

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 **Türkiye**. We operate in Belgium one of the largest aggregate quarries in Europe, with **10 million** tons extracted each year. In **Türkiye** 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.

As a first step, in 2020, Cementir defined a roadmap up to 2030 to reduce its Scope 1 and 2 emissions by 25% compared to 2020. This commitment, that did not include any breakthrough technology, was validated by SBTi and judged to be consistent with the “well below 2°C” objective.

In 2022, following the guidelines for the cement sector by SBTi, Cementir updated its transition plan and set 1.5°C-aligned science-based GHG emission reduction targets for the production of cement.

Near-term (2030),Cementir commits to reduce:

- Scope 1 and Scope 2 GHG emissions 29.33% per ton of cement by 2030 from a 2021 base year;
- Scope 3 GHG emissions from purchased goods and services 23.00% per ton of purchased clinker and cement by 2030 from a 2021 base year;

Long-term (2050), Cementir commits to reduce:

- Scope 1 & 2 emissions 96.1% per ton of cement by 2050 from a 2021 base year;
- absolute Scope 3 emissions 90% by 2050 from a 2021 base year.

As of July 2023, the targets (near-term and long-term) have been submitted to SBTi. Cementir is waiting for the validation review of SBTi.

To drive the transition of the Group to a low carbon economy, the 2023-25 Industrial Plan, approved by the Board of Directors in February 2023, targets a 86 million euro investments in sustainability, which will include, among others: the revamping of the kiln at our Belgian plant in order to increase alternative fuels use from the current 40% to over 70%; the switch to natural gas in Aalborg; the ramping up of facilities at the Aalborg plant to produce FUTURECEM®.

In 2022 we further formalized our engagement towards sustainability by signing both the UN Global Compact and the WASH Pledge. The Group is to working every day to develop a more responsible business, respectful of human and labour rights, promoting environmental protection and anti-corruption initiatives. But also, on providing access to safe water, sanitation and hygiene (WASH) at the workplace within our operations and supporting partners across our value chain and communities that surround our workplaces. Concerning water, the Group has defined a 10-year roadmap that will allow 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 minimising freshwater withdrawal, optimising water reused/recycled and wastewater discharge, minimising leaks, and implementing water management efficiency practices. In cement, water consumption accounts 75% of the Group total consumption. In production processes, water is used principally to cool the equipment, condition the kiln gases, 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 accounts 16% of the Group total consumption.

In aggregates business, water consumption accounts 9% 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.

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 2022	December 31 2022

W0.3

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

Belgium  
China  
Denmark  
Egypt  
France  
Malaysia  
Norway  
Sweden  
Turkey  
United Kingdom of Great Britain and Northern Ireland  
United States of America

**W0.4**

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

EUR

**W0.5**

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**(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**

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

No

**W0.7**

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**(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**

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**W1.1**

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**(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 2022, water withdrawals in cement account for 61.1% of the total withdrawals of Cementir, Ready Mix Concrete (RMC) for 6.0%, aggregates for 32.8% and other business 0.1%.</p> <p>For primary use in DIRECT OPERATIONS, a good quality of freshwater is not very important taking into account that good quality of freshwater is not required. What becomes more significant is the quantity, rather than the quality of water.</p> <p>In cement and aggregates production, water is used principally to cool raw materials, conditioning the kiln gases and de-dusting. All of these water needs can be met through the use of recycled/reused 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 6.0% 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. Only a few of our suppliers may require good quality of freshwater (e.g., machineries and equipment); 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>We promote efficient water management practices such as recycling, reusing of water with the aim to minimize the freshwater withdrawal. In 2022, the percentage of reused/recycled water on total water withdrawal in cement accounts for 30%. The quantity of water reused/recycled is therefore important.</p> <p>Water withdrawals in cement account for 61.1% of the total withdrawals of Cementir, Ready Mix Concrete (RMC) for 6.0%, aggregates for 32.8% 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 reused/recycled water for further use in cooling, dust suppression, washing and gardening, etc.</p> <p>In future, for DIRECT OPERATIONS, we expect to improve our efficient water management including reused/recycled water and rainwater harvested. So also in the future, in DIRECT OPERATIONS, quantity will be important.</p> <p>For the primary use in INDIRECT OPERATIONS, the quantity of reused/recycled water can vary. In some cases, suppliers need sufficient amount of this reused/recycled or brackish water (e.g. fossil fuel suppliers, alternative fuel suppliers). Customers require mainly sufficient good quality of water for product applications and uses. So we consider the INDIRECT OPERATIONS as neutral.</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>

**W1.2**

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

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	<p>We adopt different methods of measurement:</p> <ol style="list-style-type: none"> <li>1.Measurements of water volume instantaneously passing by the cross-section of a channel or pipe, using a meter.</li> <li>2.Calculation by measurements by multiplying measured flow rate and pump operational hours; or by the difference between two measurements, such as water withdrawal and discharge.</li> <li>3.Calculation by estimation by multiplying rated capacity of the pump manufacturer and pump operating hours; or by using an empirical formula with assumed factors.</li> </ol>	<p>'Water withdrawals – total volumes' are monitored at site level, on a monthly basis, and consolidated at Group level on a quarterly basis. 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.</p> <p>We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2022, the data has been subjected to external audit.</p> <p>The 70% of total withdrawals occurred in sites ISO 14001 certified.</p> <p>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 cement plants will be ISO 14001 certified. Furthermore, by 2027 all RMC plants will be ISO 14001 certified.</p>
Water withdrawals – volumes by source	100%	Monthly	<p>We adopt different methods of measurement:</p> <ol style="list-style-type: none"> <li>1.Measurements of water volume instantaneously passing by the cross-section of a channel or pipe, using a meter.</li> <li>2.Calculation by measurements by multiplying measured flow rate and pump operational hours; or by the difference between two measurements, such as water withdrawal and discharge.</li> <li>3.Calculation by estimation by multiplying rated capacity of the pump manufacturer and pump operating hours; or by using an empirical formula with assumed factors.</li> </ol>	<p>'Water withdrawals – volumes by source' are monitored at site level, on a monthly basis, and consolidated at Group level on a quarterly basis. 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.</p> <p>We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2022, the data has been subjected to external audit.</p> <p>The 70% of total withdrawals occurred in sites ISO 14001 certified.</p> <p>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 cement plants will be ISO 14001 certified. Furthermore, by 2027 all RMC plants will be ISO 14001 certified.</p>
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals quality	100%	Quarterly	Sampling and standardized test methods (labs)	'Water withdrawals quality' are monitored at site level. We monitor the quality of water withdrawals in order to identify freshwater and non-freshwater. The frequency of measurement is usually monthly, but may change according to the local regulation (e.g quarterly). The plants utilize several quality measurement methods with the most common being sample testing. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2022, the data has been subjected to external audit. The 70% of total withdrawals occurred in sites ISO 14001 certified. The Group is working to increase the sites ISO 14001 certified. By 2025, all cement plants will be ISO 14001 certified. Furthermore, by 2027 all RMC plants will be ISO 14001 certified.
Water discharges – total volumes	100%	Monthly	We adopt different methods of measurement: 1.Measurements of water volume instantaneously passing by the cross-section of a channel or pipe, using a meter. 2.Calculation by measurements by multiplying measured flow rate and pump operational hours; or by the difference between two measurements, such as water withdrawal and discharge. 3.Calculation by estimation by multiplying rated capacity of the pump manufacturer and pump operating hours; or by using an empirical formula with assumed factors.	'Water discharges – total volumes' are monitored at site level and consolidated at Group level on a quarterly basis. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2022, the data has been subjected to external audit. The 70% of total water 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 cement plants will be ISO 14001 certified. Furthermore, by 2027 all RMC plants will be ISO 14001 certified.
Water discharges – volumes by destination	100%	Monthly	We adopt different methods of measurement: 1.Measurements of water volume instantaneously passing by the cross-section of a channel or pipe, using a meter. 2.Calculation by measurements by multiplying measured flow rate and pump operational hours; or by the difference between two measurements, such as water withdrawal and discharge. 3.Calculation by estimation by multiplying rated capacity of the pump manufacturer and pump operating hours; or by using an empirical formula with assumed factors.	'Water discharges – volumes by destination' are monitored at site level and consolidated at Group level on a quarterly basis. 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, domestic sewage and other through a defined discharge point (point source discharge), over land in a dispersed or undefined manner (no-point source discharge). We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2022, the data has been subjected to external audit. The 70% of total water 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 cement plants will be ISO 14001 certified. Furthermore, by 2027 all RMC plants will be ISO 14001 certified.
Water discharges – volumes by treatment method	100%	Monthly	We adopt different methods of measurement: 1.Measurements of water volume instantaneously passing by the cross-section of a channel or pipe, using a meter. 2.Calculation by measurements by multiplying measured flow rate and pump operational hours; or by the difference between two measurements, such as water withdrawal and discharge. 3.Calculation by estimation by multiplying rated capacity of the pump manufacturer and pump operating hours; or by using an empirical formula with assumed factors.	'Water discharges – volumes by treatment method' are monitored at site level and consolidated at Group level on a quarterly basis. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2022, the data has been subjected to external audit. The 70% of total water 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 cement plants will be ISO 14001 certified. Furthermore, by 2027 all RMC plants will be ISO 14001 certified.
Water discharge quality – by standard effluent parameters	100%	Quarterly	Sampling and standardized test methods (labs)	Quality monitoring systems on water discharge are in place on regular basis. The frequency of measurement is usually monthly, but may change according to the local regulation (e.g quarterly). Effluent parameters are periodically monitored using recognized analytical methodologies (e.g., TSS, pH, temperature, BOD, COD). In some countries, according to local legislation, the identification and classification process is usually performed together with the local authority. We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2022, the data has been subjected to external audit. The 70% of total water 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 cement plants will be ISO 14001 certified. Furthermore, by 2027 all RMC plants will be ISO 14001 certified.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant	<Not Applicable>	<Not Applicable>	The emissions to water (nitrates, phosphates, pesticides, and/or other priority substances) are not relevant, this because our process do not involve any of this high priority substances. Furthermore, water is used principally to cool raw materials, conditioning the kiln gases and de-dusting. The company is committed to ensure water discharge quality according to the permit limits defined by regulations. In the future we do not aspect that this topic will become relevant. The 70% of total water discharges occurred in sites ISO 14001 certified. The Group is working to increase the sites ISO 14001 certified. By 2025, all cement plants will be ISO 14001 certified. Furthermore, by 2027 all RMC plants will be ISO 14001 certified.

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water discharge quality – temperature	100%	Quarterly	Sampling and standardized test method	Quality monitoring systems on water discharge are in place on regular basis. Effluent parameters are periodically monitored using recognized analytical methodologies (e.g., TSS, pH, temperature, BOD, COD). The frequency of measurement is usually monthly, but may change according to the local regulation (e.g quarterly). We apply the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In 2022, the data has been subjected to external audit. The 70% of total water 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 cement plants will be ISO 14001 certified. Furthermore, by 2027 all RMC plants will be ISO 14001 certified.
Water consumption – total volume	100%	Monthly	We adopt different methods of measurement: 1.Measurements of water volume instantaneously passing by the cross-section of a channel or pipe, using a meter. 2.Calculation by measurements by multiplying measured flow rate and pump operational hours; or by the difference between two measurements, such as water withdrawal and discharge. 3.Calculation by estimation by multiplying rated capacity of the pump manufacturer and pump operating hours; or by using an empirical formula with assumed factors.	'Water consumption – total volume' is monitored at site level 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 2022, the data has been subjected to external audit. The 71% of total water 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 cement plants will be ISO 14001 certified. Furthermore, by 2027 all RMC plants will be ISO 14001 certified.
Water recycled/reused	100%	Monthly	We adopt different methods of measurement: 1.Measurements of water volume instantaneously passing by the cross-section of a channel or pipe, using a meter. 2.Calculation by measurements by multiplying measured flow rate and pump operational hours; or by the difference between two measurements, such as water withdrawal and discharge. 3.Calculation by estimation by multiplying rated capacity of the pump manufacturer and pump operating hours; or by using an empirical formula with assumed factors.	'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 2022, the data has been subjected to external audit. The percentage of total water reused/recycled in cement accounts to 30%. 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 cement plants will be ISO 14001 certified. Furthermore, by 2027 all RMC plants will be ISO 14001 certified.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Yearly	WBCSD self-assessment tool.	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 we monitor the provision by means the WBCSD self-assessment tool, identifying and monitoring best practices and the enhancements in all the facilities. After the self-assessment phase we implemented action plans (with a three-year term) to make improvements in all sites. Regularly we follow up the progresses of these action plans. This activity is carried out half year for the follow up of action plan and yearly for update the assessment. Specific audit activities are performed on this matter, to verify also the progresses and compliance with WASH requirements.

## W1.2b

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

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
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	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	14908	Lower	Other, please specify (Increase/decrease in business activity and efficiency initiatives)	Lower	Increase/decrease in efficiency	<p>In 2022, cement withdrawals account for 61.1% of the total withdrawals, RMC for 6.0%, aggregates for 32.8% and other business 0.1%.</p> <p>Criteria on Total Withdrawal: About the same (&lt;2%) Higher/Lower if change is between (2%-5%). Much higher/lower is (&gt;5%).</p> <p>Comparing 2021, in 2022, the total withdrawals decreased of 4.8% (Total withdrawals of 15,652 megaliters in 2021 versus 14,908 megaliters in 2022 with a decrease of 744 megaliters). For this reason, the comparison with previous year is "lower".</p> <p>Explanation changes: Comparing to 2021, in 2022, the production slightly decreased in all business segments. In terms of quantity produced, Cement production decreased by 5.5%, the production of RMC by 1.2% and the production of aggregates by 4.4%, furthermore, during 2022 multiple initiatives of environmental efficiency have been implemented.</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 that the absolute volume of water withdrawals will be lower or stable. The targets are part of our climate change strategy.</p>
Total discharges	9808	About the same	Other, please specify (Increase/decrease in business activity and efficiency initiatives )	About the same	Increase/decrease in efficiency	<p>In 2022, cement discharges account for 53.8% of the total discharges, RMC for 0.6%, aggregates for 45.2% and other business 0.4%.</p> <p>Criteria on Total discharges: About the same (&lt;2%) Higher/Lower if change is between (2%-5%). Much higher/lower is (&gt;5%).</p> <p>Comparing 2021, in 2022, the total discharges remained stable, around 9,808 megaliters. Specifically, in 2021 were equal to 9,737 megaliters.</p> <p>Future development: we expect in the future that total discharges remain stable. 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 the future, we expect that the absolute volume of total withdrawals will be lower or stable. The targets are part of our climate change strategy.</p>
Total consumption	5099	Much lower	Other, please specify (Increase/decrease in business activity and efficiency initiatives )	Lower	Increase/decrease in efficiency	<p>In 2022, cement discharges account for 75.3% of the total discharges, RMC for 16.1%, aggregates for 8.6% and other business 0.0%.</p> <p>Criteria on Total Consumptions: About the same (&lt;2%) Higher/Lower if change is between (2%-5%). Much higher/lower is (&gt;5%).</p> <p>Comparing 2021, in 2022, the total consumption decreased of 13.8% (Total consumption of 5,099 megaliters in 2022 versus 5,914 megaliters in 2021 with a decrease of 815 megaliters). For this reason, the comparison with previous year is "much lower", mainly due to cement business.</p> <p>Explanation changes: Comparing to 2021, in 2022, the production slightly decreased in all business segments. In terms of quantity produced, Cement production decreased by 5.5%, the production of RMC by 1.2% and the production of aggregates by 4.4%, furthermore, during 2022 multiple initiatives of environmental efficiency have been implemented.</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 that the absolute volume of water consumption will be lower or stable. The targets are part of our climate change strategy.</p>

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	51-75	About the same	Other, please specify (Increase/decrease in business activity and efficiency initiatives )	About the same	Increase/decrease in efficiency	WRI Aqueduct	<p>Criteria: About the same (&lt;2%) Higher/Lower if change is between (2%-5%). Much higher/lower is (&gt;5%).</p> <p>In 2022, the 57.1% of our total water withdrawals was sourced from plants located in water stressed areas. The percentage is aligned with 2021 (in 2021 were 56.9%). In cement water withdrawals in high water stress areas account for 35.5% of total withdrawal in cement. In RMC this percentage is equal to 56.0 of total withdrawal in RMC.</p> <p>Please also note, that in 2022, the 45.2% of our total water consumption was sourced from plants located in water stressed areas.</p> <p>In 2022, a comprehensive water risk assessment, performed on a yearly basis, was carried out for all cement plant using the WRI Aqueduct Global Water Tool. The addresses of each plant have been 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 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 scenario analysis carried on by an external consultant, enabled the identification of high water stress areas now and for the years to come. This phase was immediately followed by the draft of an action plan for every single facility. The realized roadmap, forecasting the next five years, takes into account the water withdrawal, water discharge and water consumption. It allows the identification of estimates in the coming years, by leading us to state that it will remain stable in the plants located in areas with high water stress.</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 that the absolute volume of water withdrawals will be lower or stable.</p> <p>The targets are part of our climate change strategy.</p>

W1.2h

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	7478	Much lower	Other, please specify (Increase/decrease in business activity and efficiency initiatives )	<p>In 2022, cement withdrawals account for 61.1% of the total withdrawals, RMC for 6.0%, aggregates for 32.8% and other business 0.1%.</p> <p>Criteria on Total Withdrawal: About the same (&lt;2%) Higher/Lower if change is between (2%-5%). Much higher/lower is (&gt;5%).</p> <p>Comparing 2021, in 2022, the total fresh surface water decreased of 7.9% (Total withdrawals of 8,123 megaliters in 2021 versus 7,478 megaliters in 2022 with a decrease of 645 megaliters).</p> <p>Explanation changes: Comparing to 2021, in 2022, the production slightly decreased in all business segments. In terms of quantity produced, Cement production decreased by 5.5%, the production of RMC by 1.2% and the production of aggregates by 4.4%, furthermore, during 2022 multiple initiatives of environmental efficiency have been implemented.</p> <p>We follow the GCCA Sustainability Guidelines for the monitoring and reporting on water in cement manufacturing.</p>
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<p>Cementir does not withdraw from brackish surface water/seawater, because the characteristics of this water withdrawal can affect in a negative way both the quality of concrete and some operational parameters in our production process (e.g. salt contained).</p> <p>We follow the GCCA Sustainability Guidelines for the monitoring and reporting on water in cement manufacturing.</p>
Groundwater – renewable	Relevant	6849	Lower	Increase/decrease in efficiency	<p>In 2022, cement withdrawals account for 61.1% of the total withdrawals, RMC for 6.0%, aggregates for 32.8% and other business 0.1%.</p> <p>Criteria on Total Withdrawal: About the same (&lt;2%) Higher/Lower if change is between (2%-5%). Much higher/lower is (&gt;5%).</p> <p>Comparing 2021, in 2022, the Groundwater withdrawal decreased of 1.9% (Groundwater withdrawal of 6,981 megaliters in 2021 versus 6,849 megaliters in 2022 with a decrease of 132). For this reason, the comparison with previous year is "lower".</p> <p>Explanation changes: Comparing to 2021, in 2022, the production slightly decreased in all business segments. In terms of quantity produced, Cement production decreased by 5.5%, the production of RMC by 1.2% and the production of aggregates by 4.4%, furthermore, during 2022 multiple initiatives of environmental efficiency have been implemented.</p> <p>We follow the GCCA Sustainability Guidelines for the monitoring and reporting on water in cement manufacturing.</p>
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<p>We do not withdraw any 'Groundwater – non-renewable' for our operations. Therefore, it is not relevant because we did not use it for our production processes. We follow the GCCA Sustainability Guidelines for the monitoring and reporting on water in cement manufacturing.</p>
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<p>We do not withdraw any produced water for our operations. It is not relevant because for our plants there is not possibility to withdraw this kind of water. We follow the GCCA Sustainability Guidelines for the monitoring and reporting on water in cement manufacturing.</p>
Third party sources	Relevant	581	Much higher	Increase/decrease in business activity	<p>Criteria: About the same (&lt;2%). Higher/Lower (2%-5%). Much higher/lower is (&gt;5%).</p> <p>Comparing 2021, in 2022, third party sources increased of 16.2% (537 megaliters in 2021 versus 581 megaliters in 2022 with an increase of 44 megaliters). For this reason, the comparison with previous year is "much higher".</p> <p>The major change, compared to the previous year, is due to new installations/plants in RMC business. Third parties (municipal water) are used for domestic purposes (food and drinking, sanitation) and also for production purpose. In 2022, values are also influenced by COVID continuous prevention activities (e.g.sanitation).</p>

W1.2i

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	5255	About the same	Other, please specify (Increase/decrease in business activity and efficiency initiatives )	<p>Criteria: About the same (&lt;2%). Higher/Lower (2%-5%). Much higher/lower is (&gt;5%).</p> <p>Comparing 2021, in 2022, fresh surface water increased of 1.0% (5,202 megaliters in 2021 versus 5,255 megaliters in 2022 with an increase of 53 megaliters). For this reason, the comparison with previous year is "about the same".</p> <p>In 2022, our quarry of Clypot continued to recover water in the public distribution network. Until 2020, the water was discharged to surface. In 2022, following collaboration with the local authority, part of the water has been recovered and sent to the public water station for drinking water treatment. In 2022, 741 megaliters were sent to the public water station, a 'Third-party destinations' instead of to 'surface'.</p>
Brackish surface water/seawater	Relevant	3270	Higher	Other, please specify (Process optimization)	<p>Criteria: About the same (&lt;2%). Higher/Lower (2%-5%). Much higher/lower is (&gt;5%).</p> <p>Comparing 2021, in 2022, seawater increased of 4.8% (3,121 megaliters in 2021 versus 3,270 megaliters in 2022 with an increase of 149 megaliters). For this reason, the comparison with previous year is "higher".</p> <p>This type of discharge occurred in our Danish plant, only. In 2022 it was mainly due to the remodulation of production between white and grey cement with timely consequent changes in operating conditions.</p>
Groundwater	Relevant	215	Much higher	Increase/decrease in business activity	<p>Criteria: About the same (&lt;2%). Higher/Lower (2%-5%). Much higher/lower is (&gt;5%).</p> <p>Comparing 2021, in 2022, groundwater substantially increased (215 megaliters in 2022 against 9 megaliters in 2021. Increase of 206 megaliters) due to a lower volume of quarry water sent for potabilization in Clypot, caused by technical problems in municipal facilities not dependent on us. Therefore this amount has been discharged as groundwater.</p>
Third-party destinations	Relevant	1068	Much lower	Increase/decrease in business activity	<p>Criteria: About the same (&lt;2%). Higher/Lower (2%-5%). Much higher/lower is (&gt;5%).</p> <p>Comparing 2021, in 2022, Third-party destinations decreased of 23.9% (1,405 megaliters in 2021 versus 1,068 megaliters in 2022 with a decrease of 337).</p> <p>In 2022, our quarry of Clypot recovered water in the public distribution network has been reduced due to technical problems in municipal facilities.</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	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	6	About the same	Increase/decrease in business activity	Less than 1%	<p>The tertiary treatment (chemical and biological), subsequent to secondary treatment, removes suspended, colloidal and dissolved constituents (nutrients, heavy metals, inorganic and other contaminants, etc.). This treatment is relevant for our waste management business (ISO 14001 certified) where the removal of the dissolved constituents prior to the discharge is relevant to fully comply with the standards and local regulations. The volume disclosed refers only to it and is about the same of last year. The tertiary treatment occurs in all of our waste plants, at approximately 0.1% on the total of water discharge.</p> <p>The water discharge in Cementir is conducted according to local regulations and permits, considering treatment required and volumes for discharge by destination. Due to the nature of the water used and the type of production process in cement, the impact on the quality of water discharge, as checked by our quality monitoring system, is not relevant, so, tertiary treatment is not so relevant for our water discharges in cement, aggregates and RMC businesses.</p> <p>Quality monitoring systems on water discharge are in place on regular basis, with different frequency of sampling (e.g., monthly, bimonthly, quarterly, yearly). Water from production phases is mainly primary treated 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> <p>Our water management system is aligned with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing.</p> <p>93% of our total cement production is manufactured in cement plants certified ISO 14001 as waste treatment business.</p>
Secondary treatment	Relevant	49	About the same	Increase/decrease in business activity	1-10	<p>The secondary treatment is related to wastewater treatment plant (e.g. biological unit) implemented in some of our cement plants and also in our waste management business. We recur to this type of treatment, when in our operations water is enriched of nutrients and metals and therefore it is relevant to comply with standards and local regulations.</p> <p>The water discharge in Cementir is conducted according to local regulations and permits, considering treatment required and volumes for discharge by destination.</p> <p>Water is used for conditioning the kiln gases, cooling raw material and equipment and de-dusting. Water pumped can be used for a variety of purposes such as washing aggregates, watering trucks, etc. Water extracted from the quarry for its drainage that is not used for the process or it is not sent to the local distribution network is usually discharge without treatment.</p> <p>Quality monitoring systems on water discharge are in place on regular basis, with different frequency of sampling (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 mainly primary treated 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> <p>Our water management system is aligned with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing.</p> <p>93% of our total cement production is manufactured in cement plants certified ISO 14001, as well as the 25% of RMC production and waste management business.</p>

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Primary treatment only	Relevant	9613	About the same	Increase/decrease in business activity	100%	<p>The water discharge in Cementir is conducted according to local regulations and permits, considering treatment required and volumes for discharge by destination.</p> <p>Comparing 2021, in 2022, the data related to the primary treatment remained about the same (9,595 megaliters in 2021 versus 9,614 megaliters in 2022).</p> <p>The primary treatment of our discharges in cement 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 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. Water pumped can be used for a variety of purposes such as washing aggregates, watering trucks, etc.</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 mainly primary treated 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> <p>Our water management system is aligned with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing.</p> <p>93% of our total cement production is manufactured in cement plants certified ISO 14001.</p> <p>Criteria: About the same (&lt;2%). Higher/Lower (2%-5%). Much higher/lower is (&gt;5%).</p>
Discharge to the natural environment without treatment	Relevant	0.05	This is our first year of measurement	Increase/decrease in business activity	100%	<p>The water discharge in Cementir is conducted according to local regulations and permits, considering treatment required and volumes for discharge by destination.</p> <p>We have a very small amount of water discharged to natural environment without treatment. This water is related to quarry/aggregates activities (e.g. stone washing, disposed to excavated pits) sent directly to the local hydro-geological network without any treatment because natural sedimentation takes place.</p> <p>We operate in compliance with the local permit conditions and regulations. In 2022 it accounts around 1% of the total water discharge in cement.</p> <p>Even if 2022 is the first year of measurement of the amount discharged to the natural environment without treatment, in 2021 we estimated the same amount. Even for future years, we don't expect an increase of the water discharge to natural environment without treatment.</p> <p>The water is withdrawn and discharged without being altered in chemical, physical, or thermal composition, no water treatment is required.</p> <p>Our water management system is aligned with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing.</p> <p>93% of our total cement production is manufactured in cement plants certified ISO 14001.</p> <p>We expect to certify 100% of cement production by 2025.</p>
Discharge to a third party without treatment	Relevant	140	About the same	Increase/decrease in business activity	100%	<p>The water discharge in Cementir is conducted according to local regulations and permits, considering treatment required and volumes for discharge by destination.</p> <p>Comparing 2021, in 2022, discharge to a third party without treatment remained about the same (143 megaliters in 2021 versus 140 megaliters in 2022).</p> <p>The water discharged to a third party (off site) is relevant and related to the discharge of domestic wastewater to the municipal sewage network via pipes or trucks.</p> <p>In two cement plants domestic wastewater is treated to be reused as cooling water, reducing the total wastewater discharged to a third party of about 15 megaliters per year.</p> <p>Third party usually applies tertiary treatment in accordance with the local standards and regulations.</p> <p>Water from production phases is mainly primary treated 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> <p>Quality monitoring systems on water discharge are in place on regular basis, with different frequency of sampling (e.g., monthly, bimonthly, quarterly, yearly). Effluent parameters are periodically monitored using recognized analytical methodologies (e.g. TSS, pH, temperature, BOD, COD).</p> <p>Our water management system is aligned with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. These guidelines are focused on the destination of water instead of treatment methods.</p> <p>93% of our total cement production is manufactured in cement plants certified ISO 14001.</p>
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<p>The water discharge in Cementir is conducted according to local regulations and permits, considering treatment required and volumes for discharge by destination.</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>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 further details about).</p> <p>Water pumped can be used for a variety of purposes such as washing aggregates, watering trucks, etc.</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 discharged without treatment.</p> <p>Quality monitoring systems on water discharged 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>Our water management system is aligned with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing.</p> <p>93% of our total cement production is manufactured in cement plants certified ISO 14001.</p>

**(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	1723103000	14908	115582.438958948	Increase in the total withdrawal efficiency comparing 2022 with 2021 (115,582 in 2022 versus 86,888 in 2021).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%. For this reason, for the future, we expect a decreasing in the water withdrawal and increase in the total withdrawal efficiency ratio.

**W1.4**

**(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?**

	Products contain hazardous substances	Comment
Row 1	No	According to REACH Regulation (EC) no 1907/2006 and Regulation (EC) no 1272/2008, cement does not contain any substances that meet the criteria for the classification of persistent, bioaccumulative and toxic (PBT), very persistent and very bioaccumulative (vPvB), carcinogenic, mutagenic and toxic for reproduction (CMR), or endocrine disruptors (ED). Cement is classified as Skin Irritation 2, Serious Eye Damage/ Eye Irritation 1 and Specific Target Organ Toxicity Single Exposure Respiratory Tract Irritation 3 due to Portland Cement clinker (exempted by REACH Registration), that is the main component of cement.

**W1.5**

**(W1.5) Do you engage with your value chain on water-related issues?**

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	Yes	<Not Applicable>	<Not Applicable>

**W1.5a**

**(W1.5a) Do you assess your suppliers according to their impact on water security?**

**Row 1**

**Assessment of supplier impact**

No, we do not currently assess the impact of our suppliers, but we plan to do so within the next two years

**Considered in assessment**

<Not Applicable>

**Number of suppliers identified as having a substantive impact**

<Not Applicable>

**% of total suppliers identified as having a substantive impact**

<Not Applicable>

**Please explain**

The activity of assessing suppliers' impact on water is not carried out. We are committed in increasing suppliers' awareness on water issues, by held specific webinar and also by the update, in 2022, of the Supplier Code of Conduct in which a specific clause related to their commitment of minimization of freshwater withdrawal, reduction of wastewater discharge and enhanced water recycling systems has been added. In 2023 we have extended our engagement toward them by adding the water security's CDP supply chain module. This specific module enable the identification of water resources used, by suppliers, in their direct operations and supply chain, the procedures in place for their water risk assessments, and their risk-related mitigation strategies/opportunities. Within 2025 we plan to increase our work on suppliers' side, addressing more and more our purchasing choices to committed and conscious suppliers with a positive impact on the environment and on the surrounding society.

**W1.5b**

**(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?**

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, water-related requirements are included in our supplier contracts	<Not Applicable>

**W1.5c**

**(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.**

**Water-related requirement**

Providing fully-functioning, safely managed WASH services to all workers

**% of suppliers with a substantive impact required to comply with this water-related requirement**

<Not Applicable>

**% of suppliers with a substantive impact in compliance with this water-related requirement**

<Not Applicable>

**Mechanisms for monitoring compliance with this water-related requirement**

Grievance mechanism/Whistleblowing hotline

Other, please specify (Assessment and monitoring of our plants)

**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

Cementir's responsible sourcing approach is based on company's Ethics and compliance documents, its cover also environmental protection (e.g. water management). Those are embedded in the contracts with reference to Supplier Code of Conduct and Code of Ethics. The respect of water related requirements is included in our contracts and ensured by suppliers' approval of the Supplier Code of Conduct. By being a signatory of the WASH Pledge we are even committed in addressing WASH across our value chain. Suppliers work in our premises, where we guarantee to everyone access to Safe Water, Sanitation and Hygiene at the workplace, therefore is guaranteed also to suppliers. The monitoring of compliance and progresses is monitored through WBCSD's self-assessment and the WASH's action plans of which are provided all our plants, with supplier's engagement on the topic. The respect of this specific requirement is verified also through the monitoring of reports send with the grievance mechanism.

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**Water-related requirement**

Other, please specify (Respect of Cementir's Water policy)

**% of suppliers with a substantive impact required to comply with this water-related requirement**

<Not Applicable>

**% of suppliers with a substantive impact in compliance with this water-related requirement**

<Not Applicable>

**Mechanisms for monitoring compliance with this water-related requirement**

Grievance mechanism/Whistleblowing hotline

Other, please specify (Contract signing and consequent update)

**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

Cementir's responsible sourcing approach is based on company's Ethics and compliance documents that cover also environmental protection (including water management). All principles that are included in the contracts with reference of the Supplier Code of Conduct and Code of Ethics. The respect of water related requirements is included in our contracts and ensured by suppliers' approval of the Supplier Code of Conduct. Suppliers are therefore called to actively comply and respect Cementir's water policy. The monitoring of compliance is performed by the Purchases department, in the signature's contract process, by the Group HSE manager and by the Internal Audit team, that is in charge of the analysis of any report it may receive through the grievance mechanism. Cementir Holding's Internal Audit team receives the reports from the grievance mechanism, analyses them and performs the audits. The results and any potential actions are assessed by the Ethics Committee.

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**W1.5d**

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**(W1.5d) Provide details of any other water-related supplier engagement activity.**

**Type of engagement**

Information collection

**Details of engagement**

Collect water management information at least annually from suppliers  
Collect information on water-related risks at least annually from suppliers

**% of suppliers by number**

76-99

**% of suppliers with a substantive impact**

<Not Applicable>

**Rationale for your engagement**

Cementir priority is to implement an assessment system of its suppliers according to their impact on water security. In order to do this, the support and information coming from the suppliers is relevant. For this reason, Cementir have extended the CDP Supply chain program also to the Water Security Module. Suppliers are called to share with us their risk-related mitigation strategies and opportunities, the water resources used in their direct operations, the procedures and requirements in place for water risk assessments.

The suppliers invited to answer to the CDP Supply chain water security module are the ones that, in 2022, have registered an higher turnover with important purchases on our side.

The 93% of Top Group suppliers (150 Suppliers, equal to the 46% of the purchases of the Group by value) were invited to participate in the CDP Supply Chain program.

As made also for the CDP Supply chain Climate change module, in the future, we plan to increase the percentage of suppliers' engaged.

**Impact of the engagement and measures of success**

Beneficial water-related outcomes of the engagement activity

This activity of information collection will help Cementir to analyze risk within supply chain and will help Cementir in the implementation of an assessment system of its suppliers according to their impact on water security.

As additional potential beneficial water-related outcomes of the engagement activity we consider: increased awareness on water issues from our suppliers, the establishment of possible collaborations between us and suppliers to provide access to safe water, sanitation and hygiene to all workers and in the communities where we operate.

Metrics used to measure the success

The success of this engagement activity is measured through the achievement of these targets:

- 1) run an engagement campaign to educate suppliers about water security. In 2023, we run a webinar for our supplier about this topics. Additional webinar will be held in 2024 and 2025.
- 2) collect useful information for implementation of an assessment system of its suppliers according to their impact on water security. Activity In progress. During 2023 we will implement the assessment system.
- 3) reach a response rate of 50% within 3 years. At least half of the suppliers involved must provide the requested information through CDP Supply Chain program. In progress, we started this engagement activity in 2023.

**Comment**

In 2023 we have increased our commitment toward the supply chain and to responsible purchasing, we have so extended the CDP Supply chain also to the Water Security Module. Suppliers are called to share with us their risk-related mitigation strategies and opportunities, the water resources used in their direct operations, the procedures and requirements in place for water risk assessments. In the future we plan to amplify this analysis and proceed with their evaluation and classification.

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**Type of engagement**

Other

**Details of engagement**

Other, please specify (Materiality Matrix )

**% of suppliers by number**

26-50

**% of suppliers with a substantive impact**

<Not Applicable>

**Rationale for your engagement**

In 2022 the Materiality Matrix process, specifically at the validation stage, involved a selection of Top Group suppliers, that through an anonymous multiple-choice survey were asked to share their degree of relevance that they assigned to material business topics on a scale of 0 (irrelevant) to 4 (very relevant).

The suppliers invited to answer were the ones that, in 2022, have registered an higher turnover with important purchases on our side.

Considering the total amount of 2022's suppliers the percentage of suppliers engaged are inside the band 26-50%. Specifically, the top group suppliers involved are the 48% of all Top Group suppliers.

In order to better address company's choices and initiatives in the water field, in the future, we plan to increase the percentage of suppliers' engaged.

**Impact of the engagement and measures of success**

The Materiality Matrix questionnaire enabled us to have a clearer vision of suppliers' priorities and perspectives.

This initiative brought with it beneficial water-related outcomes, with an increased suppliers' awareness on company's commitment toward its responsible and efficient use of water, the confirmation of corporate commitments on water issues (e.g targets, Wash Pledge).

The progress and success of the initiative has been monitored through the analysis of the suppliers' response rate, that we aim to increase every year more.

**Comment**

Among the material issues considered, suppliers have been asked to share their degree of relevance on water management.

The results obtained enforced our commitments on water side, with more than 60% of suppliers (the second highest percentage among the stakeholders) that considered this material topic very relevant.

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**W1.5e**

**(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.**

#### Type of stakeholder

Customers

#### Type of engagement

Education / information sharing

#### Details of engagement

Share information about your products and relevant certification schemes

#### Rationale for your engagement

The 55% of the total turnover is related to North Europe, so, due to the relevance of this market for the Group, in 2019, we perform a survey to investigate the status of the green transition in North Europe, how it will change the construction industry and what Cementir should do when it comes to topics as water management and CO2. According to the survey, 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 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. Governments in central Europe (i.e., Benelux and Netherlands) 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 certificate, the cement and aggregates plants must meet several requirements to demonstrate sustainable practices in "water management" and "energy and climate". Among other, to obtain the certification, cement and aggregates plants must demonstrate the reliability of their plan for reducing their environmental impacts, by reducing for example water consumption and CO2 emission in the short, medium and long term.

Between 2020 and 2021 all of our cement and aggregates plants located in Belgium obtained the CSC Certification.

#### Impact of the engagement and measures of success

The engagement has been a successful for the Group and the customers of our Belgian operations. Please see below the details.

Measure of success for our Group. 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. The certification demonstrates the effectiveness of the water management practices implemented by our plants located in a water- stressed area and the effectiveness of the actions implemented by our plants to reduce CO2 emissions.

Measure of success for our customers and the Group. Our customers that produce ready-mix concrete can certify the sustainable practices applied by their supply chain in the procedures for the award of public works contracts. Therefore, our Belgian operations secured sales related to public works contracts. Without CSC certification, our Belgian operations could have lost this type of sales.

#### Type of stakeholder

Customers

#### Type of engagement

Education / information sharing

#### Details of engagement

Educate and work with stakeholders on understanding and measuring exposure to water-related risks

#### Rationale for your engagement

In 2022 the Materiality Matrix process, specifically at the validation stage, involved both internal and external stakeholders, including customers, that through an anonymous multiple-choice survey were asked to share their degree of relevance that they assigned to material business topics on a scale of 0 (irrelevant) to 4 (very relevant).

The ones involved were a selection of high-spending customers, selected, considering their relevance, to better understand their preferences and improve the future initiatives of the company. The engagement of customers, for the validation of the Materiality Matrix, has the aim to educate and work with them on understanding and measuring exposure to water-related risks. Customers' engagement is of crucial importance and enables a better understanding of customers' perceptions on company' commitments and customers' sensitivity on material issues.

Regarding the water management topic it was considered very relevant by the 56% of the consumers involved, enforcing company's commitments toward a better water management.

#### Impact of the engagement and measures of success

The customers' engagement brought with it beneficial outcomes, that enable a clear vision of customers' needs and perceptions on water management, confirming the direction of our operations. At the same time, this engagement activity allows a greater sensitivity and awareness on water security theme on customers' side.

The success of the initiative has been measured through the response rate, this specific figure has been chosen because it enables us to better understand customers' engagement and their commitment toward the theme of water security. This rate, in 2022, has been equal to 7%. For the next year, we are working, with engagement activities (mail, webinar), in order to increase the response rate.

The final aim, for the years to come, is to yearly increase it and consequently improve our actions toward water security.

#### Type of stakeholder

Other, please specify (Local community and local authority)

#### Type of engagement

Innovation & collaboration

#### Details of engagement

Collaborate with stakeholders on innovations to reduce water impacts in products and services

#### Rationale for your engagement

We collaborate with our stakeholders on innovations to reduce water impacts in our limestone quarry of Clypot, Belgium. In this site, is active a potabilization process of quarry water.

Due to the concerns expressed by the local authority about the risk of water scarcity, starting from 2014, we investigated possibilities to recover water removed during operations without discharging it to surface. The local authority considers the local aquifer where the quarry is located (the Soignies Ecaussinnes hydrogeological basin) currently overexploited. This poses a risk for the future exploitation of our quarry, therefore a constant collaboration with local community and local authorities was and is of crucial importance for the continuation of our operations.

So, to anticipate future regulatory tightening concerning water management we started a collaboration with the local authority, the local water provider and the third-party that exploits part of the quarry for implementing a project for recovering quarry water in the public distribution network allowing the authority to close production wells and thus spare the local aquifer. 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.

#### Impact of the engagement and measures of success

The local community and local authority's engagement brought with it beneficial outcomes, that enable a clear vision of their needs and perceptions on water management. At the same time, this engagement activity allows a greater sensitivity and awareness on water security theme and provide concrete support to the local community.

The success of the initiative has been measured through the amount of potable water yearly recovered. In 2022, 741 thousand m3 of water were recovered.

Within 3 years, we aim to recover more than 2,000 megaliters, yearly for supplying 20,000 households.

This operation allows the authority to close production wells and thus spare the local aquifer.  
This is a win-win partnership, enabling the achievement of a common good that benefits both the local community and the environment

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#### Type of stakeholder

Other, please specify (Institutional bodies)

#### Type of engagement

Education / information sharing

#### Details of engagement

Educate and work with stakeholders on understanding and measuring exposure to water-related risks

#### Rationale for your engagement

In 2022 the Materiality Matrix process, specifically at the validation stage, involved both internal and external stakeholders, including institutional bodies, that through an anonymous multiple-choice survey were asked to share their degree of relevance that they assigned to material business topics on a scale of 0 (irrelevant) to 4 (very relevant).

The ones involved were a selection of those with whom we have a connection over time, the rationale behind this choice is attributable to the fact that in addition to having direct contacts that facilitate communication and help the exchange views, the institutional bodies involved are influential figures both in our target industry and in the field of sustainability.

The engagement of institutional bodies, for the validation of the Materiality Matrix, has the aim to educate and work with them on understanding and measuring exposure to water-related risks. Institutional bodies' engagement is of crucial importance and enables a better understanding of stakeholders' expectations.

Their engagement help us to have a clearer vision on material topics, and therefore on water management, given their extensive knowledge on the subject, on how the market is evolving and how our competitors are moving.

Regarding the water management topic it was considered very relevant by the 50% of the institutional bodies involved, enforcing company's commitments toward a better water management.

#### Impact of the engagement and measures of success

The institutional bodies' engagement brought with it beneficial outcomes, that enable a clear vision of their needs and perceptions on water management, confirming the direction of our operations. At the same time, this engagement activity allows a greater sensitivity and awareness on water security theme.

The success of the initiative has been measured through the response rate, this specific figure has been chosen because it enables us to better understand institutional bodies' engagement and their commitment toward the theme of water security. This rate, in 2022, has been equal to 50%, an important percentage that, for the next year, through the constant dialogue we aim to increase and if not possible to keep it stable. The final aim, for the years to come, to yearly increase it and consequently improve our actions toward water security.

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#### Type of stakeholder

Other, please specify (Independent board members)

#### Type of engagement

Education / information sharing

#### Details of engagement

Educate and work with stakeholders on understanding and measuring exposure to water-related risks

#### Rationale for your engagement

In 2022 the Materiality Matrix process, specifically at the validation stage, involved both internal and external stakeholders, including independent board members, that through an anonymous multiple-choice survey were asked to share their degree of relevance that they assigned to material business topics on a scale of 0 (irrelevant) to 4 (very relevant).

All the independent board members were involved in the process, to further strengthen the robustness of the matrix and to additionally engage them. Their engagement, for the validation of the Materiality Matrix, has the aim to educate and work with them on understanding and measuring exposure to water-related risks. Independent board members' engagement has been of crucial importance and enabled a better understanding of independent board members' perceptions on company' commitments and their sensitivity on material issues.

Regarding the water management topic, it was considered very relevant by all of them, the 100 % consider the water management topic very relevant.

This result witness the perfect alignment with company's strategies and targets. It also enforce company's commitments toward a better water management.

#### Impact of the engagement and measures of success

The independent board members' engagement brought with it beneficial outcomes, that enable a clear vision of their needs and perceptions on water management, confirming the direction of our operations. At the same time, this engagement activity allows a greater sensitivity and awareness on water security theme.

The success of the initiative has been measured through the response rate. This rate, in 2022, has been equal to 100%, an important percentage that, for the next year, through the constant dialogue we aim to keep stable.

In the years to come, we aim to keep stable the response rate and daily improve our actions toward water security.

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## W2. Business impacts

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### W2.1

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

No

### W2.2

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

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	The company has not been subject to any fines, enforcement orders or other penalties for water-related regulatory violations in 2022. This has been also possible because we are daily committed to be compliant with local regulations and voluntary management standards (e.g. ISO 14001).

**W3. Procedures**

**W3.1**

**(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	<p>Policies to identify potential water pollutants</p> <p>The identification of water pollutants is regulated by the local legislation of every country where we operate and in accordance with the environmental management system of each site (e.g. ISO 14001). The cement production process does not include itself a substantial impact on the quality of water discharges. For this reason, we identified our water pollutants in every facilities according to the legal permits and local laws. Site managers are responsible for full compliance with local regulations. In some countries, according to local legislation, the identification and classification process is usually performed together with the local authority.</p> <p>Metrics used</p> <p>In the analysis performed on a monthly/quarterly basis, the main pollutants/parameters monitored are: temperature, pH, BOD/COD, TSS, sulfates, nitrates and nitrites, detergents, hydrocarbons, aromatics, metals and heavy metals.</p> <p>Standard followed by Cementir</p> <p>The monitoring of all parameters is carried out according to recognized analytical methods at national/local level. E.g., American Society for Testing and Materials (ASTM), European Committee for Standardization (CEN), International Organization for Standardization (ISO), United States Environmental Protection Agency (USEPA). Some specific examples: ASTM D1293 and EN ISO 10523 for the pH; ASTM D1252 for COD; ASTM D7781 for nitrite-nitrate; US EPA 200.8 and EN ISO 17294 for metals, etc.</p>	<Not Applicable>

**W3.1a**

**(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**

**Water pollutant category**

Oil

**Description of water pollutant and potential impacts**

Oil is characterized by hydrocarbons, aromatics and greases, with a potential impact on environment and human health. Oil is harmful to many forms of aquatic life because it prevents sufficient amounts of sunlight from penetrating the surface, and it also reduces the level of dissolved oxygen that need to plants and animals that live in the water. Oil pollution harms animals and insects, prevents photosynthesis in plants, disrupts the food chain, takes a long time to recover. In the ground and soil oils coat or kill the organisms which are necessary to maintain the environmental balance. Oil contamination can make water unsuitable for irrigation, drinking water sources unfit for use and damage how water treatment plants work too.

**Value chain stage**

Direct operations

**Actions and procedures to minimize adverse impacts**

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience  
 Industrial and chemical accidents prevention, preparedness, and response  
 Provision of best practice instructions on product use  
 Reduction or phase out of hazardous substances  
 Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

**Please explain**

The 93% of our total cement production occurred in plants ISO 14001 certified.  
 The ownership of this certification directly enables and requires to the ownership, by the plants certified, of all documents and specific procedures that rules the actions on how to identify pollutants and minimize the adverse impacts of this potential water pollutants on water ecosystems or human health associated with our activities.  
 Moreover:  
 - Periodical assessment and monitoring of infrastructure and storage location is performed by internal and external auditor to prevent or identify any leakage or spillages. Success is measured according to the results of the internal/external inspections.  
 - Workers in the plant receives annual training about: best-in-class procedures for reducing the discharge of oil; best-in-class procedures to properly manage the discharge of oil; the accident prevention and responses in case of any oil leakage. Success is measured according to engagement and participation of the employees.  
 Overall, the success of all the actions implemented is carried out through constant verification of parameters set by the law concerning "oil", which always meet the set thresholds. The identification and classification process is usually performed together with the local authority. In addition, we collect and monitor any claims from the local population or anyone else to ensure full compliance with local regulations.  
 In 2022 no fines or penalties were received by the Group.

**Water pollutant category**

Inorganic pollutants

### Description of water pollutant and potential impacts

Inorganic pollutants includes TSS, metals and heavy metals, etc. with a potential impact on environment and human health.

Suspended solids can clog fish gills, either killing them or reducing their growth rate. They also reduce light penetration. This reduces the ability of algae to produce food and oxygen.

Exposure to heavy metals has been linked to chronic and acute toxicity, which develops retardation; neurotoxicity can damage the kidneys, lead to the development of different cancers, damage the liver and lungs. Regarding the impact on environment, heavy metals enter into the ecosystem as highly stable and somewhat non-degradable contaminants, polluting both surface and groundwater resources. Some heavy metals present in freshwater and sediments bio-accumulate into fish organs.

### Value chain stage

Direct operations

### Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

Industrial and chemical accidents prevention, preparedness, and response

Provision of best practice instructions on product use

Reduction or phase out of hazardous substances

Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

### Please explain

The 93% of our total cement production occurred in plants ISO 14001 certified.

The ownership of this certification directly enables and requires to the ownership, by the plants certified, of all documents and specific procedures that rules the actions on how to identify pollutants and minimize (e.g. regulation updating, leakage prevention, emergency preparedness and response, maintenance of equipment and treatment units, management of upsets, etc.) the adverse impacts of this potential pollutants on water ecosystems or human health associated with our activities.

Periodical assessment and of infrastructure and storage location is performed by internal and external auditor to prevent or identify any leakage or spillages. Success is measured according to the results of the internal/external inspections.

Workers receives training about: best-in-class procedures for reducing the discharge of pollutants; procedures to properly manage the discharge of pollutants; the accident prevention and responses. Success is measured according to engagement and participation of the employees.

Overall, the success of all the actions implemented is carried out through constant verification of parameters, which always meet the thresholds set by law. The identification and classification process is performed together with the local authority. We monitor any claims from community or anyone else to ensure full compliance with local regulations. In 2022 no fines or penalties were received.

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### Water pollutant category

Other nutrients and oxygen demanding pollutants

### Description of water pollutant and potential impacts

Other nutrients and oxygen demanding pollutants includes BOD (Biochemical Oxygen Demand)/COD (Chemical Oxygen Demand), with a potential impact on environment and human health. Nutrients (e.g., nitrogen and phosphorus) can contribute to the acceleration of eutrophication and harm aquatic life.

The amount of BOD/COD present in water depends on the availability of organic matter in the water. High level of BOD can reduce the dissolved oxygen and some sensitive animals may move away, weaken, or die.

### Value chain stage

Direct operations

### Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

Industrial and chemical accidents prevention, preparedness, and response

Provision of best practice instructions on product use

Reduction or phase out of hazardous substances

Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

### Please explain

The 93% of our total cement production occurred in plants ISO 14001 certified.

The ownership of this certification directly enables and requires to the ownership, by the plants certified, of all documents and specific procedures that rules the actions on how to identify pollutants and minimize (e.g. regulation updating, leakage prevention, emergency preparedness and response, maintenance of equipment and treatment units, management of upsets, etc.) the adverse impacts of this potential pollutants on water ecosystems or human health associated with our activities.

Periodical assessment and of infrastructure and storage location is performed by internal and external auditor to prevent or identify any leakage or spillages. Success is measured according to the results of the internal/external inspections.

Workers receives training about: best-in-class procedures for reducing the discharge of pollutants; procedures to properly manage the discharge of pollutants; the accident prevention and responses. Success is measured according to engagement and participation of the employees.

Overall, the success of all the actions implemented is carried out through constant verification of parameters, which always meet the thresholds set by law. The identification and classification process is performed together with the local authority. We monitor any claims from community or anyone else to ensure full compliance with local regulations. In 2022 no fines or penalties were received.

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### Water pollutant category

Nitrates

### Description of water pollutant and potential impacts

Nitrates and nitrites could have a potential impact on environment and human health.

Nitrates are essential plant nutrients, but in excess amounts they can cause significant water quality problems. Together with phosphorus, nitrates in excess amounts can accelerate eutrophication, causing dramatic increases in aquatic plant growth and changes in the types of plants and animals that live in the stream.

High levels of nitrate and nitrite are most serious for infants. These substances reduce the blood's ability to carry oxygen. This acute condition can occur rapidly over a period of days.

### Value chain stage

Direct operations

### Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

Industrial and chemical accidents prevention, preparedness, and response

Provision of best practice instructions on product use

Reduction or phase out of hazardous substances

Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

### Please explain

The 93% of our total cement production occurred in plants ISO 14001 certified.

The ownership of this certification directly enables and requires to the ownership, by the plants certified, of all documents and specific procedures that rules the actions on how to identify pollutants and minimize (e.g. regulation updating, leakage prevention, emergency preparedness and response, maintenance of equipment and treatment units, management of upsets, etc.) the adverse impacts of this potential pollutants on water ecosystems or human health associated with our activities.

Periodical assessment and of infrastructure and storage location is performed by internal and external auditor to prevent or identify any leakage or spillages. Success is measured according to the results of the internal/external inspections.

Workers receives training about: best-in-class procedures for reducing the discharge of pollutants; procedures to properly manage the discharge of pollutants: the accident prevention and responses. Success is measured according to engagement and participation of the employees.

Overall, the success of all the actions implemented is carried out through constant verification of parameters, which always meet the thresholds set by law. The identification and classification process is performed together with the local authority. We monitor any claims from community or anyone else to ensure full compliance with local regulations. In 2022 no fines or penalties were received.

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### W3.3

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

Yes, water-related risks are assessed

### W3.3a

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**(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
- Other, please specify (WBCSD Self-assessment Tool)

**Contextual issues considered**

- Water availability at a basin/catchment level
- Water quality at a basin/catchment level
- Stakeholder conflicts concerning water resources at a basin/catchment level
- Impact on human health
- 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**

With the support of the Wash Pledge self-assessment tool we've assessed all our facilities, by ensuring the provision and access to WASH at an appropriate level of standard for all employees in all premises under our direct control and supporting partners across our value chains and communities that surround our workplaces. Among the analysis conducted has been verified also the impact on human health, like drinking water's tests to ensure quality, safety and access to safe water that meets quality standards and water supply system cleaning, maintenance and conservation.

Specifically, regarding the impact on human health, the activities carried out are:

- periodic checks on incoming water used by people (even if it comes from the municipal network), by workers in the plant (employees contractors),
- guaranteeing the provision and access to WASH at an appropriate level of standard for all employees
- periodic controls on the discharging point,
- periodic monitoring on wastewater, according to local regulations and permits.

For further details on our approach and the rationale applied please see the W3.3b.

**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.**

Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
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	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	<p>Cementir identifies and assesses water-related risks alongside all other types of risk, with the application of internal company methods and external tools. Those activities apply an integrated methodology to all companies, analyzing targets and how the water impacted the production. The evaluation is performed both at customer level and on suppliers. The external suppliers have to sign the Supplier Code of Conduct. By signing it, they are committed to respect our climate change and water policy. The process of identification is performed in accordance with COSO framework, involving the Top and Local Management. All risks identified are assessed in terms of likelihood and impact and are considered to have a potential substantive financial impact that could undermine the business operation. The company uses the WRI Aqueduct for evaluating the water stress. In 2021, with the support of EXTERNAL CONSULTANTS, the company performed a SCENARIO ANALYSIS to identify and evaluate the physical risks according to 3 different climate scenarios proposed by IPCC. Each legal entity assesses climate-related risks and opportunities that have the potential to impact financial and non-financial targets over a short (0-3y), medium (3-10y) time horizon of long term (&gt;10y) using ISO14001 and the results of Environmental Impact Assessment of each plant. In 2022 we assessed the current status of access to safe WASH at the workplace and defined an action plan by using the WBCSD self-assessment.</p>	<p>As a Group, with a worldwide presence, our priority is to fully respect laws of every country of operation. Our approach envisage to ensure a water availability and quality at a basin/catchment level stable and constant over the years, with the respect of standard quality by applying stringent controls on the operations. For recovering the water used by our quarry and to distribute it in the public network, in Clypot (Belgium) we implemented a project, in the local aquifer overexploited, with the support of the local authority. Water availability in the local aquifer is monitored by our local Belgian operations and is considered in the risk assessment to avoid future conflict with other stakeholders that use the same aquifer (villagers, employees, customers, suppliers). According to SDG6 water is a fundamental human right, that as a Group we commit to ensure by providing access to WASH at all our employees in all premises under our direct control and supporting partners across our value chains and communities that surround our workplaces. The Group guarantees the impact on human health through the analysis on water quality and groundwater pollution. We understand the importance of quarries for biodiversity and for nature conservation. One of our key priority is to protect and preserve the ecosystems and to contribute to reduce biodiversity loss during the lifecycle of a quarry through good land stewardship, proper planning of quarry activities and rehabilitation process.</p>	<p>The stakeholders considered for our water-related risks are both internal and external. Regarding the external stakeholders, CUSTOMERS and SUPPLIERS are crucial for our business, every impact that affects them is immediately reflected on us as well. All our operations, coherently with the company's purpose to positively affects local communities, have a direct impact on the LOCAL COMMUNITIES, WATER UTILITIES AT A LOCAL LEVEL and OTHER WATER USERS AT THE BASIN/CATCHMENT LEVEL, for this reason to avoid negative impacts all of them are included in our process of assessing and responding to water risks. To comply to current regulations, in all our operations, and considering their constant updating, especially in the area of sustainability, is of crucial importance for us to have an ongoing dialogue with REGULATORS. Looking instead at our internal stakeholders, INVESTORS and EMPLOYEES are included in the process of identifying and assessing water-related risk, taking into account the long-standing and constant relationship with them, but also the privileged dialogue relationship established. This approach enable us to have a long-term shared value, with all the stakeholders engaged.</p>	<p>The Risk process takes a top-down and risk-based approach, by defining Cementir's Industrial Plan. All risk owners (local managing director, top management at group level) are interviewed for assess risks that have been identified through an inherent risk assessment between likelihood and impact (please see the W4.1.a). In case substantive risks and/or opportunities 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 is higher than to bear the risk. E.g. For our quarry of Clypot, the risk-assessment pointed out a risk of water scarcity (according to the WRI the area is high-water stress) and potential future competition with local community for its utilization (according our scenario analysis, water scarcity in this area will be amplify by climate change) . Therefore, we involved the local authority and local water provider in a project for recovering the water used by our quarry and to distribute it in the public network. In the period 2021/2022, 1,800 megaliters of water have been recovered. The goal of the project is to recover more than 2,000 megaliters, yearly for supplying 20,000 households and allows the authority to close production wells and thus spare the local aquifer.</p>

#### W4. Risks and opportunities

W4.1

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(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

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#### 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 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. The top risks results are submitted to the Top Management (Group CEO and COO) quarterly, and to the 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-Significant 3-Relevant, 4-Very Relevant, 5- Extreme.

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 2022 (Group EBITDA: € 335,000,000) as follow:

- Impacts below 0.5% of EBITDA are considered as Negligible (< 1,675,000 €)
- Impacts between 0.5%-5% of EBITDA are considered as Significant (€1,675,000- € 16,750,000)
- Impacts between 5-15% of EBITDA are Relevant (€ 16,750,000 - €50,250,000)
- Impacts between 15-30% of EBITDA are considered as Very Relevant (€ 50,250,000- € 100,500,000)
- Impacts above 30% of EBITDA are considered as Extreme (€ > 100,500,000)

**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 three time horizons (short-term 1-3 years, medium term until 2030, long term until 2050):

- Rare: <10%: that the risk event will occur during the three time horizons from the time of evaluation;
- Unlikely (10 % - 35 %) that the risk event will occur during the three time horizons from the time of evaluation;
- Moderate: It is likely (35 % - 65 %) that the risk event will occur during the three time horizons from the time of evaluation;
- Likely: It is highly likely (65 % - 90 %) that the risk event will occur during the three time horizons from the time of evaluation;
- More than likely: It is almost certain (> 90 %) that the risk event will occur during the three time horizons 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	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 are assessed on a scale from 1 to 5, risk scoring is determined as a result of the multiplication between likelihood and impact, the ones that have a risk score higher or equal to 12 (e.g. Relevant 3 x Likelihood 4, means impact higher than 15% of EBITDA) 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 water related risks with a score of 12 or higher, even if all exposed facilities have mitigation actions in place, especially in the production process and in the use of water withdrawal. The current situation is likely to remain at similar level for next five years. 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. As of today, among the facilities located in high water stress areas and so the ones exposed to water risks there is the Belgium (around 22% of Group's total EBITDA). Due to different geographies and subject to different extreme event we do not consider that adverse events could happen in the same moment in all the locations. If we look at the facilities located in Belgium, if extremely event occur it could bring to a shortage of the production or more over to the stoppage of its plant. In 2022 the Belgian annual sales volume were equal to approximately 2 million tons cement and 1 million m3 of Ready mix concrete. At the occurrence of an adverse event, that until today never occurred, there could be a loss of 10% of those quantity (estimated to be as a stoppage of the plant of one month due to the mitigation plan that consider the use of water from the former quarry) there would be a lost of 3% of the Group's total EBITDA. This percentage, by being below our threshold of 15%, is considered NOT SIGNIFICANT, among all the Group's financial results. 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. In the future Cementir will constantly monitor water risks worldwide.

**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	An assessment of all risks related to water is carried out for both direct and indirect operations. There is not any risk with substantive financial or strategic impact. As explained in W4.1a, all risks are assessed on a scale from 1 to 5, risk scoring is determined as a result of the multiplication between likelihood and impact, the ones that have a risk score higher or equal to 12 (e.g. Relevant 3 x Likelihood 4, means impact higher than 15% of EBITDA) are considered to have a potential substantive impact that could undermine the business or part of the business. 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. We have conducted an analysis on water risk areas at Group level by identifying and assessing water related risks. Among the most disruptive atmospheric phenomena there is the flooding, which have a direct impact on the value chain. For example, an extreme water related risk occurred in 2020 in Anqing, to the river Yangtze. Besides this the risk has not a substantive impact at group level because the flooding risk create impacts mostly in an increase of logistic and transportation costs in China. Assuming an increase of around 20% of transportation costs (this data is linked to: increase of demand by other companies in the region affected by the atmospheric phenomena and historical data from the past years), for the period impacted, the event would not be relevant and without any substantive financial or strategic impact at group level. This because in terms of economic impact it accounts less than 1% of Group EBITDA. This percentage, by being below our threshold of 15%, is considered NOT SIGNIFICANT, among all the Group's financial results. So, considering our geographic diversity, our water reduction targets and our local action plans, we do not consider Cementir exposed to water risks beyond direct operations (value chain) that would have substantive financial or strategic impact and consequently influence also our direct operations. For the future we will continue to monitor it and its development.

**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 removed during the exploitation of our quarry of limestone in Belgium (Clypot and Gaurain) is a great opportunity because thank to new infrastructures developed with the local water provider and the local authority, we recover water for supplying local community allowing the local authority to close production wells and thus spare the aquifer in a high water-stress area.

Until 2020, the water withdrew during the quarry operations was discharged to surface. Due to the concerns expressed by local authority about the risk of water scarcity, we investigated possibilities to recover water removed during operations without discharging it to surface.

A project has been defined with Walloon region and the public water company to recover yearly, within 2025, 2,000 megaliters of water removed during operations in Clypot and Gaurain and send it to public distribution. Sharing this investment with Walloon region and the public water company enabled us to recover water for supplying 20,000 households allowing them 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 (e.g. villagers, customers), maintaining/recovering groundwater to the desirable level, maintaining groundwater quality, sustainable management of resources and reducing the risk of future limitation in water utilization by local authorities or water provider.

Between 2018 and 2020, with the help of Walloon region and the public water company, we setup the infrastructures for recovering (connecting pipes) and treating the water in Clypot. Major infrastructures were implemented, including: water intakes in quarries of peripheral well, the connecting pipes which transport raw water to the water potabilization stations, potabilization stations that transform raw water into drinkable water.

In Clypot, the whole system has been operational since March 2021 and in 2021/2022 period, 1,800 megaliters of water have been recovered, treated and delivered to the public distribution as drinkable water.

Concerning our quarry of Gaurain, in 2022, we signed an agreement with local authority to implement a similar water potabilization project. The project will come in force from 2024. Once finalized the project also in Gaurain, we will be able to recover 2,000 megaliters of water per year.

**Estimated timeframe for realization**

1 to 3 years

#### 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)

1150000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

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

As potential financial impact we report 1,150,000 € (800,000 CAPEX Gaurain + 400,000 CAPEX Clypot - 50,000 of TAX Saving):

- CAPEX: 800,000 € for the development of the project in Gaurain quarry and 400,00 € for the project in Clypot, those amounts were incurred for a total of € 1,200,000 by CCB, our Belgian subsidiary. In this amount are included equipments, engineering activities, construction works, electrical and mechanical activities for implementing the infrastructure to recover the water and delivering to the public distribution. The above mentioned figures are related only to Cementir, without taking into account the amounts sustained by the Walloon region and the public water company, the other partners of the projects with which the total investments has been equally distributed.  
- TAX Saving: 50,000 € related to the water withdrawal tax refunded by the local authority (if we consider the achievement of yearly water recovering of 2,000 megaliters ). 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 project brings some others 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.

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#### Type of opportunity

Efficiency

#### Primary water-related opportunity

Improved water efficiency in operations

#### Company-specific description & strategy to realize opportunity

Cementir promotes the reduction of water consumption and is committed to increase its water efficiency. Water is used for conditioning the kiln gases, cooling raw material and equipment and de-dusting. This is categorized as surface water, groundwater, rainwater, public water and quarry water.

The conscious use of water is an opportunity both for us and for all our stakeholders, including all the communities in which we operate. It is of strategic importance because through the reduction of potable water we have a reduction of cost due to the reduction of water withdrawal and its related costs, an increased awareness about this precious common resource and a positive impact toward all our stakeholder and the environment where we operate (e.g. better relationship with stakeholders considering the importance of water for the whole community where we operate).

The improvements of the company toward a minimization of the water withdrawal have been possible thanks to multiple initiatives: improvements of system used for measuring and estimating water flows, which enable the reduction of leakages, renovation of water network pipes, reduction of clinker factor.

In some locations, in the last years, has been installed a water treatment station that enabled an increase of the amount of water reused/recycled.

In Aalborg , for example, in 2022 the cement plant used drinking water sprinkling for dust reduction at the coal storage at the harbour. We studied the possibility of using technical water (e.g. water from chalk pit) to such purpose.

We installed new piping from power central station area to the harbour, including valves, improving water efficiency management. In 2022, we avoided taking drinking water for more than 16 thousand of m3.

All the actions mentioned above allowed : the reduction of water withdrawal, between 2021 and 2022, by 743 thousand m3 (2021:15,651 million m3-2022: 14,908 million m3) and the reduction of water consumption by 815 thousand m3 (2021: 5,914 million m3 - 2022: 5,099 million m3).

Within 2030, in cement business, the Group will reduce, in all its cement plants, the water consumption per ton of cement equivalent (TCE) by 20% (compared to 2019) and in all its cement plants located in high water stress areas by 25% (compared to 2019).

#### Estimated timeframe for realization

4 to 6 years

#### 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)

815000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

In 2022, we have achieved a reduction of water consumption by 815 thousand m3 compared to 2021. If we assume an average cost of water, that takes into account maintenance, operation costs, around 1€/m3 we achieved a saving of 815,000 euro.

In the last year the water-related CAPEX and OPEX have been equal to 3,8 million €, with an increase of 10% compared to previous year. Those investments will allow the achievement of Group's targets and specifically we are committed to reduce, within 2030, in cement business, in all cement plants, the water consumption per ton of cement equivalent (TCE) by 20% (compared to 2019) and in all cement plants located in high water stress areas by 25% (compared to 2019).

## 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 the scope (including value chain stages) covered by the policy</p> <p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Commitment to align with international frameworks, standards, and widely-recognized water initiatives</p> <p>Commitment to prevent, minimize, and control pollution</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in direct operations</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in supply chain</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities</p> <p>Commitment to stakeholder education and capacity building on water security</p> <p>Commitment to the conservation of freshwater ecosystems</p> <p>Commitments beyond regulatory compliance</p> <p>Reference to company water-related targets</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>Other, please specify (Water supply is considered in the risk / opportunity assessment of our activities. We carry out regular monitoring of water risk considering the location of our assets and local specific stress conditions.)</p>	<p>Group Water Policy provides guidance to the operating companies on the responsible management of water. The Water Policy applies on all our direct operations and is extended also to our suppliers, as stated in the Supplier Code of Conduct.</p> <p>It gives a description of our company's dependency on water and 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> <ul style="list-style-type: none"> <li>-Consider water supply as a risk/opportunity assessment factor in maintaining and developing operations and businesses.</li> <li>-Align the internal water management practices to international best practice, to push the plants beyond regulatory compliance</li> <li>-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.</li> <li>-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%.</li> <li>-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).</li> <li>-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.</li> <li>-Encourage employees and third parties along the supply chain to develop and demonstrate responsible behaviour toward water use and conservation.</li> <li>-Ensure compliance with all applicable local, regional, national and international legislation as well as corporate guidelines and rules.</li> </ul>

### 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 or committee	Responsibilities for water-related issues
Chief Executive Officer (CEO)	<p>The Group operates in several Countries, facing increasing regulations on climate-related issues and water-related issues. The management of climate-related and water-related issues is therefore dealt with as a relevant issue with a significant impact both in terms of economic value and in terms of operational criticism. Ultimate powers and responsibilities stay with the board of the Group parent company and of the other companies of the Group, consistent with the uniform approach and strategy set out at Group level. The Group CEO is vested by the Board of the Group Parent company with all relevant authority to implement it. He regularly reports to the Board, where the strategic direction of the Group is ultimately set, about its adherence and the overall performance. In the BoD, the CEO is the individual with direct responsibility for water-related issues.</p> <p>In July 2022, the CEO decided to provide the access to safe water, sanitation and hygiene in all Group's premises. As first step, the CEO asked to the Group technical department an assessment of each premises and the definition of the related action plans to guarantee the access to safe water, sanitation and hygiene in all Group's premises. In addition, in December 2022, the CEO personally signed the Wash Pledge, to formally engage the company in providing the access to safe water, sanitation and hygiene in all Group's premises.</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 Monitoring progress towards corporate targets Overseeing acquisitions, mergers, and divestitures Overseeing major capital expenditures Overseeing the setting of corporate targets Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy 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. Since 2019, climate related issues have become 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"> <li>-in March 2022 the Board approved the 2021 Sustainability Report and reviewed the evolution of the main sustainability KPIs and related targets (also water KPIs are included) ;</li> <li>-in July 2022, the Board was informed about the evolution on the main Sustainability KPIs and related targets, included in the specific section for the Non-financial indicators (e.g. water consumption) was included in the 2022 CONSOLIDATED HALF-YEAR REPORT.</li> </ul> <p>In this occasion, the CEO informed the BoD on Group's willingness to sign the Wash Pledge and to carry out the WBCSD's self-assessment for each plant, linked to a specific roadmap.</p> <ul style="list-style-type: none"> <li>-in November 2022, the Board Reviewed the Group Enterprise Risk Assessment. Water related issues are integrated in the Enterprise Risk Management process and have been discussed by the BoD. 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. All kind of risks are covered by the ERM (strategic, financial, compliance and operational), also risks related to sustainability (e.g. water stress) 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.</li> </ul> <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:</p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> </ul> <p>The BoD, among the activities carried on with the Remuneration and Nomination Committee, oversight the policy which regulates employees' incentives, including water-related incentives.</p>

**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 (<a href="https://www.shareholdersforchange.eu/what-we-do/">https://www.shareholdersforchange.eu/what-we-do/</a>).</p> <p>The Non-Executive Director is also board memeber of Fundación Finanzas Eticas. The Fundacion, part of Grupo Banca Etica, is actively involved in promoting the energy transition and raising awareness about the role of ethical finance in the fight against climate change (<a href="https://finanzaseticas.net/">https://finanzaseticas.net/</a>).</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)

**Water-related responsibilities of this position**

Assessing water-related risks and opportunities  
 Managing water-related risks and opportunities  
 Monitoring progress against water-related corporate targets  
 Integrating water-related issues into business strategy  
 Providing water-related employee incentives

**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. Among the topics covered are included also water-related risks and opportunities. The CEO is responsible for the implementation of the Group's Sustainability Targets and investments' implementation related to the Targets.

Example of reporting to the BoD:

- March 2022 : CEO's presentation to the BoD of the 2021 Sustainability Report (main sustainability KPIs and related targets (also water KPIs are included)).
  - July 2022, CEO's presentation to the Board of the evolution on the main Sustainability KPIs, related targets in the first half year of 2022. The 2022 CONSOLIDATED HALF-YEAR REPORT includes also indicators related to Co2 emissions, alternative fuels, water consumption.
  - quarterly, the CEO is informed about the results of water-related risks and opportunities.
- The CEO is also in charge of providing water-related incentives to C-suite employees who have them (e.g head of regions).

**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)

**Water-related responsibilities of this position**

Assessing future trends in water demand  
 Assessing water-related risks and opportunities  
 Conducting water-related scenario analysis

**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 updates annually the Audit and Risk Committee about the evolution of the main risks, participates also to set and define water-related corporate targets.

The function is also in charge of assessing suppliers with the CDP Supply Chain Water Security module and conduct the scenario analysis, periodically update, focusing among the topics covered also on water security and specifically on areas with water scarcity.

**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))

**Water-related responsibilities of this position**

Managing water-related risks and opportunities  
 Monitoring progress against water-related corporate targets  
 Integrating water-related issues into business strategy

**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 basis.

The Chief Technical Coordinator Officer, with its activity, influences and participates to the integration of water-related issues into business strategy.

**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 2022, incentives for the management of water-related issues have been addressed to 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. Starting from 2022, furthermore, the company has implemented short term incentives on water-related issues, and are specifically addressed to: Head of Regions (directly report to CEO), COO (directly report to CEO) and CTO (Chief Technical Coordinator Officer - directly report to COO). The water-related issues considered are: specific water consumption and the achievement of Industrial Roadmap, including WASH Pledge Roadmap.

**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	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Chief Operating Officer (COO) Other C-suite Officer (Head of Regions, Group Chief Internal Audit Officer) Other, please specify (Plant Directors, Group HSE Manager, HSE Manager at local level)	Reduction in water consumption volumes – direct operations access to workplace WASH – direct operations Increased access to workplace WASH – supply chain Company performance against a sustainability index with water-related factors (e.g., DJSI, CDP Water Security score, etc.)	Reduction in Water Consumption The Group has defined 2030 Roadmap that will allow for the reduction of the water consumption per cement by 20% compared to 2019. The Group target has been deployed per single Region, plant and year and included in the Industrial Plan 23-25. The COO, Head of Region (C-suite) and the Plant Directors receive a monetary incentive, if the Group/Region/plant achieved the water consumption targets included in the Industrial Plan. The incentive facilitates the alignment of COO/Head or Region/ Plant Directors interests with the milestone defined in Cementir in the Industrial plan for the achievement of 2030 water consumption reduction target CDP The Group Chief Internal Audit Officer (CIAO) receives a monetary incentive based on the score of CDP water questionnaire. This facilitates the spread of best practices defined by CDP concerning water management. For example, the CIAO constantly monitor the Group governance and the group transition plan to check their alignment with CDP best practices. In case of any misalignment, the Chief Internal Audit Officers promotes internally, with the top management, the need for updating of governance mechanism or water practices to maintain Cementir aligned with best practice. WASH The Group defined a 3-year roadmap to meet the criteria established by the WASH pledge. The Group HSE Manager and HSE Manager receive a monetary incentive, if the Group/plant achieved the milestone established in the 3-year WASH roadmap.	The monetary incentive plan adopted by Cementir is based on a short-term incentive (STI) system. The system maintains the proper ratio between its components and adequate incentives to achieve continuously improving performance levels within the sustainable value creation structure. The STI is based on the Group's and/or subsidiaries' financial and non-financial targets and includes objectives based on indicators linked to company performance and to managerial roles actually held within the Company. The STI is a tool with which Cementir promotes also the fulfillment of water related objectives. The water performance indicators are considered along a time frame of one year, corresponding with the fiscal year. These are addressed at Group level (Chief Operating Officer, Chief Internal Audit and Group HSE Manager) and at local level to all regions (Head of regions and HSE Managers). The performance is evaluated on five different thresholds from 1 to 5, where 1-2 indicates an under achievement of the target set, 3 its complete achievement and 4-5 an over achievement of the target. Among the personal objectives of C-suite employees, the water related targets, that are part of the broader category of sustainability, accounts for around the 10%.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	<Not Applicable>	As of today we do not have non-monetary reward in place for water-related issues. This because we have worked more on monetary reward, to incentives as much as possible our employees.

**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  
Yes, other

**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?**

Cementir is committed to the UN Global Compact, with the aim of developing a more responsible business, respectful of human and labour rights, promoting environmental protection and anti-corruption initiatives, it is also a signatory of the WASH Pledge. Both the mentioned initiatives witness company's commitment seeking to influence public policy on water and support the achievement of company's targets.

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

For example, Cementir's 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 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)  
CH\_Annual report 2022.pdf

Please see the Annual Report from page 59 to 63, in which are reported all the physical and transition risks, including the ones related to water.

## 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	<p>Water is recognized as a valuable resource by Cementir and for this reason the Group set 26 Sustainability Targets to be achieved within 2030 and covering its priority areas. 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. Concerning water, the Group set targets with a baseline 2019. It 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>For this reason the Group is working on reducing water impact, in particular on sites that are located in water scarce areas.</p> <p>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>Aware of the fact that that hydrological cycle is realized over a long period of time, Cementir is committed also over 2030, when we will reshape targets according to the expected change in risk level for each area where we operate.</p> <p>From our analyses we already know how, for example, starting in 2030 the level of risk will change and new high water stress areas will emerge.</p>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	<p>Our strategy includes:</p> <ul style="list-style-type: none"> <li>- A specific Sustainability Committee dedicated to the Group's initiatives and engagement related to water management.</li> <li>- a Group Water Policy that provides guidance to the operating companies on the responsible management of water.</li> <li>- 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.</li> </ul> <p>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.</p> <ul style="list-style-type: none"> <li>- 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%.</li> <li>- Water issues included in the Group risk management process. It includes the risk "water stress" that is evaluated during each session of risk process with each plant of the Group.</li> </ul> <p>Cementir is committed also over 2030, when we will reshape targets according to the expected change in risk level for each area where we operate. We already know how, for example, starting in 2030 the level of risk will change and new high water stress areas will emerge.</p>
Financial planning	Yes, water-related issues are integrated	5-10	<p>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%).</p> <p>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.</p> <p>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 €).</p> <p>In 2022, 741 thousand m3 of water were recovered, subjected to primary treatment and then sent to the public water station for drinking water treatment.</p> <p>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).</p>

### 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)

5

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

10

##### Water-related OPEX (+/- % change)

15

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

10

##### Please explain

In 2022, the water-related CAPEX and OPEX have been equal to 3,8 million €, with an increase of 10% compared to previous year. This increase was mainly due to the enhanced monitoring activities carried on in 2022.

In a more deeper analysis of 2022:

- OPEX increase of 15% compared to 2021, due to additional activities implemented by the Group for improving the quality monitoring system, water analysis and increase in water bills;
- CAPEX increase of about 5% compared to 2021, due to investments for improving the measurement systems (meters, valves, etc.) and in the optimization of collecting systems (e.g. piping, etc.). For example, in our quarry of Ipoh (Malaysia) we installed new meters.

Looking at the future we expect that, even in the coming years, the total amount of CAPEX and OPEX will increase between 5 % -10%, according to the investments and activities planned in the Industrial Plan '23-'25 .

## 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><b>Policy Risk</b></p> <ul style="list-style-type: none"> <li>• 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).</li> <li>• 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.</li> <li>• 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.</li> </ul> <p><b>Physical Risk</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p><b>Time horizons</b></p> <ul style="list-style-type: none"> <li>• For transition (policy and market risk) and physical risk we look at time horizon out to 2050.</li> </ul>	<p>We have evaluated, with the support of an external consultant, the exposure of our plants to physical risks, covering: acute and chronic physical risks. Cementir's facilities are in location facing moderate and high levels of physical risk with the greatest exposure to water stress, coldwave and heatwave.</p> <p>Overall, risk levels are moderate but relatively stable out to 2050. As a result of our analysis water risk is the predominant one in all the three scenario analyzed.</p> <p>As of today, plants located in high water stress area are the ones in Belgium, Egypt and Türkiye, by 2050 due to the global warming also the facility in Waco (USA), according to the climate scenario RCP 4.5 and 8.5, will face issues with reference to water risk. This plant withdraws around 174 megaliters of water per year. The plant could be forced to decrease the cement production due to local unavailability of water.</p> <p>Based on our analysis focused on climate scenario RCP 4.5, heatwave, in the future will likely become worsen and with it the risk of the whole company. Its realization would bring to a supply chain disruption, will have an impact on workers productivity and on the production (due to the heatwave the working time could be reduced).</p> <p>An other example of the water possible related risk, is the flooding risk in Anqing. Flooding can impede water transportation schedule causing delays, it will creates additional transportation costs. The risks would become lower with a climate scenario RCP 8.5.</p>	<p>The water-related outcomes of our scenario analysis are affecting the Group business strategy. To address local water issues, the Group defined water targets and planned specific local action plan that fit the individual water contexts.</p> <p><b>Water Targets.</b> 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><b>Example of local action plan.</b> 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 2022, 742 megaliters were sent to the public water station, lower volume compared to 2021, due to a technical problem in the municipal potabilization unit. 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

The company doesn't use yet the internal price on water but in the last year has started its calculation.

Through the use of the Ecolab Water Risk Monetizer, a publicly available global tool that helps companies to better understand the gap between what your business pays for water and its true value to your operations, we've been able to assess each facility and giving an economic value to water.

This was possible because the tool provided us, for every plant, a water risk deck including the True Cost of Water (in USD/m3).

## 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>Our low water impact products/services are classified as products that, once implemented or used, contribute to reduce the specific water consumption and/or improve the environmental efficiency (e.g. reusing water in concrete production).</p> <p>Among the activities carried on to monitor the water impact, there is the EPD (Environmental Product Declaration), a document which transparently communicates the environmental performance or impact of any product or material over its lifetime, is verified by third party and some of our products are equipped with them. It is edited in accordance with EN 15804+A2 and ISO 14025 standards.</p> <p>The process followed by EPD covers all the product stages (Raw material, transport and manufacturing) and aim to communicate the environmental impacts and use of natural resources by a product. Among the variables linked to the use of natural resources, there is the USE OF FRESH WATER, useful to understand if a product has a low water impact.</p> <p>A comparison between the Portland cement, standard grey cement, with FUTURECEM®, a new type of cement based on limestone and calcinated clay, there is an improvement in the use of fresh water with a minor use of 8/10%.</p> <p>According to EPD's FUTURECEM® the USE OF FRESH WATER of this cement is equal to 572 litres of water per ton of cement, against the 624 litres of water per ton of cement of the Portland cement.</p> <p>Also Ready-mixed concrete can be classified as low water impact product, that thanks to its inherent characteristics enables the reuse of water, minimizing the withdrawal of freshwater. Water is in fact one of the components that makes up the final product.</p> <p>Our RMC's plants are provided of water recovery basins. The water used between the various activities to clean the trucks ends up in collection pools where it is left to decant, by sedimentation the cement settles in the lower part of the pool and the water is thus used again in the production process if possible.</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>Additionally, the development of cement with lower clinker content helps to reduce the specific water consumption. 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 FUTURECEM 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) Do you have any water-related targets?**

Yes

**W8.1a**

**(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.**

	Target set in this category	Please explain
Water pollution	No, but we plan to within the next two years	Water pollution is not so relevant in our activities, due to the intrinsic characteristics of the production processes. We issued a Group specific guideline on water management, to strength our water's commitment through all the sites where we operate. We commit to treat and return the water to the environment, according to the local regulations and technical rules.
Water withdrawals	No, but we plan to within the next two years	In the next two years we are going to set specific target, related to water withdrawals, with the aim to represent our effort on water usage efficiency (e.g collect rainwater, recycling/reusing, reduce leakages).
Water, Sanitation, and Hygiene (WASH) services	Yes	<Not Applicable>
Other	Yes	<Not Applicable>

**W8.1b**

**(W8.1b) Provide details of your water-related targets and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water consumption

**Target coverage**

Business division

**Quantitative metric**

Reduction per unit of production

**Year target was set**

2019

**Base year**

2019

**Base year figure**

480

**Target year**

2030

**Target year figure**

384

**Reporting year figure**

402

**% of target achieved relative to base year**

81.25

**Target status in reporting year**

Underway

**Please explain**

Within 2030, in cement business, the Group will reduce, in all its cement plants, the water consumption per ton of cement equivalent (TCE) by 20%, compared to 2019. Due to the fact that, for cement, water consumption in 2022 was 3,842 thousand m3, more than 75% of Group water consumption, the definition of this target, specific for the cement, has been a priority.

The target has been set by considering the different risk level of each specific cement site. As support for its definition the Group used the SDG 6 as external framework of reference.

The figures related to the target have further improved in 2022 (402 liters/TCE), comparing to the previous years. It has been possible through different activities carried on and specifically: environmental efficiency initiatives that resulted in lower withdrawals, improved clinker factor (e.g., FUTURECEM), improvement in the measurement systems (e.g., installation of meters), replacement of estimates with point measurements.

Furthermore, this target is part of a long-term target inserting itself within the Group Climate Strategy.

The target, since when it was set, has been implemented in all cement sites with the employment of both budget and internal resources. By being embedded inside Cementir's strategy all the activities linked to this target are already in the budget.

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**Target reference number**

Target 2

**Category of target**

Water consumption

**Target coverage**

Business activity

**Quantitative metric**

Reduction per unit of production

**Year target was set**

2019

**Base year**

2019

**Base year figure**

280

**Target year**

2030

**Target year figure**

210

**Reporting year figure**

257

**% of target achieved relative to base year**

32.8571428571429

**Target status in reporting year**

Underway

**Please explain**

Within 2030, the Group will reduce, in all its cement plants in high water stress areas, the water consumption per ton of cement (TCE) by 25%, comparing to 2019.

Due to the fact that, for cement, water consumption in 2022 was 3,842 thousand m3, more than 75% of Group water consumption, and in high water stress areas water consumption has been equal to 37% of the total consumption in cement, set this target was a priority for the Group. It is specific for cement plant in water high-stress areas and necessary considering that the consumption in water high-stress areas is the highest in the cement business of the company.

The target has been set by considering the different risk level of each specific cement site and is focused on the ones identified with high risk. As support for its definition the Group used the SDG 6 as external framework of reference.

The figures related to the target have further improved in 2022 (257 liters/TCE), comparing to the previous years. It has been possible through different activities carried on and specifically: environmental efficiency initiatives that resulted in lower withdrawals, improved clinker factor (e.g., FUTURECEM), improvement in the measurement systems (e.g., installation of meters), replacement of estimates with point measurements.

Furthermore, this target is part of a long-term target inserting itself within the Group Climate Strategy.

The target, since when it was set, has been implemented in all cement sites in high water stress areas, with the employment of both budget and internal resources. By being embedded inside Cementir's strategy all the activities linked to this target are already in the budget.

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**Target reference number**

Target 3

**Category of target**

Water, Sanitation and Hygiene (WASH) services

**Target coverage**

Company-wide (direct operations only)

**Quantitative metric**

Increase in the proportion of employees using safely managed sanitation services, including a hand-washing facility with soap and water

**Year target was set**

2022

**Base year**

2022

**Base year figure**

75

**Target year**

2025

**Target year figure**

100

**Reporting year figure**

75

**% of target achieved relative to base year**

0

**Target status in reporting year**

New

**Please explain**

Cementir recognizes the importance of water as a an essential human right that has to be guaranteed and fostered, it also renews its commitment toward the achievement of the SDG 6, all in full accordance with its signatory of UN Global Compact and Wash Pledge. All of this, provided the fertile ground on which work was begun to set this target. During 2022, at Group level was carried out the first Wash Pledge self-assessment. Thanks to this analysis has been possible to monitor and map all group facilities by identifying gaps and best practices. Most of the sites already meet the WASH standards (score of more than 90% of the assessment results). The target figure is a percentage of facilities compliant with WBCSD requirements (>90% of the assessment results).

For the few that don't has been defined a specific road map (one for every facility), depending on the assessment results, to be compliant in the next two years. We expect, in fact, an increasing to 90% in full access to WASH in all our facilities by 2025. Through our target we aim to increase the proportion of employees/local communities using safely managed sanitation services, including a hand-washing facility with soap and water, in all our facilities.

The level of progress in 2022 of the target is equal to 0 because it overlaps with the base year. As of today, in June 2023, the target (percentage of facilities compliant with WBCSD requirements) is increased at 78%.

The target year is 2025, thereafter we are starting to plan to reach at least 95% of the assessment requirement in the following years.

The target, since when it was set, has been implemented in all sites with the employment of both budget and internal resources. By being embedded inside Cementir's strategy all the activities linked to this target are already in the budget.

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## W9. Verification

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### W9.1

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

Yes

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### 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 'Responsible and efficient use of water' pages 121/125 and chapter 'Independent Auditor's Report' page 198 of 2022 Sustainability Report	ISAE 3000	Limited assurance from external Auditor (PricewaterhouseCoopers) on the 2022 Sustainability Report. See pag 198 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 <a href="https://www.cementirholding.com/sites/default/files/documenti/2023-05/Sostenibilita%CC%80%202022%20-%20ING_WEB.pdf">https://www.cementirholding.com/sites/default/files/documenti/2023-05/Sostenibilita%CC%80%202022%20-%20ING_WEB.pdf</a>
W2 Business impacts	Data related to fines and penalties for water management reviewed by the external auditor. Please see chapter 'Responsible and efficient use of water', from page 121 of 2022 Sustainability Report. In the paragraph we stated 'In 2022, no fines and/or penalties were received related to water management.' See also chapter 'Independent Auditor's Report' page 198 of 2022 Sustainability Report.	ISAE 3000	Limited assurance from external Auditor (PricewaterhouseCoopers) on the 2022 Sustainability Report. See pag 198 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 <a href="https://www.cementirholding.com/sites/default/files/documenti/2023-05/Sostenibilita%CC%80%202022%20-%20ING_WEB.pdf">https://www.cementirholding.com/sites/default/files/documenti/2023-05/Sostenibilita%CC%80%202022%20-%20ING_WEB.pdf</a>
W8 Targets	Data related to targets and their status reviewed by the external auditor. Please see paragraph 'Water consumption path in cement', page 122 of 2022 Sustainability Report. See also chapter 'Independent Auditor's Report' page 198 of 2022 Sustainability Report.	ISAE 3000	Limited assurance from external Auditor (PricewaterhouseCoopers) on the 2022 Sustainability Report. See pag 198 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 <a href="https://www.cementirholding.com/sites/default/files/documenti/2023-05/Sostenibilita%CC%80%202022%20-%20ING_WEB.pdf">https://www.cementirholding.com/sites/default/files/documenti/2023-05/Sostenibilita%CC%80%202022%20-%20ING_WEB.pdf</a>

**W10. Plastics**

**W10.1**

**(W10.1) Have you mapped where in your value chain plastics are used and/or produced?**

	Plastics mapping	Value chain stage	Please explain
Row 1	Not mapped – and we do not plan to within the next two years	<Not Applicable>	For our business, plastic is considered not relevant because is neither used in the production process. It is only marginally used in the packaging process, in which cement bags are put on pallets and wrapped with recyclable plastic. For those reasons, map where in the value chain plastics are used or produced is not a priority. At the same time, in offices and canteens we are progressively minimizing the use of non-recyclable materials by encouraging, instead, the use of compostable and recyclable materials.

**W10.2**

**(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?**

	Impact assessment	Value chain stage	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	<Not Applicable>	For our business, plastic is considered not relevant because is neither used in the production process. It is only marginally used in the packaging process, in which cement bags are put on pallets and wrapped with recyclable plastic. For those reasons, assess the potential environmental and human health impacts of our use of plastics is not a priority. At the same time, in offices and canteens we are progressively minimizing the use of non-recyclable materials by encouraging, instead, the use of compostable and recyclable materials.

**W10.3**

**(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.**

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	<Not Applicable>	<Not Applicable>	For our business, plastic is considered not relevant because is neither used in the production process. It is only marginally used in the packaging process, in which cement bags are put on pallets and wrapped with recyclable plastic. For those reasons, we don't consider ourselves exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business. At the same time, in offices and canteens we are progressively minimizing the use of non-recyclable materials by encouraging, instead, the use of compostable and recyclable materials.

**W10.4**

**(W10.4) Do you have plastics-related targets, and if so what type?**

	Targets in place	Target type	Target metric	Please explain
Row 1	No – and we do not plan to within the next two years	<Not Applicable>	<Not Applicable>	For our business, plastic is considered not relevant because is neither used in the production process. It is only marginally used in the packaging process, in which cement bags are put on pallets and wrapped with recyclable plastic. For those reasons, we don't have plastics-related targets and we don't plan to have its within the next two years. At the same time, in offices and canteens we are progressively minimizing the use of non-recyclable materials by encouraging, instead, the use of compostable and recyclable materials.

**W10.5**

**(W10.5) Indicate whether your organization engages in the following activities.**

	Activity applies	Comment
Production of plastic polymers	No	We produce cement, therefore the production of plastic is not our business.
Production of durable plastic components	No	We produce cement, therefore the production of plastic is not our business.
Production / commercialization of durable plastic goods (including mixed materials)	No	We produce cement, therefore the production of plastic is not our business.
Production / commercialization of plastic packaging	No	We produce cement, therefore the production of plastic is not our business.
Production of goods packaged in plastics	No	We produce cement, therefore the production of plastic is not our business.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	Yes	Plastic is only marginally used in the packaging process, in which cement bags are put on pallets and wrapped with recyclable plastic. In some specific cases, cement is packed inside jumbo bags made of plastics recycled/reused.

**W10.8**

**(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.**

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used		None	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Plastic is only marginally used in the packaging process, therefore is not considered relevant and its weight is not monitored for its reporting.

**W10.8a**

**(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.**

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	% reusable % recyclable in practice and at scale	0	<Not Applicable>	0	Plastic is only marginally used in the packaging process, at the same time the slight amount is mostly recyclable/reusable.

**W11. 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.**

No additional comment

**W11.1**

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

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

Submit your response

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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

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms