CO₂ Emissions due the calcination of raw materials

Specific Gross CO₂ emissions from fuels utilisation. Fossil Emissions produced by fossil fuels and alternative fuels. Emissions from biomass present in biomass fuel sources and alternative fuels are considered neutrals.

→ Scope 2

Specific CO₂ Emissions (Scope 2) – Fossil emissions presented in electricity consumed.

Rationale

According to the 6th Synthesis Report (AR6) of the International Panel on Climate Change (IPCC), the world needs to reduce global GHG emissions by up to 60% by 2030 compared to 2019 levels and work towards near carbon neutrality by 2050 if we want to have 50% chance of achieving the 1.5-degree goal.

The Transport, Industry and Buildings sector is responsible for nearly half of emissions and it is here that Secil can leave its mark.

GHG emissions have long been a material topic for Secil. We reported our first value in 2017 alongside our first sustainability report. GHG emissions and climate change can also always be found as a top priority for stakeholders and for Secil ever since the first materiality analysis carried out in 2019.

For the purpose of this Framework, we have chosen to focus on Scope 1 and Scope 2 GHG emissions on the basis that emissions within both these scopes are within Secil's control and are considered material to the business.

This KPI includes all possible actions that can contribute to emissions reduction such as technological upgrades, increase utilisation of alternative fuels and alternative raw materials, reduction of clinker factor and future utilisation of disrupting technologies as CCUS (Carbon Capture Usage and Storage) that make part

of the roadmap (Scope 1) and the decarbonization of electrical power (Scope 2) that will allow Secil the attain carbon neutrality in 2050.

KPI #2: % total women in Total End Year Headcount

Definition and methodology

Number of women in total end year headcount (excluding trainees)

Rationale

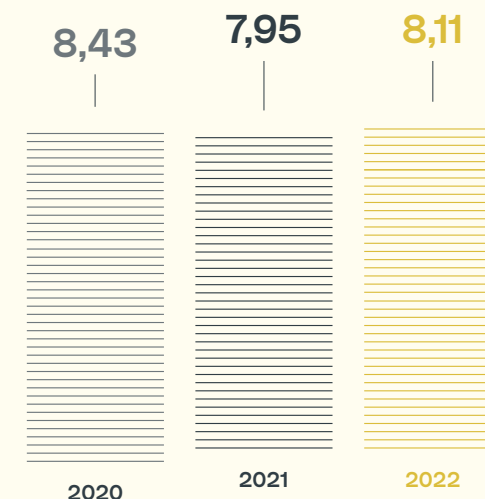
DEI - Diversity, Equity and Inclusion is one of the topics Secil has chosen to focus on its Social Pillar under its ESG +E Strategy. Under DEI the Gender balance is one of the international common concerns and priorities in all benchmarks and best practices across all industries around the world.

Secil wants to ensure diversity into the management decision levels, although it's on its total base of employees that is its main concern in current strategy because Secil wants to nurture in a sustainable way the diversity into the organization. Secil's goal is to attract,

develop and retain women across their life s cycles and support them with equal opportunities to achieve top management positions.

When Secil compares itself with its industry its main gap is in the total % of women and not in the management levels, that s why Secil selects the total % women in its workforce.

Historical Values
Women in total workforce (%)



Baseline chosen for KPI #2

The baseline chosen for the % total women in Total End Year Headcount KPI is the year 2022 (reference year/baseline).

2022 was chosen as baseline since it is the most recent year fully validated by external auditors.

4.2 — Calibration of Sustainability Performance Targets (SPTs)

KPI#1 Gross CO₂ emissions (Scope 1+2) per tonne of cement

The KPI evolution in the different geographies will evolve more quickly in the units integrated in the EU supported by the existing market of emissions allowances, more ambitious goals, and supportive funds to allow the changes occur more quickly. In the remaining geographies, developments will be guided by the economic justification of the various actions and potential developments in the environmental commitments of the respective countries.

The actions will necessarily include, in a first phase, the upgrade of the current installations with more efficient mature technology that allows the maximization of the use of alternative fuels, use of decarbonated raw materials, reduction of clinker

incorporation in cement with secondary alternative raw materials with hydraulic properties and calcined clay. In scope 2, the reduction of the carbon content of the electricity in line with the reductions foreseen in each country. Tunisia is considering the utilization of carbon neutral energy produced by an external company. Later will be necessary to include disruptive technologies CCUS - Carbon Capture Usage and Storage of CO₂. These technologies have a potential to be utilized before 2030, special in case of CCU, if legislation creates conditions to develop business cases based on a rational life cycle analysis involving globally the sectors involved to determine the real reductions of CO₂ and allows the utilization of industrial CO₂ for a sufficient period of time that contribute to the amortization of investments.



4.2.1 Portugal

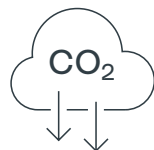
KPI#1 Gross CO₂ emissions (Scope 1+2) per tonne of cement

Goal 2025: the reduction of CO₂ emissions is derived essentially from the results of the major upgrade in the kiln 9 Outão Plant.

Goal 2030: reduction coming from investment in the upgrade of Maceira facility that maximizes the use of alternative fuels, decreases thermal consumption, allows the use of 5% H₂, and also from the reduction of clinker percentage in the cement in both installations of Maceira and Outão that will need an investment to produce calcined clay that will be used as a substitute of clinker in cement.

There are some key factors beyond Secil's control that may affect the achievement of these SPTs, namely the operational performance of the technology (not mature yet) and potential regulatory changes and/or the evolution of legislation.

SPTs Portugal



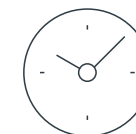
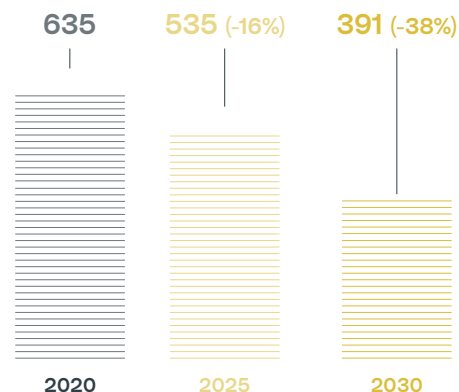
-38%

Variation CO₂ Emissions (scope 1+2)

2025: -16%

2035: -38%

CO₂ emissions (kg CO₂/tonne cement) - scope 1&2



2020

Baseline year:

Observation Date:

31st December
(2025 and 2030)

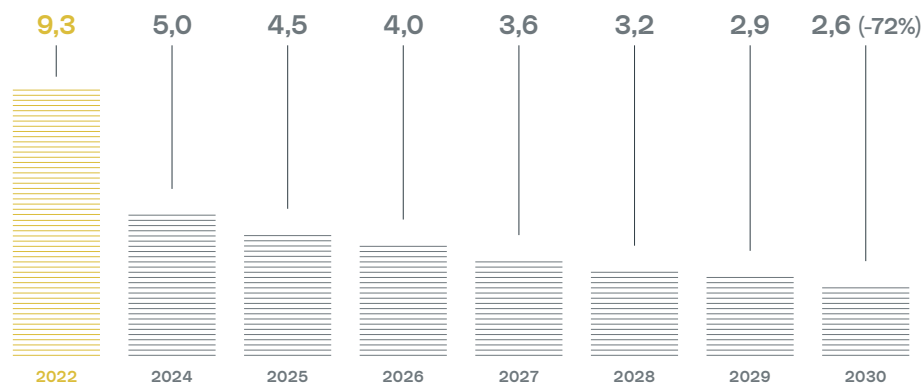
Accidents frequency rate - cement



-72%

Accident Frequency Rate

vs. 2022 frequency rate



2022

Baseline year

Observation Date

31st December
(2024, 2025, 2026, 2027, 2028, 2029 and 2030))

KPI#2 Lost Time Injury Frequency Rate (LTIFR)

In 2016 the first challenge was launched to the various cement plants to develop a **Health and Safety Roadmap** for the period 2017-2020.

The objective of the Roadmap is to draw the way to go, for a given period, making known the actions and projects to be carried out in each place and the expected results with the implementation of these measures.

To align and facilitate this new approach to work in the area of Safety, a Roadmap model was built, to be used by all, that would not only compile all the information, but that would facilitate above all the necessary follow-ups to any action plan, in order to demonstrate, periodically, the individual and global performance and to act on the deviations found.

The basis for the construction of this model was the **Health and Safety Policy**, defined for the entire SECIL Group. Five Pillars are part of the Policy, considered necessary for its implementation, which are: **Leadership, Operational Safety, Management Systems, Communication** and **Training**; and also the identification of the main Critical Activities in terms of Safety, in the cement sector: Work at Height, Hot Work, Control of Hazardous Energies, Work in Confined



Spaces, Work Equipment Checks, Loading Operations, Internal Circulation Plan, Rules for Contractors and Rules for Carriers.

10 **Personal Commitments** have been defined that aim to translate the “life-saving rules”, also known sometimes as Golden Rules – which are simple rules that when respected, by all workers, prevent accidents and protect life.

The Health and Safety Roadmap model, defined based on the previous contents, intended that all facilities would work in a common way in terms of Health and Safety. Some additional conditions have been created to ensure complete comprehensiveness and the desired alignment:

- All **Pillars** must be worked with actions or projects;
- For **Critical Activities**, Group Standards were created at the corporate level with the minimum mandatory requirements for each of the themes, which were later called Group **Safety Standards**;
- All facilities must have procedures, effectively implemented, in accordance with the **Group Safety Standards for Critical Activities**;
- All sites must have initiatives to get **Personal Commitments** to all workers.

A common initial base was thus created, which was complemented with the

specific needs of each site/Factory and thus the Roadmap of Health and Safety was built.

The first Health and Safety Roadmap period was 2017-2020 (Return strategic cycle), which was extended to 2021 due to the Pandemic and and Secil is currently in the 2nd period of 2021-2025, coinciding with the strategic cycle of Ambition 2025.

The achievement of these SPTs is also dependent on individual behaviour that is beyond Secil’s direct control, namely unbalanced attitudes resulting from undetected mental health problems.

4.2.2 Brazil

KPI#1 Gross CO₂ emissions (Scope 1+2) per tonne of cement

Goal 2025: investment in equipment to increase the use of alternative fuels that will reduce the CO₂ emissions.

Goal 2030: optimization of utilisation of alternative fuels and reduction of incorporation of clinker in cement.

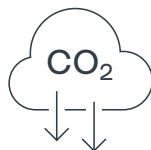
There are some key factors beyond Secil's control that may affect the achievement of these SPTs, namely the operational performance of the technology (not mature yet) and potential regulatory changes and/or the evolution of legislation.

KPI#2 % total women in Total End Year Headcount

Secil in Brazil has developed a 3-year specific roadmap to address the total share of women in its workforce. The roadmap is comprised of commitments and initiatives that are sure to have lasting effects beyond 2025.

The achievement of these SPTs is also dependent on some key factors beyond Secil's direct control, namely the socio-political and regulatory situation that could reduce the female population in the labour market, as well as the usual employment rotation in the country.

SPTs Brazil



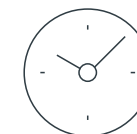
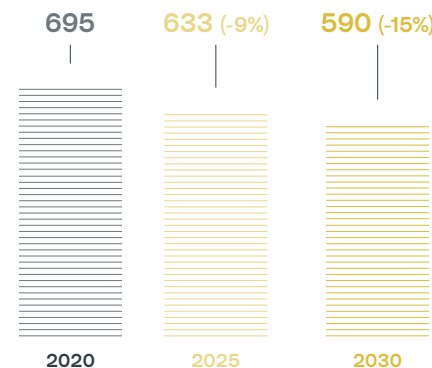
-15%

Variation CO₂ Emissions
(scope 1+2)

2025: -9%

2035: -15%

CO₂ emissions (kg CO₂/tonne cement) - scope 1&2



2020

Baseline year:

Observation Date:

31st December
(2025 and 2030)

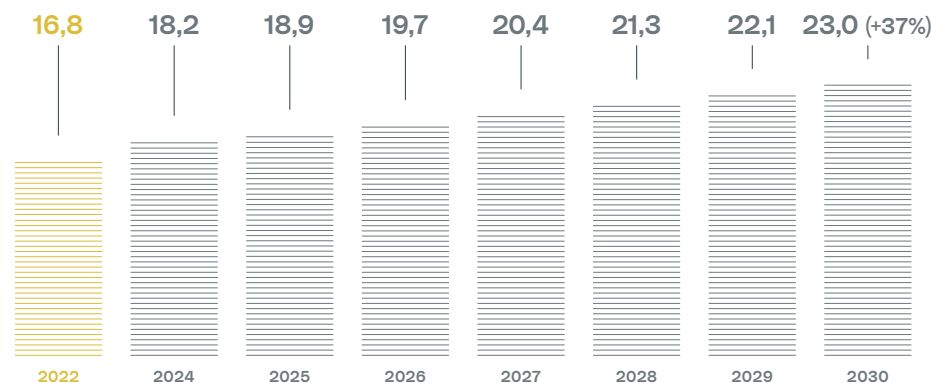
Women in total workforce (%)



+37%

Women workforce

vs. 2022



2022

Baseline year

Observation Date

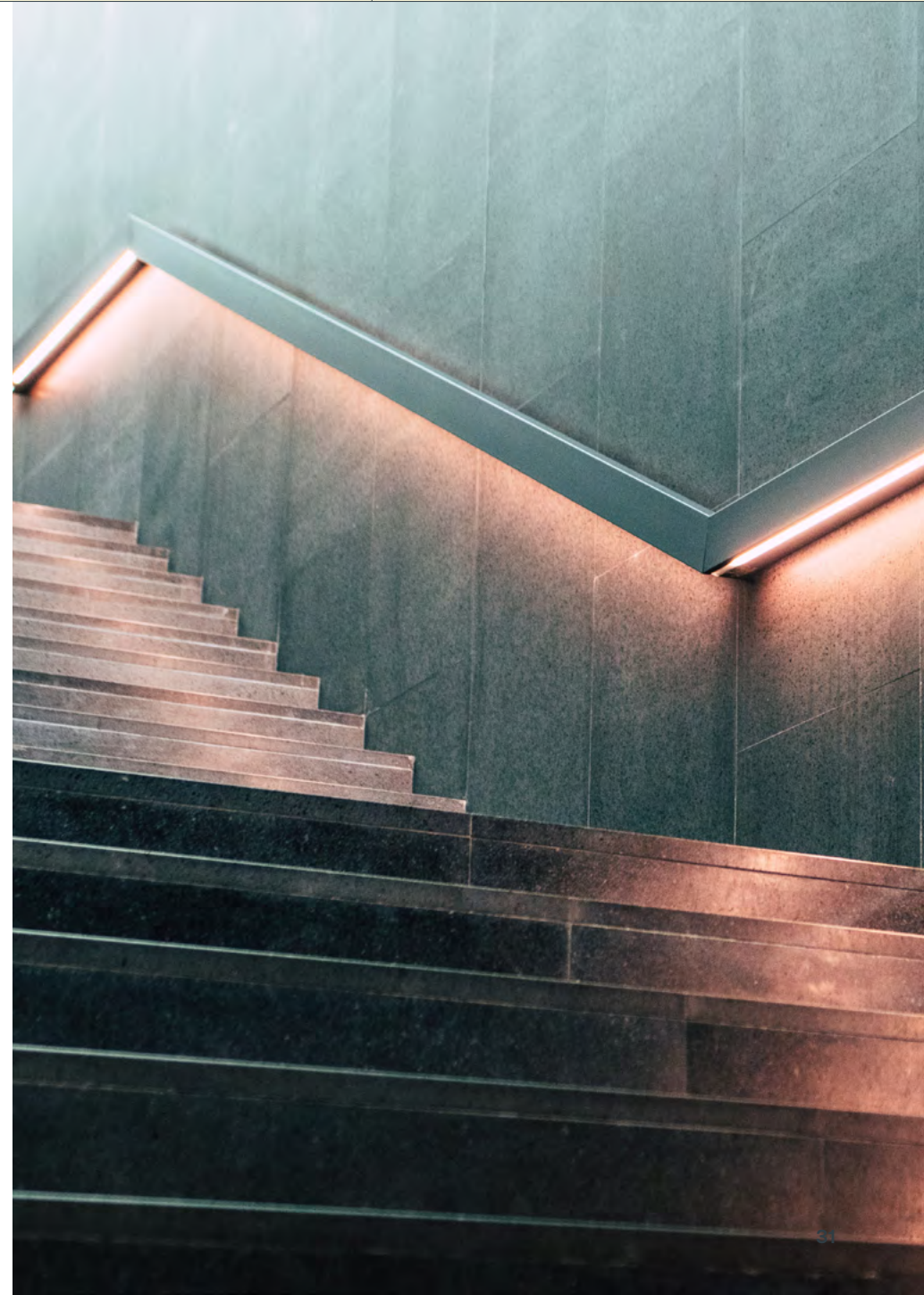
31st December
(2024, 2025, 2026, 2027, 2028, 2029 and 2030))



The 3-year roadmap
Commitments and initiatives
have lasting effects beyond 2025.

KPI (% woman)

Commitments/ Initiatives	When	Who	How
Adjust the recruitment process (internal and external processes)	2023	HR	% of women among the shortlisted candidates
Profit sharing payment policy	2023	HR	Pay the full amount of profit sharing to employees who have been in the maternity leave
Chatting circle	2024	HR	Continuing the work through conversations and debates on women's participation in the labor market, its benefits and importance
Work from home period after maternity leave	2024	HR	Design a policy to enable women, after maternity leave, work from home full time for a period of time
More women at Concrete business	2025	HR	Training and hiring women to work at Concrete business (drives of example)



4.2.3 Tunisia

KPI#1 Gross CO₂ emissions (Scope 1+2) per tonne of cement

Goal 2025: utilization of carbon neutral electric energy produced by an external company that will reduce the scope 2 emissions.

Goal 2030: investments in two pre-calciners, equipment to increase use of Alternative Fuels with 15,9% biomass and the reduction of incorporation of clinker by producing more compound cements and reduction of 20% in CO₂ content in electric energy produced in locally.

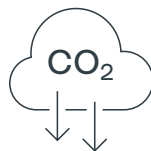
There are some key factors beyond Secil's control that may affect the achievement of these SPTs, namely the operational performance of the technology (not mature yet) and potential regulatory changes and/or the evolution of legislation.

KPI#2 % total women in Total End Year Headcount

Secil in Tunisia has developed a 3-year specific roadmap to address the total share of women in its workforce. The roadmap is comprised of commitments and initiatives that are sure to have lasting effects beyond 2025.

The achievement of these SPTs is also dependent on some key factors beyond Secil's direct control, namely the socio-political and regulatory situation that could reduce the female population in the labour market, as well as the usual employment rotation in the country.

SPTs Tunisia



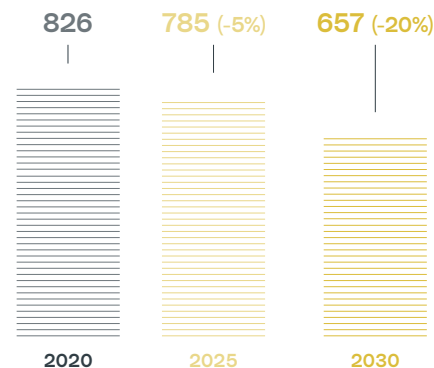
-20%

Variation CO₂ Emissions (scope 1+2)

2025: -5%

2035: -20%

CO₂ emissions (kg CO₂/tonne cement) - scope 1&2



2020

Baseline year:

Observation Date:

31st December
(2025 and 2030)

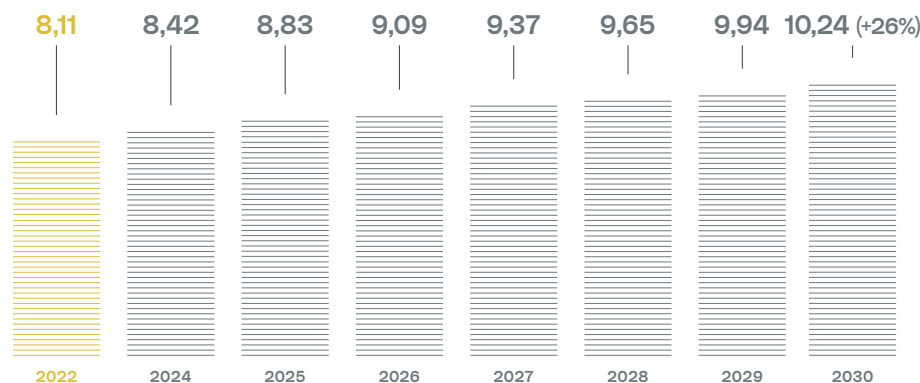
Women in total workforce (%)



+26%

Women workforce

vs. 2022



2022

Baseline year

Observation Date

31st December
(2024, 2025, 2026, 2027, 2028, 2029 and 2030))



The 3-year roadmap
 Commitments and initiatives
 have lasting effects beyond 2025.

KPI (% woman)

Commitments/ Initiatives	When	Who	How
Adjust the recruitment process (internal and external processes)	2023	HR	% of women among the shortlisted candidates

Recalculation Policy for SPT #1 and SPT #2

Secil will recalculate its KPIs baselines and/or SPTs to reflect Recalculation Events that, individually or in aggregate, affect positively or negatively the value of those KPIs by at least 5% cumulatively versus the respective Baselines.

Recalculation Events include:

- Changes in Secil’s owned and managed companies;
- Changes in the calculation methodology of GHG Scope 1 and/or Scope 2 emissions;
- Changes in the emissions’ factors;
- Changes in data reported due to better data accessibility, including the discovery of data errors;
- Changes in legislation and/or regulation relevant to KPIs and SPTs.

4.3 Bond & Loan characteristics

Sustainability-Linked Financing Instruments issued under this Framework are linked to Secil Group's sustainability performance (measured by the two KPI's and SPT presented in the previous sections of this Framework), i.e. their financial performance is dependent on the evolution of the KPI(s) applicable to each Sustainability-Linked Financing Instrument in accordance with its terms and conditions.

Each Sustainability-Linked Instrument will incorporate one or both of the KPIs (and respective SPT) outlined in this Framework.

The financial characteristics of a given Sustainability-Linked Instrument will be impacted by the failure and/or by the success of Secil Group to meet the relevant SPT(s) at the respective Observation Date in the following way:

- If by the failure, in the form of higher financial costs, for instance but not limited to, an increase in interest rates/coupons or fees, or a combination of both,
- If by the success, in the form of lower financial costs, for instance but not limited to, a decrease in interest rates/coupons or fees, or a combination of both.

For a given Sustainability-Linked Instrument, such impact on its financial characteristics shall be commensurate and meaningful relative to its original financial terms.

If a Sustainability-Linked Instrument incorporates the two KPIs, each KPI may be assigned with a different impact in the financial costs, as applicable.

The specific characteristics of a given Sustainability-Linked Instrument issued under this Framework, including, but not limited to, the relevant KPI(s), SPT(s), change in financial costs, will be identified in the relevant documentation of such Sustainability-Linked Instrument. Such documentation will specify the exact financial and/or structural implications. Each KPI may be assigned with a relative weight of the aggregate financial costs, as applicable, and will be also specified in the documentation of each Sustainability-Linked Financing instrument.

If, (i) following an SPT Observation Date and within the time limit prescribed in the Sustainability-Linked Instrument documentation, Secil Group does not make available information on the actual performance of the relevant KPI(s) relative to the respective SPT(s), together with the Verification Assurance Certificate, in accordance with the Reporting and Verification sections of this Framework, or



(ii) for any reason, the performance level of the relevant KPI(s) relative to the respective SPT(s) cannot be calculated or observed as prescribed, or not in a satisfactory manner (non-satisfactory manner to be understood as the Verification Assurance Certificate to be provided by the appropriately qualified independent party containing a reservation or such independent party not being in a position to provide such certificate):

- For a Sustainability-Linked Instrument impacted by the failure, but not by the success, to meet the relevant SPT(s), the higher financial costs shall be triggered

- For a Sustainability-Linked Instrument impacted by the success, but not by the failure, to meet the relevant SPT(s), the lower financial costs shall not be triggered
- For a Sustainability-Linked Instrument impacted by both the failure and the success to meet the relevant SPT(s), the higher financial costs shall be triggered.

The proceeds of Sustainability-Linked Instruments issued under this Framework will be used for general corporate purposes, unless otherwise stated.

4.4 Reporting

In order to provide investors and lenders with adequate information about the progress made on the KPI(s) and the achievement or not of the SPT(s) set out in this Framework and in the legal documentation of the Sustainability-Linked Financing Instruments and any impact on the Sustainability-Linked Financing pricing, Secil commits to report at least annually in its Annual Report or in a specific publication regarding the SPTs or in the annual sustainability reporting kept readily available and easily accessible on the Company’s website

www.secil-group.com:

- Up-to-date information on the performance of the selected KPI, as per the relevant reporting period and when applicable, as per the Target Observation Date including the calculation methodology and including the baselines where relevant;
- Any relevant information enabling investors/lenders to monitor the ambition of the SPTs including any update in the issuers sustainability strategy and/or on the related KPI/ESG governance, and more generally any information relevant to the analysis of the KPIs and SPTs.



- When relevant, any re-assessments of KPIs and/or restatement of the SPTs and/or pro-forma adjustments of KPI.

Following the occurrence of a Recalculation Event leading to a recalculation of a KPI baseline and/or a SPT, Secil will publish on its website, Report or otherwise information on such recalculation, together with the associated

verification assurance report (please refer to sub-sections “Recalculation Policy for SPT #1 and SPT#2” under Section 4.2. Calibration of Sustainability Performance Targets (SPTs) for more details).

Upon an update of SPT #1 following validation of targets by SBTi, Secil will also publish on its website, Report or otherwise, information on such update.



Secil will also publish on its website, Report or otherwise, information on such update.

4.5 Verification

Stakeholders' confidence is of utmost importance for Secil Group. In connection with this Framework and the Sustainability-Linked Instruments issued under it, Secil Group will ensure:

4.5.1 Pre-issuance

Secil Group has appointed KPMG & Associados, SROC S.A. to provide independent limited assurance on the alignment of this Framework with the five core components of the SLLP and SLBP. The Independent Limited Assurance Report and the Framework will be made available on Secil Group's website at www.secil-group.com.

4.5.2 Post-issuance

Following an SPT Observation Date, Secil Group's actual performance of the KPIs relative to the respective SPTs will be verified to at least a limited level of assurance by an appropriately qualified independent party, which shall issue an Independent Assurance Report.

An annual report on the KPIs and/or the Sustainability Report including the KPIs defined in section 4.1 of this Framework, as well as the Independent

Limited Assurance Report confirming the performance of the KPIs relative to the respective SPTs as part of the independent verification and assurance of our Sustainability Report or subject to specific limited assurance to the KPIs, will be made publicly available on Secil Group's corporate website www.secil-group.com.





05 _____ Disclaimer

This Framework is intended to provide general and non-exhaustive information. It has not been approved by any security regulatory authority.

Secil has and undertakes (i) no obligation to update, modify, amend or correct this Framework, nor the statements contained herein; and (ii) no obligation to notify any Addressee if any information or statement changes or becomes inaccurate.

This Framework is not intended to be and should not be construed as providing legal or financial advice. It also does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe, purchase or any other kind of recommendation regarding Secil's Sustainability-Linked Bonds or Loans. Each potential purchaser should determine for themselves the relevance of the information contained or referred to in this Framework or the relevant documentation for such Sustainability-Linked Bond or Loan and their purchase

should be based on such investigation, as they deem necessary. Nothing contained herein shall form the basis of any contract or commitment whatsoever and it will not be an event of default or breach of any contractual obligations under the Terms and Conditions of the Sustainability-Linked Bond or Loan if Secil fails to adhere to this Framework in any respect.

Any decision to purchase the Sustainability-Linked Bond or Loan issued by Secil should not be made solely based on the information contained in the respective Terms and Conditions. Prospective investors are required to make their own investigations and assessments of the business and financial condition of Secil and the nature of the Sustainability-Linked Bond or Loan before taking any investment decision.

The distribution of this Framework and of the information it contains may be subject to legal restrictions in some countries. Anyone who might come into possession of it must inquire as to the existence of such restrictions and comply with them.

The Addressee is solely liable for any use of the information contained herein and Secil shall not be responsible for any damages, direct, indirect or otherwise, arising from the use of this Framework by the Addressee.



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