

SUSTAINABILITY TARGETS

We want to build a better tomorrow, creating value for society and for our company. Progress offers multiple opportunities but poses important challenges such as the reduction of carbon emissions, the depletion of natural resources and the production of waste.

Among the many challenges in front of us, sustainable growth is one of the most difficult. For our Group, sustainable growth is both a responsibility and a requirement for continuing to work in the cement sector, which has to deal more than most with a world where resources are limited. For this reason, the Group's business model must strike the right balance between the creation of economic value, the protection and conservation of the environment and a sense of responsibility towards people and communities.

Strengthened by this conviction, the Group has identified 4 pillars that represent the benchmark principles that have inspired this document and the company's defined sustainability strategy, which are translated into an action plan that take account of the specific nature of each country:

- 1. In waste, we see resources: we promote a circular economy**
- 2. We respect the environment in all our operations**
- 3. We value our people**
- 4. We support our communities**

In 2019 the Group progressed along its path to promoting sustainable growth by establishing a series of sustainability targets covering the four pillars of the Group.

The targets have been defined by the Sustainability Team in collaboration with regional and corporate functions and according to the guidelines established by the Sustainability Committee.

The Group Management Team (GMT), is accountable for managing the projects and achieving the targets.

The internal audit is responsible the periodic monitoring of the activities implemented in reference to the Group's sustainability strategy and its targets.

Yearly, in the Sustainability Report, Cementir will share its progress toward achieving these targets with its stakeholders.

In the next page is an indication, for each of the four pillars identified by Cementir, of the main targets and objectives, of the reference UN Sustainable Development Goals (SDGs) and of the results obtained in 2019.



Cement plant Elazig, Turkey

>CIRCULAR ECONOMY Pillar I: In waste, we see resources: we promote a circular economy

UN SDGs	Target	Detailed description	2019 Results	Deadline and progress	Pages	
 	77% of alternative fuels for Grey cement production by 2030	The Group target has differentiated goals for each single plant producing grey cement. The overall Group target defined, which also has intermediate target dates in 2022 and 2025, has a final target date in 2030	In 2019, 31.4% of alternative fuels were used to produce grey cement	2022 2025 2030	Target in line with planned roadmap	Alternative fuels (pag. 49 / 51) Climate Targets (pag. 59)
 	6% of alternative fuels for White cement production by 2030	The demand for consistency in the color of white cement is much higher than for grey as there is a high attention to the purity of the color. Alternative fuels affect the color and for this reason their utilization is drastically limited in the production of white cement. This explains the reason of the 6% final target defined in the white cement production, which also contains intermediate target in 2022 and 2025	In 2019, 3.9% of alternative fuels were used to produce white cement	2022 2025 2030	Target in line with planned roadmap	Alternative fuels (pag. 49 / 51) Climate Targets (pag. 59)
	Waste recycling	Since 2009, Cementir has been operating in the urban and industrial waste management and processing sector	In 2019, the Group's plants recycled, through mechanical selection and treatment processes almost 7,000 tons of materials	ongoing	Target in line with planned roadmap	Waste Management (pag. 36 / 37)
 	Production of alternative fuels from waste	The Group's plants produce alternative fuels and thermal energy, minimizing landfill waste and contributing to the reduction of greenhouse gas (GHG) emissions	In 2019, the Group's treatment plants produced a total of 100,000 tons of fuel from waste	ongoing	Target in line with planned roadmap	Waste Management (pag. 36 / 37)

>ENVIRONMENT Pillar II: We respect the environment in all our operations

UN SDGs	Target	Detailed description	2019 Results	Deadline and progress	Pages	
	CO ₂ reduction target of 30% per ton of cement by 2030 (baseline 1990)	Cementir has set CO ₂ emission reduction targets, using a 1990 baseline, for grey and white cement production. The 2030 target includes a 35% reduction for white cement (equivalent to 808 kg/TCE in 2030) and 31% reduction for grey cement (equivalent to 500 kg/TCE in 2030). Intermediate targets for 2022 and 2025 have been defined	In 2019, the CO ₂ emission for grey was 696 KG/TCE, while for white was 926 Kg/TCE	2022 2025 2030	Target in line with planned roadmap	Climate Targets (pag. 59) CO ₂ emissions (pag. 65 / 66)
  	100 million green investments in the 2020-2022 period	In the 2020 - 2022 Industrial Plan, green investments of 100 million euros have been planned which include, among others: - construction of a 8 MW wind farm for the needs of Aalborg plant; - heat recovery in our Danish and Turkish plants - increase in the use of alternative fuels from current 40% to 80% in Belgium; - digitization of the manufacturing process, maintenance, inventory management and spare parts in all our main plants	In November 2019 the BoD approved the 2020-2022 Industrial Plan	2022	Target in line with planned roadmap	Climate Change Strategy (pag. 58) Investment in Sustainability (pag. 60)

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>ENVIRONMENT		Pillar II: We respect the environment in all our operations				
UN SDGs	Target	Detailed description	2019 Results	Deadline and progress	Pages	
	Lowering clinker content of grey cement to 69%	Application of FUTURECEM™ technology. FUTURECEM™ will allow over than 40% clinker replacement in cement, depending on clay type, but keeping the same performance of a pure Portland cement	In 2019, the clinker / cement ratio for grey cement was 82%	2022 2025 2030	Target in line with planned roadmap	Climate Targets (pag. 59) Alternative raw materials (pag. 52 / 54)
	Lowering clinker content of white cement to 80%	The demands for consistency of color of white cement is much higher than for grey as no nuances of white or colored surfaces can be accepted. Alternative minerals affect the color and for this reason their utilization is drastically limited for white cement	In 2019, the clinker / cement ratio for white cement was 84%	2022 2025 2030	Target in line with planned roadmap	Climate Targets (pag. 59) Alternative raw materials (pag. 52 / 54)
	District heating in Denmark	In the Danish city of Aalborg, our production plant recovers energy to provide district heating to over 36,000 dwellings, which will become 50,000 in the near future, covering about the half of its urban population	In 2019, the Aalborg Plant provided 1,6 million Gigajoules of thermal energy to the local community	ongoing	Target in line with planned roadmap	District Heating (pag. 79)
	All operating companies have to operate with a certified environmental management system (i.e ISO 14001)	Cementir has defined that all operating companies in the cement production, concrete production and waste management sectors have to operate with a certified environmental management system (i.e. ISO 14001). As of 2019, 67% of all operating companies are certified ISO 14001, in 2025 the percentage will be 86% while in 2030 all operating companies will be certified	In 2019, 67% of operating companies operate with a certified environmental management system	2025 2030	Target in line with planned roadmap	Environment (pag. 62)
	All operating companies have to operate with a certified energy management system (i.e ISO 50001)	Cementir has defined that all operating companies in the cement production, concrete production and waste management sectors have to operate with a certified energy management system (i.e. ISO 50001). As of 2019, 33% of all operating companies are certified ISO 50001, in 2025 the percentage will be double to 71% while in 2030 all operating companies will be certified	In 2019, 33% of all operating companies with a certified energy management system	2025 2030	Target in line with planned roadmap	Energy Consumption (pag. 64)
	Reuse water in production	Cementir Group aims to reuse water in production by recycling process water and capturing rainwater from selected areas	In 2019, 65% of water used in the cement production plants was reused	ongoing	Target in line with planned roadmap	Water Consumption (pag. 68)
	Supporting Denmark in delivering a 70% reduction in greenhouse gases by 2030	Through Aalborg Portland, the Group is involved in the most ambitious CO ₂ reduction project sponsored by a government. The Managing Director of Aalborg Portland is leading the technical group that will provide to the Danish government the technical forecast of all potential CO ₂ reductions achievable by energy intensive industry in Denmark and will define the prerequisites (policy, research, innovation, subsidies, etc.) for such reductions	In December 2019, the Danish Prime Minister appointed the Managing Director of Aalborg Portland as head of the climate partnership for energy-intensive industry in Denmark	2030	Target in line with planned roadmap	Commitment on carbon related policy (pag. 61)

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>PEOPLE		Pillar III: We value our people				
UN SDGs	Target	Detailed description	2019 Results	Deadline and progress	Pages	
 4 QUALITY EDUCATION	Sustainable talent management	Key positions are filled internally with top-class candidates worldwide	In 2019, 30% of new/vacant key positions filled in with internal successors	ongoing	Target in line with planned roadmap	Talent review (pag. 70)
 5 GENDER EQUALITY	Promoting diversity in the workforce	Cementir is committed to promoting diversity in the workforce	In 2019, 23% of personnel involved in the Group Talent Program is female. The Group diversity policy was published on web site. 16% of successors for key position is female (double respect 2018)	ongoing	Target in line with planned roadmap	Talent review (pag. 70)
 3 GOOD HEALTH AND WELL-BEING	People engagement	Increase people engagement across the Group by listening, engaging and implementing improvement plans	In 2019, the Group performed the survey "Your Voice" to verify the level of engagement of personnel across the Group. Participation rate 83% at Group Level	ongoing	Target in line with planned roadmap	Group People Survey (pag. 69)
 10 REDUCED INEQUALITIES	Human rights awareness	Promoting sensibility, awareness & education about Human rights across the Group	In 2019, Cementir Group defined its Human Rights framework including Policy, training program, communication plan and adoption	2020	Target in line with planned roadmap	Human Rights (pag. 44)
 3 GOOD HEALTH AND WELL-BEING	Zero fatalities for Group employees	Group-wide training initiative on the importance of management responsibility in occupational health and safety. Analysis of the causes of accidents and near misses for the entire Group and implementation of appropriate preventative measures	Zero fatalities concerning Group Employee during 2019	ongoing	Target in line with planned roadmap	Safety First (pag. 74 / 76)
 3 GOOD HEALTH AND WELL-BEING	All operating companies have to operate with a certified health and safety management system (i.e. ISO 45001)	Group-wide training initiatives on the importance of management responsibility in occupational health and safety. As of 2019, 55% of all operating companies are certified ISO 45001 or OHSAS 18001. The goal set by the Group is to reach 80% of coverage by 2025 and 100% by 2030	In 2019, 55% of all operating companies operate with a certified H&S management system	2025 2030	Target in line with planned roadmap	Safety First (pag. 74 / 76)
 4 QUALITY EDUCATION	Quality Education for the employees	In 2018, the Group launched the Cementir Academy, a training hub that aims to develop and enhance the technical, behavioral and managerial skills of all our employees	More than 50,000 hours of training were supplied in 2019. Almost 17 hours of training per capita	ongoing	Target in line with planned roadmap	Cementir Accademy (pag. 71)

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>PEOPLE		Pillar III: We value our people					
UN SDGs	Target	Detailed description	2019 Results	Deadline and progress	Pages		
	Link between employee's remuneration and sustainability targets	The sustainability targets defined by the Group are included in the monetary incentive plan adopted by Cementir	In 2019, Cementir established sustainability targets as part of its sustainability strategy definition. Some targets, (i.e. alternative fuels and alternative raw materials) have already been included in the 2019 monetary incentive plan. Other targets (i.e. CO ₂ reduction) will be included starting from 2020	2020	Target in line with planned roadmap	Incentives for the management (pag. 59)	
	Promotion of gender equality with an objective of at least 30% of the Board of Directors being composed of women	Implementation of a specific Group Diversity Policy	42% of Board Members are women	ongoing	Target achieved	Diversity and Inclusion (pag. 72)	
>LOCAL COMMUNITY		Pillar IV: We support our communities					
UN SDGs	Target	Detailed description	2019 Results	Deadline and progress	Pages		
	Transparent communication with stakeholders	In 2020, Cementir will submit CDP Climate Change Questionnaire and, as already done in the past years, the Sustainability Report will be assured by external auditors	Limited assurance engagement on Sustainability Report by external Auditors	2020	Target in line with planned roadmap	See Independent Auditor's Report (pag. 110)	
	Quality Education for the local community	In Turkey, the Group supports the Çimentaş Education and Health Foundation. Since its establishment, the Foundation has sponsored over 500 scholarships for upper school and university students. Thanks to the Foundation's financial support, the İşikkent High School was founded	New corporate website with dedicated section for Sustainability www.cementirholding.com	The İşikkent High School provides education at all levels from nursery school to high school	ongoing	Target in line with planned roadmap	Cimentas Foundation (pag. 79)
	Implementation of monitoring systems to eliminate human rights related risks across the Group	A human rights self-assessment checklist, based on Cementir Code of Ethics, UN Declaration on Human Rights, ILO Conventions and UK Slavery Act has been established and has been included as part of Internal Audit process. In the next 3 years the checklist will be applied to all major Cementir companies	Inclusion of Human Rights checklist as part of the Internal Audit work program	2022	Target in line with planned roadmap	Human Rights (pag. 44)	