

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Cementir Holding is a multinational Group with registered offices in the Netherlands and operating in the building materials sector. With operations in **18 countries**, production capacity of over **13 million** tons between white and grey cement, Cementir sells around **10 million** tons of aggregates every year, **5 million** cubic meters of ready-mix concrete and it represent a reference point both in the construction and maintenance of infrastructures as well as in residential and commercial construction.

Cementir is world leaders in white cement, the only producer of cement in **Denmark** and of concrete in the **Scandinavian** area, the third largest player in **Belgium** and among the main international grey cement operators in **Turkey**. We operate in Belgium one of the largest aggregate quarries in Europe, with **10 million** tons extracted each year. In **Turkey** and the **United Kingdom**, we are active in the treatment of urban and industrial waste that we use to produce waste-derived fuel for our cement plants.

Cementir is committed to developing a business model in line with the sustainability strategic goals and the CO2 emission reduction targets judged by the **Science Based Targets initiative (SBTi)** to be consistent with the 'well below 2°C' objective, pursuant to the Paris Climate Agreement of 2015. By 2030, Cementir will reduce its Scope 1 and Scope 2 emission by 25% compared to 2020. This is the first milestone to be accomplished in order to achieve the carbon neutrality along our value chain by 2050.

To drive the transition of the Group to a low carbon economy, the 2022-24 Industrial Plan, approved by the Board of Directors in February 2022, targets a 97 million euro investments in sustainability and digitalisation, which will include, among others: the revamping of the kiln at our Belgian plant in order to increase alternative fuel use from the current 40% to 80%; the switch to natural gas and biogas in some plants; the ramping up of facilities at the Aalborg plant to produce our low-carbon cement, FuturecemTM; the extension of district heating and other energy efficiency projects. There are also initiatives to reduce transport climate change impact. In transport, our Danish subsidiary Unicon, the largest producer and supplier of ready-mixed concrete in Denmark, set a target to reduce its fleet CO2 emissions by 30% in 2025 compared to 2019. To achieve this, in 2021, Unicon and Volvo Trucks entered into a long-term collaboration to implement and optimise electric solutions for the concrete industry.

Concerning water, the Group has defined a 10-year roadmap that will allow for the reduction of water consumption per ton of cement produced by 20% compared to 2019. For those plants located in high water-stress areas, where the specific water consumption is already lower than the Group average, the reduction target is 25%.

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

In cement, water consumption is 4,455 thousand of m3, more than 75% of the Group total consumption. In production processes, water is used principally to cool the equipment, condition the kiln gases and de-dusting and cleaning activities. In wet and semi-wet processes, the specific consumption of water resources is higher as the water is vaporised during the production phase.

In ready-mix concrete business, water is an input resource. Water consumption is 833 thousand of m3, 14% of the Group total consumption.

In aggregates business, water consumption is 650 thousand of m3, 11 % of the Group total consumption. Where quarry dewatering is in place, operations require pumping of water to maintain a workable bottom of the quarry: the water is either used for the process or sent to the local hydrological network. Water pumped can be used for a variety of purposes such as washing aggregates, watering tracks, etc. The use of water in quarries, often organised in a closed circuit in order to limit the volume of water taken, is most of the time very marginal in relation to the volume of water collected. Hence there is an interest in recovering quarry water.

The Group is also involved in the treatment of urban and industrial waste. This is a minor business (1% of the total turnover). With this type of business, the group recovers water from the urban and industrial waste. The water balance related to this business is however residual (the 0.1% of the total Group).

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2021	December 31 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

- Belgium
- China
- Denmark
- Egypt
- Malaysia
- Norway
- Sweden
- Turkey
- United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which financial control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	Cementir Holding NV ISIN is NL0013995087

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Not very important	Neutral	<p>In 2021, water withdrawals in cement account for 62.6% of the total withdrawals of Cementir, Ready Mix Concrete (RMC) for 5.6%, aggregates for 31.7% and other business 0.1%.</p> <p>For primary use in DIRECT OPERATIONS, a good quality of freshwater is not required. what is important is the quantity, rather than the quality of water. The majority of water needs can be addressed with recycled water, or rainwater harvested.</p> <p>In cement and aggregates production, water is used principally to cool raw materials, conditioning the kiln gases and de-dusting. These water needs can be addressed with recycled water, or rainwater harvested. Only for RMC (a mixture of cement, water and aggregates), in limited cases, quality of water can impact the fresh concrete properties such as setting time and workability. However, RMC is only the 5.6% of our withdrawals, so for primary use in our DIRECT OPERATIONS, a good quality of freshwater is not required.</p> <p>In FUTURE, for DIRECT OPERATIONS, a good quality of freshwater will be not required because we did not expect that the production processes will change as concerns the utilization of water.</p> <p>For the primary use in INDIRECT OPERATIONS, the freshwater consumption in our value chain is neutral. We selected neutral as a balanced outcome of considering the impacts for customers and suppliers. A few of our suppliers may require good quality of freshwater (e.g., machineries and equipment) but for our bulk requirements (fuels, raw materials and additives), high amount of a good quality of freshwater is not required. For customers, the quality of water used in concrete might have impacts on the fresh concrete properties, such as setting time and workability, and also strength and durability of hardened concrete.</p> <p>In the FUTURE, for INDIRECT OPERATIONS, this may change as water scarcity is expected to grow globally according to different scenario analyses which might result in suppliers or customers facing issues with water scarcity as well.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Neutral	<p>In 2021, water withdrawals in Cement account for 62.6% of the total withdrawals of Cementir, Ready Mix Concrete (RMC) for 5.6%, aggregates for 31.7% and other business 0.1%.</p> <p>In cement and aggregates business, a good quality of freshwater is not material, but sufficient quantities are needed for de-dusting, conditioning the kiln gases and cleaning. We give emphasis to reuse/recycle for further use in cooling, dust suppression, gardening etc. For RMC, water quantity is important, because water is a raw material of RMC. RMC is a mixture of cement, water and aggregates.</p> <p>So, for primary use in DIRECT OPERATIONS a good quality of freshwater is not material, but sufficient quantities are important.</p> <p>This will be the same in the FUTURE, for DIRECT OPERATIONS, because we do not expect the production processes to change significantly as concerns the use of water. So also in the future, in DIRECT OPERATIONS quantity will be important.</p> <p>For the primary use in INDIRECT OPERATIONS, the sufficient amounts of water in our value chain is neutral. We selected neutral as importance rating as a balanced outcome of considering the impacts for customers and suppliers.</p> <p>The water needs of our suppliers a customers can be vary in terms of quantity and quality.</p> <p>For example, we have suppliers from various industry sectors for whom water plays a varying and unequal role. Suppliers of fossil fuels face different issues than providers of alternative fuels or providers of equipments. As such, we have picked 'neutral' as the fairest option.</p> <p>In the FUTURE, for INDIRECT OPERATIONS, this may change as water scarcity is expected to grow globally according to different scenario analyses which might result in suppliers or customers facing issues with water scarcity as well.</p> <p>The priority of the group is to secure the water availability for our direct operations.</p>

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	'Water withdrawals – total volumes' are monitored at site level, on a monthly basis, and consolidated at Group level on a quarterly basis. Withdrawals are based on measurement using flow meter and on calculation by measurement and estimation. We monitor all water drawn by all operational activities from all sources (surface water, groundwater, seawater, harvested rainwater, municipal water, quarry water used, external wastewater) for any use over the course of the reporting period. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2021, the data has been subjected to external audit. In 2021, the 70.6% of total withdrawals occurred in sites ISO 14001 certified. This water aspect will be increasingly important in the future and for this reason the Group is working to increase the sites ISO 14001 certified. By 2025, all sites will be ISO 14001 certified.
Water withdrawals – volumes by source	100%	'Water withdrawals – volumes by source' are monitored at site level, on monthly basis and consolidated at Group level on a quarterly basis. Water withdrawals accounting methodologies are based on measurement using flow meters and on calculation by measurement and estimation. We monitor all water drawn by all operational activities of the Group from all sources (surface water, groundwater, seawater, harvested rainwater, municipal/potable water, quarry water used, external wastewater) for any use over the course of the reporting period. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2021, the data has been subjected to external audit. In 2021, the 70.6% of total withdrawals occurred in sites ISO 14001 certified. This water aspect will be increasingly important in the future and for this reason the Group is working to increase the sites ISO 14001 certified. By 2025, all sites will be ISO 14001 certified.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	'Water withdrawals quality' are monitored at site level, on a monthly basis, and consolidated at Group level on a quarterly basis. We monitor the quality of water withdrawals in order to identify freshwater and non-freshwater. The plants utilise several quality measurement methods with the most common being sample testing. Water withdrawals accounting methodologies are based on measurement using flow meters and on calculation by measurement and estimation. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2021, the 70.6% of total withdrawals occurred in sites ISO 14001 certified. This water aspect will be increasingly important in the future and for this reason the Group is working to increase the sites ISO 14001 certified. By 2025, all sites will be ISO 14001 certified.
Water discharges – total volumes	100%	'Water discharges – total volumes' are monitored at site level, on a monthly basis, and consolidated at Group level on a quarterly basis. Water discharges accounting methodologies are based on measurement using flow meters and on calculation by measurement and estimation. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2021, the 71.2% of total discharges occurred in sites ISO 14001 certified. This water aspect will be increasingly important in the future and for this reason the Group is working to increase the sites ISO 14001 certified. By 2025, all sites will be ISO 14001 certified.
Water discharges – volumes by destination	100%	'Water discharges – volumes by destination' are monitored at site level, on a monthly basis, and consolidated at Group level on a quarterly basis. Water discharges accounting methodologies are based on measurement using flow meters and on calculation by measurement and estimation. We apply the GCCA Sustainability Guidelines. We monitor the total water discharge by receiving body. The sum of water effluents discharged in the reporting period to surface, ground, sea/ocean, external water treatment plant, and other use through a defined discharge point (point source discharge), over land in a dispersed or undefined manner (nonpoint source discharge), or wastewater removed from the organization via truck. In 2021, the data has been subjected to external audit and the 71.2% of discharges occurred in sites ISO 14001 certified. This water aspect will be increasingly important in the future and by 2025, all sites will be ISO 14001 certified.
Water discharges – volumes by treatment method	100%	'Water discharges – volumes by treatment method' are monitored at site level, on a monthly basis, and consolidated at Group level on a quarterly basis. Water discharges accounting methodologies are based on measurement using flow meters and on calculation by measurement and estimation. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2021, the data has been subjected to external audit. In 2021, the 71.2% of total discharges occurred in sites ISO 14001 certified. This water aspect will be increasingly important in the future and for this reason the Group is working to increase the sites ISO 14001 certified. By 2025, all sites will be ISO 14001 certified.
Water discharge quality – by standard effluent parameters	100%	Quality monitoring systems on water discharge are in place on regular basis, with different frequency of sampling depending on receiving body and local laws and regulations (e.g., monthly, bimonthly, quarterly, or yearly). Effluent parameters are periodically monitored using recognized analytical methodologies (e.g., TSS, pH, temperature, BOD, COD). Water discharges accounting methodologies are based on measurement using flow meters and on calculation by measurement and estimation. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2021, the 71.2% of total discharges occurred in sites ISO 14001 certified. This water aspect will be increasingly important in the future and for this reason the Group is working to increase the sites ISO 14001 certified. By 2025, all sites will be ISO 14001 certified.
Water discharge quality – temperature	100%	Quality monitoring systems on water discharge are in place on regular basis, with different frequency of sampling depending on receiving body and local laws and regulations (e.g., monthly, bimonthly, quarterly, or yearly). Effluent parameters are periodically monitored using recognized analytical methodologies (e.g., TSS, pH, temperature, BOD, COD). Water discharges accounting methodologies are based on measurement using flow meters and on calculation by measurement and estimation. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2021, the 71.2% of total discharges occurred in sites ISO 14001 certified. This water aspect will be increasingly important in the future and for this reason the Group is working to increase the sites ISO 14001 certified. By 2025, all sites will be ISO 14001 certified.
Water consumption – total volume	100%	' Water consumption – total volume' are monitored at site level, on a monthly basis, and consolidated at Group level on a quarterly basis. We undertake a comprehensive assessment of our water footprint in all our plants in order to ensure a comprehensive picture of water withdrawal, discharge, recycle and consumption. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2021, the data has been subjected to external audit. In 2021, the 70.1% of total consumption occurred in sites ISO 14001 certified. This water aspect will be increasingly important in the future and for this reason the Group is working to increase the sites ISO 14001 certified. By 2025, all sites will be ISO 14001 certified.
Water recycled/reused	100%	' Water recycled/reused' are monitored at site level, on a monthly basis, and consolidated at Group level on a quarterly basis. We undertake a comprehensive assessment of our water footprint in all our plants in order to ensure a comprehensive picture of water withdrawal, discharge, recycle and consumption. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2021, the data has been subjected to external audit. As already mentioned, in 2021, the 70.6% of total withdrawals occurred in sites ISO 14001 certified. This water aspect will be increasingly important in the future and for this reason the Group is working to increase the sites ISO 14001 certified. By 2025, all sites will be ISO 14001 certified.

	% of sites/facilities/operations	Please explain
The provision of fully-functioning, safely managed WASH services to all workers	100%	We commit to provide access to drinking water and sanitation at our workplace. All our plants have a pledge for WASH compliance. Starting from June 2022, quarterly, we monitor the provision by means of WBCSD self-assessment tool. Any gaps are reviewed by Local and Top Management and specific action plans are defined to solve them. The provision of water occurs through the local municipal aqueduct or, whenever not possible, through dedicated tanker trucks. This water aspect will be increasingly important in the future and the monitoring will continue in the future.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	15652	Much higher	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses (In 2021, cement withdrawals account for 62.6% of the total withdrawals, RMC for 5.6%, aggregates for 31.7% and other business 0.1%).</p> <p>Criteria on Total Withdrawal: No change (<2%) Higher/Lower if change is between (2%-5%). Much higher/lower is (>5%).</p> <p>Comparing 2020, in 2021, the total withdrawals increased of 5.5% (Total withdrawals of 14,842 megaliters in 2020 versus 15,652 megaliters in 2021 with an increase of 810 megaliters) For this reason, the comparison with previous year is "much higher".</p> <p>Explanation changes: Comparing to 2020, in 2021, the production increased in all business segments. In terms of quantity produced, Cement production increased by 7.8%, the production of RMC by 15.4% and the production of aggregates by 1.6%. In 2020, the Group production was affected by the lockdowns implemented to limit spread of the pandemic in the various countries where the Group operates. In 2021, the overall increasing of the quantity of cement/RMC/aggregates produced caused an increase in the water withdrawals.</p> <p>Future development: we expect a decrease in the future volumes because the Group is strongly committed to promote efficiency water management practices, through, but not limited to, recycling/reusing, minimization of freshwater withdrawal and wastewater discharge, minimization of water losses, use of alternative water resources, development of sustainable products also by leveraging circularity. The Group defined specific target reduction for the water consumption related to cement production. Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption per ton of cement by 25%. For this reason, for the future, we expect a decreasing in the water withdrawals. The targets are part of our climate change strategy</p>
Total discharges	9737	Much higher	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses (In 2021, cement discharges account for 54.8% of the total discharges, RMC for 0.5%, aggregates for 44.3% and other business 0.4%).</p> <p>Criteria on Total discharges: No change (<2%) Higher/Lower if change is between (2%-5%). Much higher/lower is (>5%).</p> <p>Comparing 2020, in 2021, the total discharges increased of 7.4% (Total discharges of 9,067 megaliters in 2020 versus 9,737 megaliters in 2021 with an increase of 670 megaliters) For this reason, the comparison with previous year is "much higher".</p> <p>Explanation changes: Comparing to 2020, in 2021, the production increased in all business segments. In terms of quantity produced, Cement production increased by 7.8%, the production of RMC by 15.4% and the production of aggregates by 1.6%. In 2020, the Group production was affected by the lockdowns implemented to limit spread of the pandemic in the various countries where the Group operates. In 2021, the overall increasing of the quantity of cement/RMC/aggregates produced caused an increase in the water discharges.</p> <p>Future development: we expect a decrease in the future volumes because the Group is strongly committed to promote efficiency water management practices, through, but not limited to, recycling/reusing, minimization of freshwater withdrawal and wastewater discharge, minimization of water losses, use of alternative water resources, development of sustainable products also by leveraging circularity. The group defined specific target reduction for the water consumption related to cement production. Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption per ton of cement by 25%. For this reason, for the future, we expect a decreasing in the water discharges.</p>
Total consumption	5914	Higher	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses (In 2021, cement consumption account for 75.0% of the total consumption, RMC for 14.0%, aggregates for 11.0% and other business 0.0%).</p> <p>Criteria on Total consumption: No change (<2%) Higher/Lower if change is between (2%-5%). Much higher/lower is (>5%).</p> <p>Comparing 2020, in 2021, the total consumption increased of 2.4% (Total consumption of 5,775 megaliters in 2020 versus 5,914 megaliters in 2021 with an increase of 139 megaliters) For this reason, the comparison with previous year is "higher".</p> <p>Explanation changes: Comparing to 2020, in 2021, the production increased in all business segments. In terms of quantity produced, Cement production increased by 7.8%, the production of RMC by 15.4% and the production of aggregates by 1.6%. In 2020, the Group production was affected by the lockdowns implemented to limit spread of the pandemic in the various countries where the Group operates. In 2021, the overall increasing of the quantity of cement/RMC/aggregates produced caused an increase in the water consumption.</p> <p>Future development: we expect a decrease in the future volumes because the Group is strongly committed to promote efficiency water management practices, through, but not limited to, recycling/reusing, minimization of freshwater withdrawal and wastewater discharge, minimization of water losses, use of alternative water resources, development of sustainable products also by leveraging circularity. The group defined specific target reduction for the water consumption related to cement production. Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption per ton of cement by 25%. For this reason, for the future, we expect a decreasing in the water consumption.</p>

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	51-75	About the same	WRI Aqueduct	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses (In 2021, cement withdrawals account for 62.6% of the total withdrawals, RMC for 5.6%, aggregates for 31.7% and other business 0.1%).</p> <p>Criteria: No change (<2%) Higher/Lower if change is between (2%-5%). Much higher/lower is (>5%).</p> <p>In 2021, the 56% of our total water withdrawals was sourced from plants located in water stressed areas. The percentage is aligned with 2020 (in 2020 where 55%). For this reason, the comparison is evaluated 'about the same'.</p> <p>Please also note, that in 2021, the 44% of our total water consumption was sourced from plants located in water stressed areas.</p> <p>In 2021, a comprehensive water risk assessment was again carried out for all cement plant using the WRI Aqueduct Global Water Tool. The addresses of each plant are entered into the tool and potential water risks were assessed based on the impacts of several indicators such as water stress, drought severity or seasonal changes. A high water stressed area is defined as having a baseline water stress greater than 40%. The baseline water stress measures the current level of water demanded in a local area against the average available blue water.</p> <p>Future development: the Group is strongly committed to promote efficiency water management practices, through, but not limited to, recycling/reusing, minimization of freshwater withdrawal and wastewater discharge, minimization of water losses, use of alternative water resources, development of sustainable products also by leveraging circularity.</p> <p>The group defined specific target reduction for the water consumption related to cement production. Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption per ton of cement by 25%. For this reason, for the future, we expect a decreasing in the water withdrawals from areas with water stress.</p>

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	8123	About the same	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses (In 2021, cement withdrawals account for 62.6% of the total withdrawals, RMC for 5.6%, aggregates for 31.7% and other business 0.1%).</p> <p>Criteria on: No change (<2%) Higher/Lower if change is between (2%-5%). Much higher/lower is (>5%).</p> <p>Comparing 2020, in 2021, the withdrawals of fresh surface water increased of 0.3% (Total withdrawals of 8,099 megaliters in 2020 versus 8.123 megaliters in 2021 with an increase of 24 megaliters)</p> <p>The comparison with previous year is "about the same" because there were not changes in the business processes and the plants withdrew about the same quantities of fresh surface water for their needs. Fresh surface water withdrawals weren't subject to major changes.</p>
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<p>Cementir does not withdraw from Brackish surface water/Seawater, because Brackish surface water/Seawater affect in a negative way the quality of cement and concrete and therefore is not use in our production process.</p> <p>For this reason, brackish surface water/Seawater is not relevant for Cementir.</p>
Groundwater – renewable	Relevant	6992	Much higher	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses.</p> <p>Criteria: No change (<2%) Higher/Lower (2%-5%) Much higher/lower is (>5%).</p> <p>Comparing 2020, in 2021, the withdrawals of Groundwater increased of 11.3% (6,282 megaliters in 2020 versus 6,992 in 2021 with an increase of 710 megaliters). For this reason, the comparison is "much higher".</p> <p>Explanation: Comparing to 2020, in 2021, the production increased in all business segments. In terms of quantity produced. Cement production increased by 7.8%, RMC by 15.4% and aggregates by 1.6%. More production caused an increase in the water needed and therefore in the water withdrawals. To fulfil this additional need, the plants withdrew more water from groundwater.</p>
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<p>We do not withdraw any 'Groundwater – non-renewable' for our operations.</p> <p>Therefore, it is not relevant because we did not use it for our production processes.</p>
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<p>We do not withdraw any produced water for our operations.</p> <p>It is not relevant because for our plants there is not possibility to withdraw this kind of water.</p>
Third party sources	Relevant	537	Much higher	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses.</p> <p>Criteria: No change (<2%). Higher/Lower (2%-5%). Much higher/lower is (>5%).</p> <p>Comparing 2020, in 2021, third party sources increased of 16.2% (462 megaliters in 2020 versus 537 megaliters in 2021 with an increase of 75 megaliters). For this reason, the comparison with previous year is "much higher".</p> <p>Third parties (municipal water) are used for domestic purposes (food and drinking, sanitation) and also for production purpose.</p> <p>Explanation: Comparing to 2020, in 2021, the production increased in all business segments (Cement increased by 7.8%, RMC by 15.4%, aggregates by 1.6%).</p> <p>In 2021, the relaxation of limitations imposed due to COVID led to more social activities in the plants (higher utilization of canteen and showers). We used more third-party sources to fulfill the production needs and social needs (food and drinking, sanitation).</p>

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	5202	Much lower	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses.</p> <p>Criteria: No change (<2%). Higher/Lower (2%-5%). Much higher/lower is (>5%).</p> <p>Comparing 2020, in 2021, fresh surface water decreased of 9.1% (5,723 megaliters in 2020 versus 5,202 megaliters in 2021. Decrease of 521 megaliters). For this reason, the comparison with previous year is "much lower".</p> <p>In 2021, our quarry of Clypot recovered water in the public distribution network. Until 2020, the water was discharged to surface. In 2021, following collaboration with the local authority, part of the water is recovered and sent to the public water station for drinking water treatment. In 2021, 1,072 megaliters were sent to the public water station, a 'Third-party destinations' instead of to 'surface'.</p> <p>Please note, that without this action, the amount of discharges to surface will have increased.</p>
Brackish surface water/seawater	Relevant	3121	Higher	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses.</p> <p>Criteria: No change (<2%). Higher/Lower (2%-5%). Much higher/lower is (>5%).</p> <p>Comparing 2020, in 2021, seawater increased of 3.9% (3,005 megaliters in 2020 versus 3,121 megaliters in 2021. Increase of 116 megaliters). For this reason, the comparison with previous year is "higher".</p> <p>Explanation: this type of discharge occurred in our Danish plant, only. In 2021, the production of our Danish plant increased of 4.5%. More production of cement caused an increase in the absolute water needed and therefore in the water discharges to seawater.</p>
Groundwater	Relevant	9	Much lower	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses.</p> <p>Criteria: No change (<2%). Higher/Lower (2%-5%). Much higher/lower is (>5%).</p> <p>Comparing 2020, in 2021, groundwater decreased of 25% (12 megaliters in 2020 versus 9 megaliters in 2021. Decreasing of 3 megaliters). For this reason, the comparison with previous year is "much lower".</p> <p>Explanation: : this type of discharge is residual, the 0.1% of the total discharges, and occur only in our Malaysian plant. Comparing 2020, in 2021, this plant improved its management of water. The plant reduced its withdrawal, discharges and consumptions.</p>
Third-party destinations	Relevant	1405	Much higher	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses.</p> <p>Criteria: No change (<2%). Higher/Lower (2%-5%). Much higher/lower is (>5%).</p> <p>Comparing 2020, in 2021, Third-party destinations increased of 329.9% (327 megaliters in 2020 versus 1,405 megaliters in 2021. Increase of 1,078). For this reason, the comparison with previous year is "much higher".</p> <p>Explanation: In 2021, our quarry of Clypot recovered water in the public distribution network. In this quarry, until 2020, the water was discharged to surface. In 2021, following collaboration with the local authority, part of the water is recovered and sent to the public water station for drinking water treatment. In 2021, 1,072 megaliters were sent to the public water station, a 'Third-party destinations' instead of to 'surface'.</p> <p>Without this action, the discharges to 'Third-party ' would have been the same as 2020.</p>

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<p>Due to the nature of the water use and the type of production process, the impact on the quality of water discharge, as checked by our quality monitoring system, is not relevant, so, tertiary treatment is not relevant for our water discharges.</p> <p>The primary treatment of our discharges to remove suspended solids, typically by sedimentation is sufficient to comply with the laws and voluntary standards applied by the Group (e.g. ISO 14001).</p> <p>Water is used for conditioning the kiln gases, cooling raw material and equipment and de-dusting.</p> <p>Where quarry dewatering is in place, operations require pumping of water to maintain a workable bottom of the quarry: the water is either used for the process or recovered and sent to public distribution network, as in our quarry of Clypot (please see 4.3a for details).</p> <p>Water pumped can be used for a variety of purposes such as washing aggregates, watering tracks, etc. The use of water in quarry is often organised in a closed circuit to limit the volume of water taken.</p> <p>Water extracted from the quarry for the drainage of quarry that is not used for the process or it is not sent to the local distribution network is discharge without treatment since natural minerals suspended in the water are considered as chemically inert.</p> <p>Quality monitoring systems on water discharge are in place on regular basis, with different frequency of sampling depending on receiving body and local laws and regulations (e.g., monthly, bimonthly, quarterly, yearly). Effluent parameters are periodically monitored using recognized analytical methodologies (TSS, pH, temperature, BOD, COD).</p> <p>Water from production phases is treated in primary on site. The treatment includes physical removal of suspended solids and floating material, typically by sedimentation. A preliminary treatment, including lowering temperature, is applied involving the physical removal of large debris, large particles, oils, and grease.</p>

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<p>Due to the nature of the water use and the type of production process, the impact on the quality of water discharge, as checked by our quality monitoring system, is not relevant, so, secondary treatment is not relevant for our water discharges.</p> <p>The primary treatment of our discharges to remove suspended solids, typically by sedimentation is sufficient to comply with the laws and voluntary standards applied by the Group (e.g. ISO 14001).</p> <p>Water is used for conditioning the kiln gases, cooling raw material and equipment and de-dusting.</p> <p>Where quarry dewatering is in place, operations require pumping of water to maintain a workable bottom of the quarry: the water is either used for the process or recovered and sent to public distribution network, as in our quarry of Clypot (please see 4.3a for details).</p> <p>Water pumped can be used for a variety of purposes such as washing aggregates, watering tracks, etc. The use of water in quarry is often organised in a closed circuit to limit the volume of water taken.</p> <p>Water extracted from the quarry for the drainage of quarry that is not used for the process or it is not sent to the local distribution network is discharge without treatment since natural minerals suspended in the water are considered as chemically inert.</p> <p>Quality monitoring systems on water discharge are in place on regular basis, with different frequency of sampling depending on receiving body and local laws and regulations (e.g., monthly, bimonthly, quarterly, yearly). Effluent parameters are periodically monitored using recognized analytical methodologies (TSS, pH, temperature, BOD, COD).</p> <p>Water from production phases is treated in primary on site. The treatment includes physical removal of suspended solids and floating material, typically by sedimentation. A preliminary treatment, including lowering temperature, is applied involving the physical removal of large debris, large particles, oils, and grease.</p>
Primary treatment only	Relevant	9595	Much higher	100%	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses.</p> <p>Criteria: No change (<2%). Higher/Lower (2%-5%). Much higher/lower is (>5%).</p> <p>Comparing 2020, in 2021, Primary treatment increased of 7.6.% (9,595 megaliters in 2021 versus 8,917 megaliters in 2020. Increase of 678 megaliters). For this reason, the comparison with previous year is "much higher".</p> <p>Explanation: Comparing to 2020, in 2021, the production increased in all business segments. In terms of quantity produced. Cement production increased by 7.8%, RMC by 15.4% and aggregates by 1.6%. More production caused an increase in the water needed and therefore in the water discharges and in the related treatment.</p> <p>Water is used principally for conditioning the kiln gases, cooling raw material, de-dusting and cleaning activities, cooling the equipment (e.g., compressors). In wet and semi-wet processes, the water consumption is mainly due to water vaporization during the production phases.</p> <p>Quality monitoring systems on water discharge are in place on regular basis, with different frequency of sampling depending on receiving body and local laws and regulations (e.g., monthly, bimonthly, quarterly, yearly). Effluent parameters are periodically monitored using recognized analytical methodologies (e.g., TSS, pH, temperature, BOD, COD).</p> <p>Water from production phases is treated in primary on site treatment unit/area.</p> <p>The primary treatment of our discharges to remove suspended solids and floating material, typically by sedimentation is sufficient to comply with the laws and voluntary standards applied by the Group (e.g. ISO 14001).</p> <p>The treatment includes physical removal of suspended solids and floating material, typically by sedimentation. A preliminary treatment, including lowering temperature, is applied involving the physical removal of large debris, large particles, oils, and grease.</p>
Discharge to the natural environment without treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	<p>In line with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing, this is the water from quarry dewatering and/or storm water not used in the production processes.</p> <p>Where quarry dewatering is in place, operations require pumping of water to maintain a workable bottom of the quarry: the water is either used for the process or sent to the local hydrological network without any treatment.</p> <p>Water extracted from the quarry for the drainage of quarry that is not used for the process and it is not sent to the local hydrological network sites is discharge without treatment since natural minerals suspended in the water are considered as chemically inert.</p> <p>We evaluate this topic relevant, because quarry dewatering and the related discharge to the natural environment is a phenomenon that occurs in our quarries. We manage this topics according to the laws and the voluntary standards defined by GCCA.</p>
Discharge to a third party without treatment	Relevant	143	Lower	100%	<p>Last year, we reported data related to cement business, only. This year, we are reporting the data related to all businesses.</p> <p>Criteria: No change (<2%). Higher/Lower (2%-5%). Much higher/lower is (>5%).</p> <p>Comparing 2020, in 2021, Discharge to a third party without treatment decreased of 4.7.% (143 megaliters in 2021 versus 150 megaliters in 2020. Decrease of 7 megaliters). For this reason, the comparison with previous year is "Lower".</p> <p>This is the water used for domestic and sanitary purposes sent to the municipal wastewater systems (off-site water treatment facilities). Explanation: In 2020 there was an increase in the water used for sanitary and hygiene purposes due to the Covid 19 pandemic. In 2021, even if the prevention measures for Covid 19 are still in place, the plant put in place a more rational utilization of water.</p> <p>This topic is relevant because all plant of the Group use water for domestic and sanitary purpose that is sent to the municipal wastewater systems according to the local laws.</p>

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<p>Water is used principally for conditioning the kiln gases, cooling raw material, de-dusting and cleaning activities, cooling the equipment (e.g., compressors). In wet and semi-wet processes, the water consumption is mainly due to water vaporization during the production phases.</p> <p>Where quarry dewatering is in place, operations require pumping of water to maintain a workable bottom of the quarry: the water is either used for the process or recovered and sent to public distribution network, as in our quarry of Clypot (please see 4.3a for details about 'Recovery and potabilization of quarry water used un Clypot').</p> <p>Water pumped can be used for a variety of purposes such as washing aggregates, watering tracks, etc. The use of water in quarry is often organised in a closed circuit in order to limit the volume of water taken.</p> <p>Water extracted from the quarry for the drainage of quarry that is not used for the process and it is not sent to the local distribution network is discharge without treatment since natural minerals suspended in the water are considered as chemically inert.</p> <p>Quality monitoring systems on water discharge are in place on regular basis, with different frequency of sampling depending on receiving body and local laws and regulations (e.g., monthly, bimonthly, quarterly, yearly). Effluent parameters are periodically monitored using recognized analytical methodologies (e.g., TSS, pH, temperature, BOD, COD).</p> <p>Water from production phases is treated in primary on site treatment unit/area. The treatment includes physical removal of suspended solids and floating material, typically by sedimentation. A preliminary treatment, including lowering temperature, is applied involving the physical removal of large debris, large particles, oils, and grease.</p> <p>Due to the nature of the water use, the type of production process, and the fact that natural minerals are considered as chemically inert, other treatment is not relevant for our water discharges.</p>

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	1359976000	15652	86888.3209813442	<p>Increase in the total withdrawal efficiency comparing 2020 (82,522 in 2020 versus 86,888 in 2021).</p> <p>The Group is strongly committed in promoting efficiency water management practices. Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption by 25%.</p> <p>For this reason, for the future, we expect a decreasing in the water withdrawal and increase in the total withdrawal efficiency ratio.</p>

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our customers or other value chain partners

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Water is combined with cement and aggregates to produce concrete. In the high water stressed area, a stakeholder conflict could be with our **customers** that are producing concrete.

Engagement method: Between 2018 and 2019, we perform a survey to investigate the status of the green transition in in North Europe, then how it will change the construction industry in the coming years and finally what Cemntir should do when it comes to sustainability topics (among other water management and CO2).

For our customers located in water stress area, as central Europe (i.e., Belgium), is becoming relevant to have supplier of cement and aggregates able to guarantee a sustainable use of water to obtain public works contracts. Several governments recognized the importance of label as Concrete Sustainability Council (CSC) certification in the procedures for the award of public works contracts. To obtain the CSC supplier certificate, the cement and aggregates plants must meet several requirements about environmental topics, as "water management" and "air emissions".

Action: In 2019, the plants located in Belgium, a high-stress area, committed the CSC Certification System to meet the new requirements of the Customers and secure the sales related to public works contracts.

Measurement of success: Success is measured by % of sale of cement and aggregates supported by CSC certificates. Between 2020 and 2021 our cement and aggregates plants located in Belgium obtained the CSC Certification. Starting from the last quarter of 2021, the 100% of sale of cement and aggregates performed by our Belgian companies are supported by CSC certificates. Therefore, our Belgian operations secured sales related to public works contracts. Without CSC certification, our Belgian operations could have lost this type of sales.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

United States of America	Brazos River
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Type of impact driver & Primary impact driver

Acute physical	Heavy precipitation (rain, hail, snow/ice)
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Primary impact

Impact on company assets

Description of impact

In February 2021, an heavy snow slammed the Texas (US).

The storm brought days of subfreezing temperatures and widespread power outages that caused damages in our cement plant located in Waco, Texas, US.

We estimated costs by applying nominal asset value of damages; business interruption and surcharges by providers for a total of 750,000 €.

-375,000 eur related to damages occurred to the water facility pipeline of the plant. The subfreezing temperature damages the pipeline that was fixed and upgraded by using a most appropriate insulation in order to better deal with similar event in the future;

-75,000 eur related to 3 days of unplanned stoppages of the plants. This is the cost related to the missing production of 3 days

-300,000 eur related to the surcharge applied by the local provider for the electricity used during the storm. The storm caused widespread power outages in Texas. In the area where the plant is located did not occur any power outages, however the supplier applied an extra fee for the electricity used during the storm because the power agreement in place does not cover our plant from this risk. Following the storm, the plant renegotiated the power agreement to cover similar risk of unexpected changes in the price of electricity.

According to the classification of impacts defined by our Enterprise Risk Management framework, we consider this impact as 'negligible'. As defined in W4.1a are 'negligible' impacts below 0.5% of operating EBITDA (< 1,525,000 €).

Primary response

Increase capital expenditure

Total financial impact

750000

Description of response

We estimated costs by applying nominal asset value of damages; business interruption and surcharges by providers for a total of 750,000 €.

-375,000 € for damages occurred to the water facility pipeline of the plant. The subfreezing temperature damages the pipeline that was fixed and upgraded by using a most appropriate insulation in order to better deal with similar event in the future;

-75,000 € for 3 days of unplanned stoppages of the plants. This is the cost related to the missing production;

-300,000 € related to the surcharge applied by the local provider for the electricity used during the storm. The storm caused widespread power outages in Texas. In the area where the plant is located did not occur any power outages, however the supplier applied an extra fee for the electricity used during the storm because the power agreement in place does not cover our plant from this risk. Following the storm, the plant renegotiated the agreement to cover similar risk.

The company strategy was focused in:

- 1) the restoration of the damages caused by the subfreezing temperatures in order to restart the plant as soon as possible;
- 2) the implementation of actions that could reduce the future risk for the company. So, the pipeline was fixed and upgraded by using a most appropriate insulation in order to better deal with similar event in the future and the power agreement was renegotiated to cover the plant from unexpected changes in the price of electricity due to similar event.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations
Supply chain
Other stages of the value chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Other

Tools and methods used

WRI Aqueduct
COSO Enterprise Risk Management Framework
Environmental Impact Assessment
IPCC Climate Change Projections
ISO 14001 Environmental Management Standard
Internal company methods
External consultants
Scenario analysis

Contextual issues considered

Water availability at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
Regulators
Suppliers
Water utilities at a local level
Other water users at the basin/catchment level

Comment

A comprehensive assessment of all risks related to water is carried out for all sites and businesses of the Group according to the principles of the COSO Enterprise Risk Management Framework.

- 1) In 2021, the 70.1% of total consumption of water occurred in sites ISO 14001 certified. ISO requires plants to assess risks and opportunities related to water.
 - 2) In 2021, a comprehensive water risk assessment was carried out for all cement plants using the WRI Aqueduct Tool. The addresses of each plant were entered in the tool and potential water risks were assessed based on the impacts of several indicators such as water stress, drought severity or seasonal changes.
 - 3) As part of their annual Risk Management process, all sites need to assess also the risk related to local water regulatory frameworks, risk related to potential conflicts with local communities or other stakeholders (i.e. suppliers, customers) concerning water utilization, risk of business interruption due to disaster (floods, hurricane, ice storm), the risk of water contamination through the emissions or other implication for local ecosystem, water unavailability.
 - 4) in 2021, according to the TCFD recommendations and with the support of an EXTERNAL CONSULTANT, we performed a SCENARIO ANALYSIS to evaluate the physical risk according to three different climate scenarios proposed by IPCC (RCP 2.6, 4.5 and 8.5) and different time horizons.
 - "pessimistic" scenario (RCP8.5) represents a fragmented world with uneven economic development, higher population growth, lower GDP growth, and a lower rate of urbanization, all of which potentially affect water usage and steadily rising global carbon emissions, with temperatures increasing by 4°C relative to 1986–2005 levels;
 - "business as usual" scenario (RCP4.5) represents a world with stable economic development and steadily rising global carbon emissions, with temperatures increasing by 2.6–4°C relative to 1986–2005 levels;
 - "optimistic" scenario (RCP2.6) represents a world with stable economic development and carbon emissions peaking and declining by 2040, with emissions constrained to stabilize at ~650 ppm CO₂ and temperatures to 1.1–2.6°C by 2100;
 - 5) all plants area supported by ENVIRONMENTAL IMPACT ASSESSMENT to evaluate the effects of the plant production on water, air, climate and landscape;
 - 6) in 2021, to improve our procedures for identifying and assessing water-related risks, we submitted for the first time the CDP water security questionnaire
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W3.3b

(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Cementir identifies, assesses and manages water-related risks alongside all other types of risk in a structured manner consistent with the TCFD and as an integral part of its Risk Management Framework.

The process of identifying risks is performed regularly by the Group Risk Officer, involving the Top and Local Management. Macro-economic data and other industry-specific factors and risk information sources serve for the process. In 2021, the Group Risk Officer, with the support of a consultant, performed a scenario analysis to identify and evaluate the physical risks according to three different climate scenarios proposed by IPCC (RCP 2.6, 4.5 and 8.5) and the transition risk, in particular policy risk, using three scenarios proposed by IEA (High Carbon Price, Moderate Carbon Price and Low-Price Scenario).

A panel of specific risks is then identified and applied to all the Group companies and the Group’s risk profile is assessed both from top down and bottom-up perspectives. The bottom-up assessment is performed at the country level. Each legal entity assesses climate-related risks and opportunities that have the potential to impact financial and non-financial targets over a short- (0-3 years), medium- (3-10 years) time horizon of long term (over 10 years) using ISO 14001 standards and the results of WRI aqueduct tool and of Environmental Impact Assessment of each plant. The top-down assessment is performed by the Group risk officer via interviews with the local and top management. Moreover, as already mentioned, in 2021, the Group risk officer, with the support of an EXTERNAL CONSULTANT, performed a SCENARIO ANALYSIS to evaluate the physical risks of each plant (water stress, coldwave, heatwave, wildfire, flood, sea level rise and hurricane) according to three different climate scenarios proposed by IPCC (RCP 2.6, 4.5 and 8.5). Risk and opportunities are assessed according to their likelihood of occurring and their potential magnitude of impact and potential financial impact as reported in W4.1a. In case substantive risks or opportunities related to climate change are identified, specific actions to mitigate risks or capture identified opportunities are defined. For example, avoid risk by stopping specific activities, transfer risk to insurance company, reduce risk by mitigation measures or accept risk, if the cost to mitigate it, it is higher than to bear the risk.

The top risks results are submitted to the Top Management and Corporate Bodies (Audit Committee and BoD), yearly.

Quarterly, a monitoring processes are performed by the Internal Audit on Group’s top risks for monitoring the implementation status of actions plan defined.

Our risk universe covers the various stages of the value chains: direct operations, upstream and downstream.

We provide below a few examples of how we ultimately respond to identified risks.

For example, an outcome of the mentioned risk assessment process is that our plants are exposed to water scarcity.

To address water scarcity issues, the Group defined water targets and planned specific local action plan that fit the individual water contexts. Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption per ton of cement by 25%. The targets have been deployed per single plant. The targets are monitored at site level, monthly, and consolidated at Country/Region and Group level on a quarterly basis.

Example of local action plan. Our quarry of aggregate of Clypot (Belgium) is using a local aquifer currently overexploited. This overexploitation could bring to future conflict with other stakeholders that use the same aquifer. Local community (villagers and therefore also our employees that lived closed to the quarry) but also our customers that use aggregates for producing concrete (concrete is produced by mixing water, aggregates and cement).

This situation could bring also to tightening in the local water regulatory frameworks. In the extreme scenario, local authority could stop industrial production to save water for local community.

For this reason, in collaboration with the local authority and local water provider, we implemented a project to recover water used by our quarry in the public distribution network. Following 4 year of study and a total investment of 1.6 million € (see 4.3a for details), the water extracted to maintain a workable bottom of the quarry is recovered and sent to the public water station for drinking water treatment. This operation allows the local authority to close production wells and thus spare the local aquifer.

Water availability in the local aquifer must be monitored by our local Belgian operations and must be considered in the risk assessment to avoid future conflict with other stakeholders that use the same aquifer (villagers, employees, customers, suppliers) or to avoid future limitations in water by local authorities or local water provider.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

A comprehensive assessment of all risks related to water is carried out for all sites and businesses of the Group. The water risks that could have a material adverse effect on our current/future business are integrated in the Risk Management process.

The risks are identified, assessed, managed and monitored taking into account operations, risk profiles and risk management systems of each business unit, to create a wholly integrated risk management process. Every year, Cementir performs and updates these assessments on the whole Group, involving all subsidiaries and the Corporate Level. The top risks results are submitted to the Top Management and Corporate Bodies (Audit Committee and BoD), yearly. In addition, on quarterly basis a monitoring processes are performed on Group’s top risks for monitoring the implementation status of actions plan agreed.

Definition of 'substantive financial or strategic impact'

We define substantive financial or strategic impact as all major adverse events or missed opportunities that have an impact, directly or indirectly, on Cementir’s ability to create, preserve or that adversely affect the Group’s value.

Risks are assessed in terms of **likelihood** and **impact** and their combination generates the risk scoring. Risk scoring is the results of the multiplication between **likelihood** and

impact.

A scale from 1 to 25 is obtained and the risks that have a **risk score of 12 or higher** are considered to have a potential **substantive financial or strategic impact** that could undermine the business or part of the business.

In the assessments **we consider both direct and indirect operations.**

Description of the quantifiable indicators used to define substantive financial or strategic impact

The risk **impact** value is assessed based on a 5-level rating scale: 1-negligible, 2-Low, 3-significant, 4-high, 5- critical.

Impacts are based on the following parameters:

Economical: a specific risk or opportunity is considered as having a substantive impact, if the resulting deviation from the planned EBITDA 2021 (Group EBITDA: € 305,000,000) as follow:

- Impacts below 0.5% of EBITDA are considered as Negligible (< 1,525,000 €)
- Impacts between 0.5%-5% of EBITDA are considered as Low (€1,525,500- € 15,225,000)
- Impacts between 5-15% of EBITDA are Significant (€ 15,225,000 - €45,750,000)
- Impacts between 15-30% of EBITDA are considered as High (€ 45,75,000- € 91,500,000)
- Impacts above 30% of EBITDA are considered as Critical (€ > 91,500,000)

Operational: significant delay on the lead time, that cannot be managed through an internal reorganization of business activities, are evaluated as substantive for the Company;

Reputational: Cementir evaluates as substantive the risk of a negative judgment on an international scale by media or high loss of confidence by stakeholders.

In order to assess the overall magnitude of the risk, impact is combined with the likelihood, that is apportioned over a 5-level rating scale: 1- rare, 2- unlikely, 3- moderate, 4- likely, 5- more than likely.

Cementir defines the **likelihood** as the probability of occurrence of climate related events in the next 2 years:

- Rare: <10%: that the risk event will occur during the first two years from the time of evaluation;
- Unlikely (10 % - 35 %) that the risk event will occur during the first two years from the time of evaluation;
- Moderate: It is likely (35 % - 65 %) that the risk event will occur during the first two years from the time of evaluation;
- Likely: It is highly likely (65 % - 90 %) that the risk event will occur during the first two years from the time of evaluation;
- More than likely: It is almost certain (> 90 %) that the risk event will occur during the first two years from the time of evaluation;

Once defined Impact and likelihood, risk scoring is calculated as the multiplication between likelihood and impact.

The risk scoring has a scale from 1 (impact below 0.5% of operating EBITDA and likelihood rare, < 10%) to 25 (Impacts above 30% of operating EBITDA and likelihood More than likely, >90%)

All risks that have a risk score of 12 or higher are considered to have a potential **substantive financial impact** that could undermine the business or part of the business.

In addition, a risk could be defined as to have a potential **substantive financial/strategic impact by the Top Management**, regardless the risk scoring resulting from the Risk Management process.

At the end of the year, Cementir consolidates at Group level the results of all the ERM models performed in each subsidiary.

Example of substantive impact

Severe water scarcity in different regions could disrupt part our operations all at once (40% of our plant) for a prolonged period (1 year) causing revenues losses and therefore impacts above 30% of EBITDA in a given year. Risk are monitored and action plans are implemented to reduce the risk to an acceptable level. All action plans are followed up and subject to formal reporting, quarterly.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	<p>An assessment of all risks related to water is carried out for all sites and businesses. There is not any risk with substantive financial or strategic impact. As explained in W4.1a, all risks that have a risk score of 12 or higher are considered to have a potential substantive impact that could undermine the business or part of the business. In the current situation, there is not any risk with a score of 12 or higher. The current situation is likely to remain at similar level for next five years.</p> <p>Risk exists at local level but no substantive impact anticipated. Our local operations face water challenges such as exposure to water scarcity. For this reason, we use WRI Aqueduct Tool to monitor the operations in water stressed area and prioritize investment for promoting efficiency water management practices.</p> <p>For example, our quarry of Clypot is in a high water-stress area in Belgium. The authority urges local industries to develop technical solution for improving the efficiency of water management. So, we have to put in place actions for a sustainable use of water during quarrying activities. In collaboration with the authority, we studied the feasibility of recovering quarry water in the public distribution network. This operation allows the authority to close production wells and thus spare the local aquifer. In 2021, following a total investment of 1.6 million €, part of the water used for quarrying activities is recovered, subjected to primary treatment and then sent to the public water station for drinking water treatment. In 2021, 1,072 megaliters were sent to the public station. The goal is to recover more than 2,000 megaliters (the 70% of withdrawal of Clypot) for supplying 20,000 households and improve our resilience to future regulatory changes.</p> <p>No substantive impact anticipated. We are aware of the water risks (water scarcity, regulatory challenges or flooding, for example) for our direct operations and for this reason many actions have been implemented at local level to manage them.</p> <p>Concerning water scarcity, for example, within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption per ton of cement by 25%.</p> <p>So, considering our geographic diversity, our water reduction targets and our local action plans, we do not consider Cementir exposed to water risks in direct operations that would have substantive financial or strategic impact.</p>

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	<p>An assessment of all risks related to water is carried out for both direct and indirect operations.</p> <p>There is not any risk with substantive financial or strategic impact. As explained in W4.1a, all risks that have a risk score of 12 or higher are considered to have a potential substantive impact that could undermine the business or part of the business. In the current situation, there is not any risk with a score of 12 or higher. The current situation is likely to remain at similar level for next five years.</p> <p>Risk exists at local level but no substantive impact anticipated. Our local operations face water challenges such as exposure to water scarcity. For this reason, we use WRI Tool to monitor the operations in water stressed area and prioritize actions for promoting efficiency water management practices along the value chain.</p> <p>For example, for our customers that produce ready-mix concrete, water is an essential raw material. Water combined with cement and aggregates produces concrete. For our customers located in water stress area, as Belgium, is relevant to manage the water in a sustainable way along the supply chain. This responsible use of water must be certified by third parties. So, our business located in Belgium decided to commit the CSC Certification System. The CSC system is a product certification system, which typically applies to all products manufactured and supplied by ready-mix plants in order to guarantee the sustainability of their product. Cement or aggregates suppliers, to obtain a 'CSC supplier certificate' must meet several requirements about environmental topics, as "water management". Between 2020 and 2021 cement and aggregates business located in Belgium obtained the CSC certification. In 2020, the Belgian cement plant of has received Silver certification from CSC. In 2021, the quarries in Gaurain and Clypot in Belgium obtained the CSC (Concrete Sustainability Council) GOLD certificate.</p> <p>No substantive impact anticipated. We are aware of the water risks (water scarcity, regulatory challenges or flooding, for example) along the value chain and for this reason many actions have been implemented at local level to manage them.</p> <p>Considering our geographic diversity, our water reduction targets and our local action plans, we do not consider Cementir exposed to water risks along the value chain that would have substantive financial or strategic impact.</p>

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Resilience

Primary water-related opportunity

Resilience to future regulatory changes

Company-specific description & strategy to realize opportunity

The recovery and potabilization of water used for the exploitation of our quarry of Clypot (Belgium) has been a great opportunity because thank to new infrastructures implemented, we recover water for supplying 20,000 households allowing the local authority to close production wells and thus spare the local aquifer in a high water-stress. This operation improved our resilience to future regulatory changes, reducing the risk of future conflicts with other stakeholders that use the same aquifer (villagers, employees, customers, suppliers) and reducing the risk of future limitation in water utilization by local authorities (regulators) or local water provider.

During the operations of extraction of limestone in our quarry of Clypot, the water that naturally come out, must be removed to allow dry extraction in the quarry. During this operation, we withdraw water from the basin of Soignies Ecaussinnes, that according to the local authority is currently overexploited. The area where our quarry is located is evaluated as a high water-stress area by the WRI Tool. Until 2020, the water withdrew during the operations was discharged to surface.

Due to the concerns expressed by the local authority about the risk of water scarcity, starting from 2014, we investigated the possibility to recover the water removed during the operations without discharging it to surface.

The project has been developed in partnership with the local authority, the local water provider and the third-party that is exploiting part of the quarry.

Following 4 year of study, between 2018 and 2020, we setup the infrastructures for recovering (connecting pipes) and treating the water. Prior sending to public station, the water is treated to guarantee the physical removal of suspended solids and floating material, by sedimentation.

The whole system has been operational since March 2021.

The total investment amounts to 1.6 million €, split in equal part between Cementir (400,000 €), local authority (400,000 €), local water provider (400,000 €) and the third-party (400,000 €).

In 2021, 1,072 megaliters of water were recovered, subjected to primary treatment, and then sent to the public water station for drinking water treatment.

The gol of the project is to recover more than 2,000 megaliters, yearly (the 70% of withdrawal of Clypot) for suppling 20,000 households.

We assume to reach this goal starting from 2022.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1245000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

As potential financial impact we report 1,245,000 €:

- 1,200,000 € for the investment paid by the other partners of the project. The total investment amounts to 1.6 million €, split in equal part between Cementir (400,000 €), local authority (400,000 €), local water provider (400,000 €) and the third-party (400,000 €).

- 45,000 € related to the water withdrawal tax refunded by the local authority (the 50% of the annual tax pay by Clypot for water withdrawal). As a part of the agreement in place, following the implementation of the investment, the local authority will refund to Cementir the 50% of the annual tax for water withdrawal.

The total investment for recovering water, treating the water and send it to the public water station amounts to 1.6 million €, split in equal part between Cementir (400,000 €), local authority (400,000 €), local water provider (400,000 €) and the third-party (400,000 €).

In 2021, 1,072 megaliters of water were recovered, subjected to primary treatment, and then sent to the public water station for drinking water treatment.

The gol of the project is to recover more than 2,000 megaliters, yearly (the 70% of withdrawal of Clypot) for suppling 20,000 households. We assume to reach this goal starting from 2022.

The project brings some beneficial effects:

- Maintaining / recovering groundwater levels of water. This operation allows the authority to close production wells and thus spare the local aquifer
- Improve our resilience to future regulatory changes. With this project the 70% of water withdrawal of Clypot will be recovered as drinking water for the population.

With this project, in collaboration with the local authority, Cementir developed a new way of doing business minimizing the impact for the local community.

- the investment has been divided between different actors reducing the financial commitment for Cementir (400,000 € over a total investment of 1.6 million €)
- according to the agreement in place, the local authority refund to Cementir the 50% of the water withdrawal tax. (about 45,000 €, yearly).

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Reference to international standards and widely-recognized water initiatives</p> <p>Company water targets and goals</p> <p>Commitment to align with public policy initiatives, such as the SDGs</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to stakeholder awareness and education</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p>Group Water Policy provides guidance to the operating companies on the responsible management of water. The Water Policy applies to all operational activities of the Cementir Group.</p> <p>It gives a description of our company's dependency on water to inform our employees of the importance of managing this precious resource and to motivate them to engage with our commitment to stewardship.</p> <p>We recognize the access to water and sanitation as a human right and we highlight the impact that climate change will have on future water availability. Cementir guarantees the provision and access to WASH at an appropriate level of standard for all employees in all premises under its direct control.</p> <p>The Group is strongly committed in promoting efficiency water management practices, through, but not limited to, recycling/reusing, minimization of wastewater discharge and freshwater withdrawal, use of alternative water resources</p> <p>In particular, the Group is committed to:</p> <p>Consider water supply as a risk/opportunity assessment factor in maintaining and developing operations and businesses.</p> <p>Align the internal water management practices to international best practice, to push the plants beyond regulatory compliance</p> <p>Focus efficiency practices on freshwater especially at sites located in areas under high water stress according to World Resources Institute – Aqueduct's water risk map.</p> <p>Set contextual and measurable water management targets following an environmental integrated approach and according to the UN Sustainable Development Goals. Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption per ton of cement by 25%.</p> <p>Monitor, review and disclose regularly the water management performance according to reference indicators recognized at international level (GCCA Sustainability Guidelines and Global Reporting Initiative standard).</p> <p>Develop a relationship of constructive cooperation, based on utmost openness and trust, both within the group itself and vis-à-vis the local community and the Institutions to share water challenges for the conservation of such common resource.</p> <p>Encourage employees and third parties along the supply chain to develop and demonstrate responsible behaviour toward water use and conservation.</p> <p>Ensure compliance with all applicable local, regional, national and international legislation as well as corporate guidelines and rules.</p>

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	<p>Due to increasing relevance of climate-related issues and sensibility of the Group, a specific Sustainability Committee has been established within the Board, dedicated to the Group's initiatives and engagement in this field and with responsibilities detailed in the related Charter. The Committee's purpose is: (i) to assist and advise the Board in its oversight of the Group's policies, programs and related risks however concerning sustainability matters (among other, CO2 emission, water management, health and Safety, diversity promotion); (ii) act under authority delegated by the Board with respect to setting out, monitoring, evaluating and reporting on policies and practices, management standards, strategy, performance and governance, relating to global and local sustainability matters, involving the Group; (iii) regularly interface with the Sustainability Department and the Group Management Team to respectively collect any required information and provide requested insights and advices and (iv) regular reporting to the Board. The committee meets at least quarterly.</p> <p>Water-related decision: In 2021, following the water risk assessment carried out for all cement plant using the WRI Aqueduct Global Water Tool, the Sustainability Committee approved the water-related targets. Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption per ton of cement by 25%.</p>

W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy	<p>The Board of Directors (BoD) is informed and deliberates on climate-related issues at least quarterly. In 2019-2020, climate related issues have been the priority of Cementir with a particular focus on CO2 emissions.</p> <p>The BoD set the overall strategy, approves the performance objectives and goals for the Group.</p> <p>For example:</p> <ul style="list-style-type: none"> • in March 2021 the Board approved the 2020 Sustainability Report and reviewed the evolution of the main sustainability KPIs and related targets (also water KPIs are included) ; • in July 2021, the Board was informed about the evolution on the main Sustainability KPIs and related targets in the first half year of 2021. A specific section for the Non-financial indicators (with the indication of Co2 emissions, alternative fuels, water consumption) was included in the 2021 CONSOLIDATED HALF-YEAR REPORT. • in November 2021, the Board Reviewed the Group Enterprise Risk Assessment. <p>Water related issues are integrated in the Enterprise Risk Management process and have been discussed by the BoD as important matters arise. Moreover, the BoD defines the guidelines of the risk management system, so that the main risks concerning the whole Group are correctly identified and adequately measured, managed and monitored, determining, the level of compatibility of such risks with the management of the company in a manner consistent with its strategic objectives. The Risk Management system analyzes the risks of each Group company (and of the Group) and evaluates the related level of mitigation, through a uniform methodology. All kind of risks are covered by the ERM (strategic, financial, compliance and operational), consequently, also risks related sustainability, as CO2 emissions, alternative fuels availability and others are integrated in the model. A panel of specific risks related to the sustainability aspects is applied to all the Group companies. These analyses are linked with the Group Sustainability Strategy and a separate disclosure is provided to the Audit Committee and BoD.</p> <p>Starting from 2021, Cementir has publicly committed itself to adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In a structured manner consistent with the TCFD, the Group monitors the risks and opportunities arising from the evolution of transition risks and the evolution of physical risks.</p> <p>Physical risks are divided in turn between:</p> <ul style="list-style-type: none"> • Acute physical risks which refers to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods. Acute physical phenomena which are characterised by a significant intensity and a frequency that is not high in the short term, but which, considering the long-term scenarios, sees a clear growth trend. • Chronic physical risks which refers to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>One Non-Executive Director qualifies as “independent” pursuant to the Dutch Corporate Governance Code with significant experience in ESG matters as climate change and water-related issues.</p> <p>Criteria used to assess competence: the Non-Executive Director is Founding Members and Board Member of Shareholders for Change. Shareholders for Change is a group of institutional investors involved in active engagement with corporations to enhance a sustainable development as an essential element of their role as bond – and shareholders. Shareholders for Change organises collaborative participation in European companies’ Annual General Meetings (AGMs) as well as coordinated voting or submission of questions to their boards and managements related to issues such as: CO2 emissions, climate change, water-related issues, other environmental topics, workers’ rights and human rights (https://www.shareholdersforchange.eu/what-we-do/).</p> <p>The Non-Executive Director is also board member of Fundación Finanzas Éticas. the Fundación, part of Grupo Banca Ética, is actively involved in promoting the energy transition and raising awareness about the role of ethical finance in the fight against climate change (https://finanzaseticas.net/).</p> <p>The Non-Executive Director also published books and articles about green financing.</p>	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Responsibility

Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The CEO regularly reports to the BoD, where the strategic direction of the Group is ultimately set, about its adherence and the overall performance. The CEO is the individual with direct responsibility for sustainability-related issues. The CEO is responsible for the implementation of the Sustainability Targets defined by the Group and the implementation of the investments related to the Targets. Example of reporting to the BoD:

- in March 2021 the CEO presented to the BoD the 2020 Sustainability Report, that includes the main sustainability KPIs and related targets (also water KPIs are included)
- in June 2021, the CEO presented to the Board the evolution on the main Sustainability KPIs and related targets in the first half year of 2021. A specific section for the Non-financial indicators (with the indication of Co2 emissions, alternative fuels, water consumption) was included in the 2021 CONSOLIDATED HALF-YEAR REPORT.

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify (Chief Internal Audit Officer - directly reporting to the Group Chairman. The Chief also report functionally to Control and Risks Committee of Cementir Holding and he is also member of Ethics and Sustainability committees)

Responsibility

Assessing future trends in water demand
Assessing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Annually

Please explain

The internal audit is in charge for the identification, evaluation and monitoring of all Group risks (ERM). All kind of risks are covered by the ERM (strategic, financial, compliance and operational), consequently, also risks related sustainability, as CO2 emissions or water related issues. The Chief Internal Audit Officer update annually the Audit and Risk Committee about the evolution of the main risks.

Name of the position(s) and/or committee(s)

Other, please specify (Chief Technical Coordinator Officer - directly reporting to the Group COO (Chief Operating Officer))

Responsibility

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Not reported to board

Please explain

The Chief Technical Coordinator Officer is in charge for the internal reporting system to monitor water withdrawals, consumption and impacts, targets and strategies to reduce consumption and secure operational efficiency in water-scarce scenarios. The information related to water management are updated on a quarterly based

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	In 2021, incentives for the management of water-related issues have been defined for the Chief Internal Audit Officer. The Chief Internal Audit Officers receives a monetary reward based on the Cementir performance against CDP water security questionnaire. He reports directly to the Group CEO and has been assigned also the responsibility of Operational and Sustainability matters. The Internal Audit is responsible for the periodic monitoring of the activities implemented in reference to the Group's sustainability strategy and its targets. The internal audit is also in charge for the identification, evaluation and monitoring of all Group risks (ERM).

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Other C-suite Officer (Chief Internal Audit Officers)	Other, please specify (Company performance against a climate-related sustainability index)	The Chief Internal Audit Officers receives a monetary reward based on the Cementir performance against CDP water security questionnaire. He reports directly to the Group CEO and has been assigned also the responsibility of Operational and Sustainability matters. The Internal Audit is responsible for the periodic monitoring of the activities implemented in reference to the Group's sustainability strategy and its targets. The internal audit is also in charge for the identification, evaluation and monitoring of all Group risks (ERM). All kind of risks are covered by the ERM (strategic, financial, compliance and operational), consequently, also risks related sustainability, as CO2 emissions, alternative fuels availability and others are integrated in the model. The Chief Internal Audit Officer updates the Audit and Risk Committee about the evolution of the main risks
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	We did not implement non-monetary reward

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

The Sustainability Committee is quarterly updated concerning the commitment of Cementir on public policy and concerning any relevant trend or upcoming legislation concerning climate change or water management.

For example, Cementir representatives actively participate to the working group of CEMBUREAU (European Cement Association) about EU Taxonomy and environmental policy. The representatives must engage in a way that reflects Cementir position, according to the instructions received by the Sustainability Committee.

All the activities engaged are quarterly reported to Sustainability Committee.

In this way the Committee can evaluate the consistency of the activities performed with Cementir Sustainability Strategy.

In addition, the Group COO and Group CEO (both inside the Sustainability Committee) are directly involved in specific association as GCCA (Global Cement and Concrete Association), and they are informed anytime as important matter arise.

In case, any major divergences with the mentioned associations should occur, Cementir will dissociate itself from the association and related activities. In extreme situation, Cementir will resign from the association.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)
Sustainability Report 2021.pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	The Group set 26 Sustainability Targets to be achieved within 2030 and covering the priority areas for Cementir. The targets are related to the effort of Cementir for adopting all necessary measures and the most innovative technological solutions to minimise the impact of our business on the environment; creating a healthy, safe and inclusive work environment; respecting human rights and creating a constructive and transparent relationship with the local communities and business partners. Concerning water, the Group is strongly committed to promote efficiency water management practices, through, but not limited to, recycling/reusing, minimization of freshwater withdrawal and wastewater discharge, minimization of water losses, use of alternative water resources, development of sustainable products also by leveraging circularity. For this reason the Group is working on reducing water impact, in particular on sites that are located in water scarce areas. Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption per ton of cement by 25%.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Our strategy includes: - A specific Sustainability Committee dedicated to the Group's initiatives and engagement related to water management. - a Group Water Policy that provides guidance to the operating companies on the responsible management of water. - The Group Monitoring and Reporting of Water Management Guidelines provides a guidance on monitoring and reporting of the environmental performance in terms of water management. The set of parameters and indicators, defined according the CSI/GCCA Water guidelines, are considered as minimum requirements which each operating company is exclusively responsible for enacting and implementing at each site as integral and essential part of its own environmental management system. - Specific targets for the reduction of water consumption. Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption per ton of cement by 25%. - Water issues included in the Group risk management process. In the Group Risk Register, the tool used by the Group to identify and monitor each risk, the risk "water stress" is listed. This risk is evaluated during each session of risk process with each plant of the Group.
Financial planning	Yes, water-related issues are integrated	5-10	Resources required to achieve our water-related objectives are integrated in our yearly budget process, in our industrial plan that cover a 3-year period and in our 10-year roadmap (as already mentioned, within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area, the goal is a reduction of 25%). Example of Financial Planning: Concerning our quarry of Clypot (Belgium), in collaboration with the local authority, the local water provider and the third-party that exploits part of the quarry, we studied the feasibility of recovering quarry water in the public distribution network. Following 4 year of study, in 2018, the local authority authorized the setup of infrastructures for recovering (connecting pipes) and treating the water. The infrastructures were implemented between 2018 and 2020 and the whole system has been operational since March 2021. The total investment amounts to 1.6 million €, split in equal part between Cementir (400,000 €), local authority (400,000 €), local water provider (400,000 €) and the third-party (400,000 €). In 2021, 1,072 megaliters of water were recovered, subjected to primary treatment and then sent to the public water station for drinking water treatment. To accomplish this goal, we had to plan over several years the spending related to: the study (from 2014 to 2018), the investment (2018-2020) and to the opex of the recovering system (starting from 2021).

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

In 2021, the water-related CAPEX and OPEX remained the same compared to the previous reporting year. In 2021, the total amount was 3.4 million € (60% related to OPEX and 40% related to CAPEX). In 2021, the OPEX were related to water supply costs, permit renewals and water quality testing, while CAPEX were related to capitalized maintenance of the existing water treatment plants. In 2021, we did not buy any new water-related CAPEX.

Overall, for the future (2022/2023), we did not expect relevant changes in OPEX and CAPEX.

Between 2020 and 2021, the OPEX paid by the plants did not change and we do not expect relevant changes in the next future (2022/2023).

For the CAPEX, due to the fact that there are not any issue concerning water management, we do not expect specific investment in the next future (2022/2023).

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	According to the TCFD recommendations and with the support of an external consultant, we performed a scenario analysis to evaluate the physical risk according to three different climate scenarios (RCP 2.6, 4.5 and 8.5) and different time horizons.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	<p>Policy Risk</p> <ul style="list-style-type: none"> • High Carbon Price Scenario (IEA 66% 2C Scenario): This scenario represents the implementation of policies that are considered sufficient to reduce greenhouse gas emissions in line with the goal of limiting climate change to 2°C by 2100. This scenario is based on research by OECD and IEA (2017). • Moderate Carbon Price Scenario: This scenario assumes that policies will be implemented to reduce greenhouse gas emissions and limit climate change to 2°C in the long term, but with action delayed in the short term. This scenario draws on research by OECD and IEA along with assessments of the sufficiency of country Nationally Determined Contributions by Climate Action Tracker by Ecofys, Climate Analytics and New Climate Team. Countries with Nationally Determined Contributions that are not aligned to the 2°C goal in the short term are assumed to increase their climate mitigation efforts in the medium and long term. • Low Price Scenario (IEA NPS): This scenario represents the full implementation of country Nationally Determined Contributions under the Paris Agreement, based on research by OECD and IEA (2017). Prices in this scenario are considered likely to be insufficient to achieve the goals of the Paris Agreement. <p>Physical Risk</p> <ul style="list-style-type: none"> • High Climate Change Scenario (RCP 8.5): Continuation of business as usual with emissions at current rates. This scenario is expected to result in warming in excess of 4 degrees Celsius by 2100. • Moderate Climate Change Scenario (RCP 4.5): Strong mitigation actions to reduce emissions to half of current levels by 2080. This scenario is more likely than not to result in warming in excess of 2 degrees Celsius by 2100. • Low Climate Change Scenario (RCP 2.6): Aggressive mitigation actions to halve emissions by 2050. This scenario is likely to result in warming of less than 2 degree Celsius by 2100. <p>Time horizons</p> <ul style="list-style-type: none"> • For transition (policy and market risk) and physical risk we look at time horizon out to 2050. 	<p>As part of our TCFD assessment, we have evaluated the exposure of our plants to physical risks, covering: acute physical risks, which refers to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods and chronic physical risks which refers to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.</p> <p>Our assessment uses three scenarios proposed by the IPCC (RCP 2.6 as an optimistic scenario, RCP 4.5 as a stabilisation scenario and RCP 8.5 as a pessimistic scenario) and covers the time horizon until 2050. An example of risks affecting part of our plants could be policy-based water restrictions due to the exacerbation of water scarcity.</p> <p>Water scarcity already affects every continent and climate change will amplify the already complex relationship between business development and water demand. Water use has been growing globally at more than twice the rate of population increase in the last century, and an increasing number of regions are reaching the limit at which water services can be sustainably delivered.</p> <p>Countries where the Group is located will have to tackle the problems presented by water stress asking to the companies to implement solution for minimizing the impact on water management for the local community.</p>	<p>The water-related outcomes of our scenario analysis are affecting the Group business strategy.</p> <p>To address local water issues, the Group defined water targets and planned specific local action plan that fit the individual water contexts.</p> <p>Water Targets. Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption per ton of cement by 25%. The targets have been deployed per single plant. The targets are monitored at site level, on a monthly basis, and consolidated at Country/Region and Group level on a quarterly basis.</p> <p>Example of local action plan. In our quarry of Clypot (Belgium), located in an high water-stress area, in collaboration with the local authority, we recover quarry water in the public distribution network. Following 4 year of study and a total investment of 1.6 million € (see 4.3a for details), the water extracted to maintain a workable bottom of the quarry is recovered and sent to the public water station for drinking water treatment. This operation allows the local authority to close production wells and thus spare the local aquifer. In 2021, 1,072 megaliters were sent to the public water station. In 2022, we expect to recover more than 2,000 megaliters for supplying 20,000 households. With this project, Cementir developed a new way of doing business minimizing the impact for the local community and improving the resilience to future regulatory changes.</p>

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

In 2021, the Group did not apply any internal price on water. We are currently exploring water valuation practices in order to implement internal price on water.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	<p>Clinker, the fundamental component of cement, is the semi-finished product resulting from burning limestone and other natural minerals at high temperatures in rotary kiln.</p> <p>For the production of some type of cement (for example white cement), it is necessary to lower the clinker temperature in a few seconds, as it leaves the kiln. This usually involves quenching the clinker with cold water.</p> <p>The development of cement with lower clinker content helps to reduce the specific water consumption. Cement with a lower quantity of clinker consume less water for their production.</p>	<Not Applicable>	<p>FUTURECEM® is a new type of cement based on limestone and calcinated clay, developed by Cementir. The combination of limestone and calcinated clay in FUTURECEM can allows over than 40% clinker replacement in cement, keeping the same performance of a pure Portland cement</p> <p>The production of cement with reduced clinker content determines approx.30% CO2 emission reduction in the manufacturing phase</p> <p>At the same, the development of cement with lower clinker content helps to reduce the specific water consumption.</p> <p>In our Danish plant of Aalborg, the reduction of clinker factor from 92% to 67% allows to reduce water consumption of 150 liters per ton of FUTURCEM produced.</p> <p>The Portland Limestone Cement (PLC) is another example of cement that allow water reduction comparing the traditional cement. In our plant of York (US) the replacement of clinker with limestone to produce PLC (clinker factor lowered to 81% from 90) allows to gain 70 liters of water per ton of PLC produced.</p>

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Business level specific targets and/or goals Site/facility specific targets and/or goals Country level targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	In the context of our company's non-financial targets, we have assessed water performance since 2017. Water is the key element for the survival of our communities and ecosystems. Access to water and sanitation are recognized as human rights. Water supply is essential for industry, including our sector, as well as agriculture and energy production. Water management is a major challenge in sustainability strategy and practices. Goal. The Group is strongly committed in promoting efficiency water management practices to minimize any impact on communities and ecosystems, through, but not limited to, recycling/reusing, minimization of wastewater discharge and freshwater withdrawal, use of alternative water resources Target. To achieve the mentioned long-term goal, a specific measurable output to be achieved within a specific timeline is essential. Target setting is driven by our response to risks and impacts, and the identification of water scarce locations using the WWF Risk Filter tool. This ensures that targets are meaningful in terms of our water security commitments. Cement consumption account for 75% of the total water consumption of the Group, RMC for 14%, aggregates for 11% and other business for less than 1%. For this reason, the Group priority is to reduce water consumption on cement business. Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019. In the water stressed area the goal is to reduce the consumption per ton of cement by 25%. The targets have been deployed per single plant. To address local water issues, the Group defined specific targets that fit the individual water contexts. The targets are monitored at site level, on a monthly basis, and consolidated at Country/Region and Group level on a quarterly basis. Therefore, each target is monitored at site level, Region level and Group level.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water consumption

Level

Business

Primary motivation

Reduced environmental impact

Description of target

Cement consumption account for 75% of the total water consumption of the Group, RMC for 14%, aggregates for 11% and other business for less than 1%.

For this reason, the Group priority is to reduce water consumption on cement business. For this reason, we evaluated the target as business level, because is related to our cement business.

Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019.

The water consumption will be reduced to 384 litres / ton by 2030. In 2019, the water consumption was 480 Litre / ton of cement. In 2021, the water consumption was 413 Litre / ton of cement.

The target has been deployed per single plant.

Quantitative metric

% reduction in total water consumption

Baseline year

2019

Start year

2019

Target year

2030

% of target achieved

69.79

Please explain

Within 2030, the Group will reduce the water consumption per ton of cement by 20%, comparing 2019.

The water consumption will be reduced to 384 litres / ton by 2030.

In 2019, the water consumption was 480 Litre / ton of cement.

In 2021, the water consumption was 413 Litre / ton of cement.

In 2021, the reduction versus the 2019 was the 13.96% [(413-480)/480]

The % of target achieved is 69.79% (13.96% / 20%).

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal

Engagement with public policy makers to advance sustainable water management and policies

Level

Site/facility

Motivation

Risk mitigation

Description of goal

Water is a local resource and its sustainable management requires understanding of the local context.

Our operations located in high water-stress area must engage with the local authority to develop solution for improving efficiency water management practices not only to conserve water but also put efforts to rejuvenate the sources.

Why this goal is important to Cementir?

Developing local solution to minimize the impact on local aquifer will Improve our resilience to future regulatory changes, in particular in high water-stress area.

Example: our quarry of Clypot is in a high water-stress area in Belgium. During the operations of extraction of limestone, the water that naturally come out, must be removed to allow dry extraction. The local authority urges local industries to develop technical solution for recovering water and spare the local aquifer. so, we must put in place actions to guarantee a sustainable use of water to guarantee the continuity of the business minimizing the impact for the aquifer used by the local community.

In collaboration with the local authority, starting from 2014, we studied the feasibility of recovering quarry water in the public distribution network.

Following 4 years of study, in 2018, the local authority authorized the setup of infrastructures for recovering (connecting pipes) and treating the water. Prior sending to public station for drinking water treatment, the water is treated, to guarantee its bacteriological quality.

Baseline year

2021

Start year

2014

End year

2022

Progress

How Cementir is implementing the goal?

Following 4 years of study, in 2018, the local authority authorized the setup of infrastructures for recovering (connecting pipes) and treating the water. Prior sending to public station for drinking water treatment, the water is treated, to guarantee its bacteriological quality.

The infrastructures were implemented between 2018 and 2020 and the whole system has been operational since March 2021.

In March - December 2021 period, 1,072 megaliters of water were recovered, treated, to guarantee its bacteriological quality, and then sent to the public water station for drinking water treatment. The goal of the project is to recover more than 2,000 megaliters, yearly (the 70% of withdrawal of Clypot) for supplying 20.000 households.

The recovery of quarry water brings some beneficial effects:

- Maintaining and recovering groundwater levels of water. This operation allows the authority to close production wells and thus spare the local aquifer.
- Improve our resilience to future regulatory changes. With this project the 70% of water withdrawal of Clypot will be recovered as drinking water for the population

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

Sustainability Report 2021.pdf

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Data related to water withdrawal, water discharge and water consumption, reviewed by the external auditor. Please see chapter 'WATER CONSUMPTION ' pages 102/105 and chapter 'Independent Auditor's Report' page 172 of 2021 Sustainability Report	ISAE 3000	Limited assurance from external Auditor (PricewaterhouseCoopers) on the 2021 Sustainability Report. See pag 172 of Sustainability Report (Independent Auditor's Report on the Consolidated Non-Financial Statement). The Sustainability Report and related assurance is also available on Corporate Website https://www.cementirholding.com/sites/default/files/documenti/2022-04/Sustainability%20Report%202021.pdf
W2 Business impacts	Data related to fines and penalties for water management reviewed by the external auditor. Please see paragraph 'Water Management System ', page 103 of 2021 Sustainability Report. In the paragraph we stated 'No fines and penalties for water management were recorded in 2021.' See also chapter 'Independent Auditor's Report' page 172 of 2021 Sustainability Report.	ISAE 3000	Limited assurance from external Auditor (PricewaterhouseCoopers) on the 2021 Sustainability Report. See pag 172 of Sustainability Report (Independent Auditor's Report on the Consolidated Non-Financial Statement). The Sustainability Report and related assurance is also available on Corporate Website https://www.cementirholding.com/sites/default/files/documenti/2022-04/Sustainability%20Report%202021.pdf
W8 Targets	Data related to targets and their status reviewed by the external auditor. Please see paragraph 'Improvement path in cement', page 103 of 2021 Sustainability Report. See also chapter 'Independent Auditor's Report' page 172 of 2021 Sustainability Report.	ISAE 3000	Limited assurance from external Auditor (PricewaterhouseCoopers) on the 2021 Sustainability Report. See pag 172 of Sustainability Report (Independent Auditor's Report on the Consolidated Non-Financial Statement). The Sustainability Report and related assurance is also available on Corporate Website https://www.cementirholding.com/sites/default/files/documenti/2022-04/Sustainability%20Report%202021.pdf

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

N/A

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

The European Climate Pact Submission

Please indicate your consent for CDP to showcase your disclosed environmental actions on the European Climate Pact website as pledges to the Pact.

Yes, we wish to pledge to the European Climate Pact through our CDP disclosure

Please confirm below

I have read and accept the applicable Terms