



2023

INTEGRATED REPORT

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2023 was characterised by persistent market uncertainty, supply chain disruptions and energy and commodity price corrections resulting from a changing political and geographical situation and widespread socio-economic instability.

Faced with this generalised slowdown, we have recorded good results based on sustainable and profitable growth with increases in sales and profits in most of the regions and businesses in which Cementos Molins operates. This strengthens our business model that integrates products and solutions across our value chain and our geographic diversification.

Specifically, in the 2023 financial year, we achieved a net profit of €151m, 35% higher than in 2022. Income and EBITDA also remained at high levels, at €1,349 billion and €337 million respectively, up 6% and 22%.

We are currently striving to meet the challenges we have set ourselves in our Roadmap 2030 with a focus on decarbonising our business without losing sight of managing environmental, social and governance issues.

We are adapting to the changing global and industry landscape and investing in innovation and digitalisation to increase the efficiency of our operations and the development of products with a smaller carbon footprint. We strive to protect the environment, thinking not only about the environment, but also about people, offering quality employment.

On behalf of the Board of Directors, I would like to express our gratitude to the shareholders, customers and suppliers, stakeholders in general and especially to the more than 6,300 people who are part of Cementos Molins.

.....
JUAN MOLINS AMAT
President



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I would like to start this new 2023 Integrated Report by thanking all our stakeholders for their ongoing support and their great contribution to our continuous improvement plans.

This year, we renewed our commitment to sustainable growth. To achieve this, we gave new impetus to investing in and developing initiatives to reduce the carbon footprint of the products and solutions we offer. As part of our commitment to energy efficiency, we can highlight the construction of a new photovoltaic plant at our factory in San Luis (Argentina), with a capacity of 22 MW on an area of 49 hectares. This installation supplies 55% of the factory's total electricity needs. Also noteworthy is the remodelling of the Minas factory in Uruguay, where we have integrated all the industrial, mining and logistics facilities into a single production centre. Among other efficiency improvements, we have achieved a 40% reduction in energy consumption in cement grinding.

At our facilities in Sant Vicenç dels Horts (Spain), and after more than a year of consolidation of the comprehensive transformation project of the buildings and common areas, we achieved energy savings of 1,696Mw-h/year (-67%). In terms of initiatives to foster process optimisation and improve customer service, we have launched a large number of actions, including a new customer service channel in Spain.

We remain committed to the circular economy as a strategic lever for decarbonising our products. This commitment is reflected not only in the use of recycled raw materials and alternative fuels in our plants, but also in increased investment in the recovery and management of third-party waste. Furthermore, our recycling and alternative raw materials plant celebrated its first anniversary, during which we managed to give a second life to more than 75,000 tonnes of waste.

The health and safety of our employees is our key priority. For this reason, we strive to achieve our strategic goal of zero accidents. Despite improving results in the vast majority of our operations, we ended the year slightly below the ambitious targets we had set for 2023, so we will ramp up our efforts to achieve them in 2024.

As we do every year, we have developed numerous Corporate Social Responsibility projects in all the countries where we are present, with a very positive impact on the three main axes of our CSR strategy: protection and development of the natural environment; investment in knowledge and contribution to the development and well-being of communities and people. I believe it is of interest to highlight in this section our investment in the MedForest360 multifunctional forest management project in the Collserola mountain range (Barcelona). This project is based on our stake in Nactiva - the collective platform for the protection and regeneration of the Mediterranean natural capital.

Absolute respect for people's dignity is at the heart of the company's culture and is applied in each and every business and location in which we operate. We therefore reaffirm our commitment to respect and foster human rights throughout the value chain; we are prioritising our corporate human rights policies as much as possible and have prepared a new 'due diligence' model that will be implemented in 2024. This will allow us to work with foresight to manage potential risks and anticipate new regulations.

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Sustainability is at the heart of our corporate strategy and we have been implementing continuous improvement plans for many years. We are entering 2024 with our sights set on new projects that will enable us to disseminate our progress in this area in a fully transparent and informative manner. We have already launched a new dual materiality analysis to cover both dimensions: impact materiality and financial materiality, in order to provide our stakeholders with a complete overview of the most significant issues as we draw up our next report in accordance with the new European CSRD directive.

Finally, I would like to highlight that, in 2023, we successfully completed our latest Strategic Plan. We achieved financial results that comfortably exceed the targets of the Plan and we are very much in line with the sustainability objectives included in the priorities of our 2030 Roadmap. However, we have also been trying to anticipate the future through the intense work of our entire team, which has allowed us to define a new 2024-2026 Strategic Plan. This document will be presented in the first months of 2024 and includes demanding growth targets, as well as a reinforced ambition in terms of sustainability, with a renewed 2030 agenda, new technologies, the launch of products with a smaller carbon footprint and an acceleration of the company's digitalisation plans.

I would not want to end this letter without renewing the commitment we express on a daily basis to our corporate purpose: we would like to foster social development and people's quality of life by creating innovative and sustainable building solutions. We strive to improve every day so that the ambition expressed in that purpose becomes a reality. That is why I would like to express my heartfelt thanks for the effort and commitment of the more than 6,300 people who are part of Cementos Molins and who have made it possible for everything that is reflected in this report to become a reality.

.....
JULIO RODRÍGUEZ
Chief Executive Officer



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GROWTH

30%

of sales in solutions for construction

+35%

net earnings per share

52%

of funding lines linked to sustainability performance

CORPORATE GOVERNANCE

98%

compliance with CNMV [Spanish National Securities Market Commission] recommendations

25%

of the members of the Board of Directors are women

33%

of the members are independent directors.

PEOPLE

+6,300

professionals

17%

of managerial positions are held by women

56%

of staff in performance appraisal programmes

ENVIRONMENT

69.9%

of clinker factor

10.6%

alternative fuels

18%

of water reused

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FINANCIAL PERFORMANCE	2023	2022	% change
Revenue (in millions of €)*	1,349	1,268	+6%
EBITDA (in millions of €)*	337	276	+22%
SUSTAINABILITY	2023	2022	% change
Net CO ₂ emissions kg/t cementitious material	558	563	-1%
Clinker factor	69.9%	71.0%	-2%
Alternative fuel replacement rate	10.6%	11.0%	-4%
NOx emissions (g/t clinker)	1,270	1,365	-7%
SOx emissions (g/t clinker)	58	93	-38%
Particles (g/t clinker)	47	54	-13%
HEALTH AND SAFETY	2023	2022	% change
Fatalities	2	2	0%
frequency rate (direct+indirect)**	3.5	3.3	5%
STAFF	2023	2022	% change
Workforce	6,325	6,263	1%
Women	12.4%	12.0%	3%
Workforce covered by a collective agreement	82%	89%	-7%
People with a performance assessment programme	3,537	3,406	4%
CONTRIBUTION TO THE COMMUNITY	2023	2022	% change
Action plans with local communities	55	39	41%
Contributions to social projects (in millions of €)	1.7	1.3	33%
% local procurement	79%	78%	1%

* Proportional basis

** Accident rate calculated by dividing the number of accidents among direct and indirect workers with days lost by the number of hours worked in the year (x 1,000,000)

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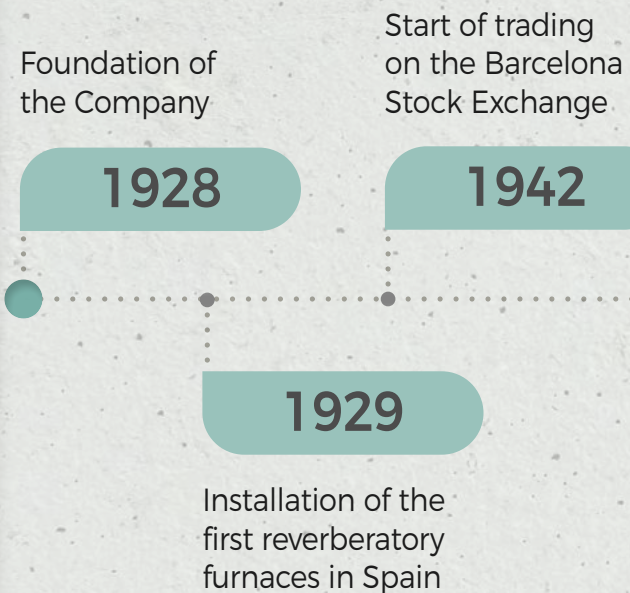
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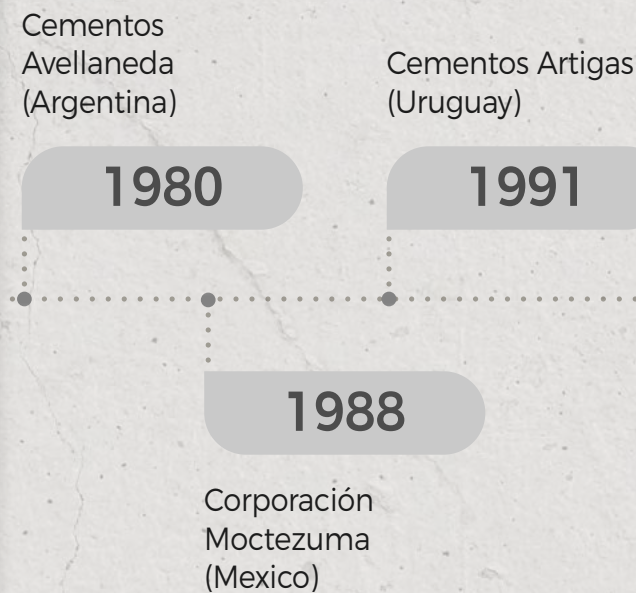
FOUNDATION OF THE COMPANY

Foundation of the Company by Mr Juan Molins Parera and your son Joaquin Molins Figueras and setting up of the business in Spain



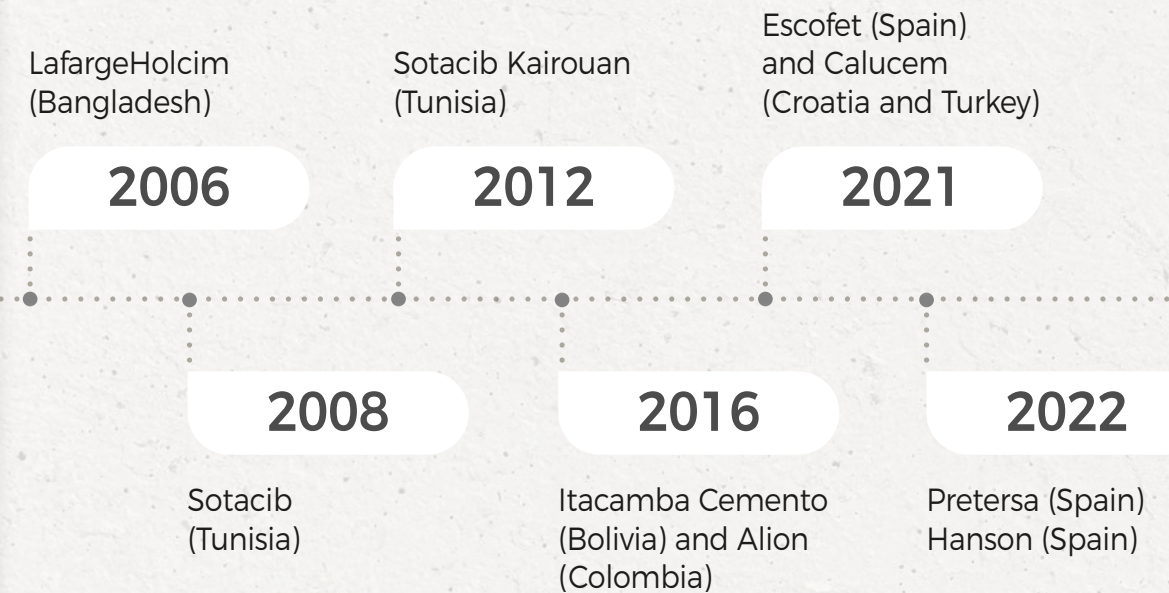
EXPANSION AND DIVERSIFICATION

Beginning of the **geographical expansion** phase



INTERNATIONAL PRESENCE

Consolidation and development of **international presence** and **product diversification**



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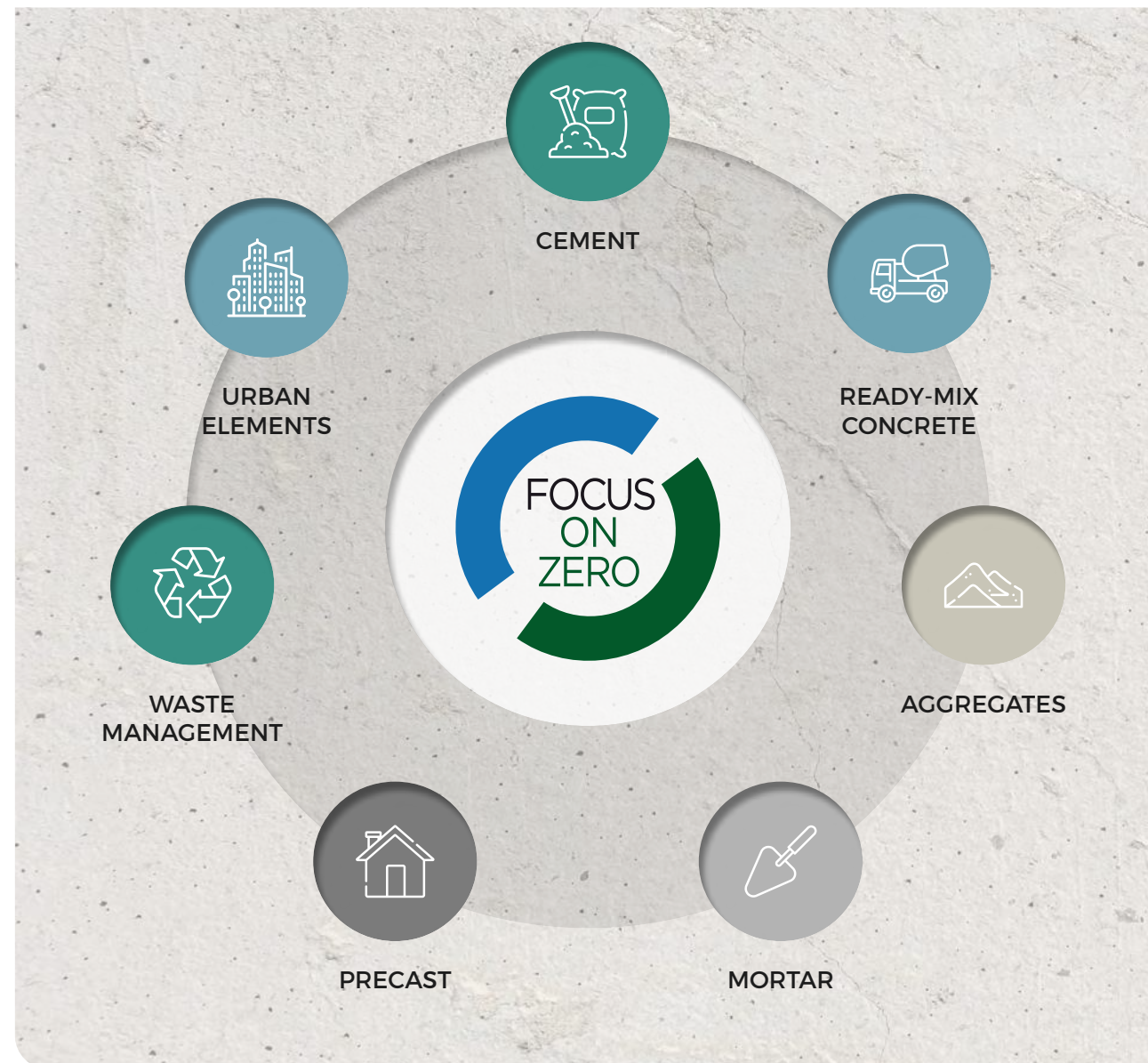
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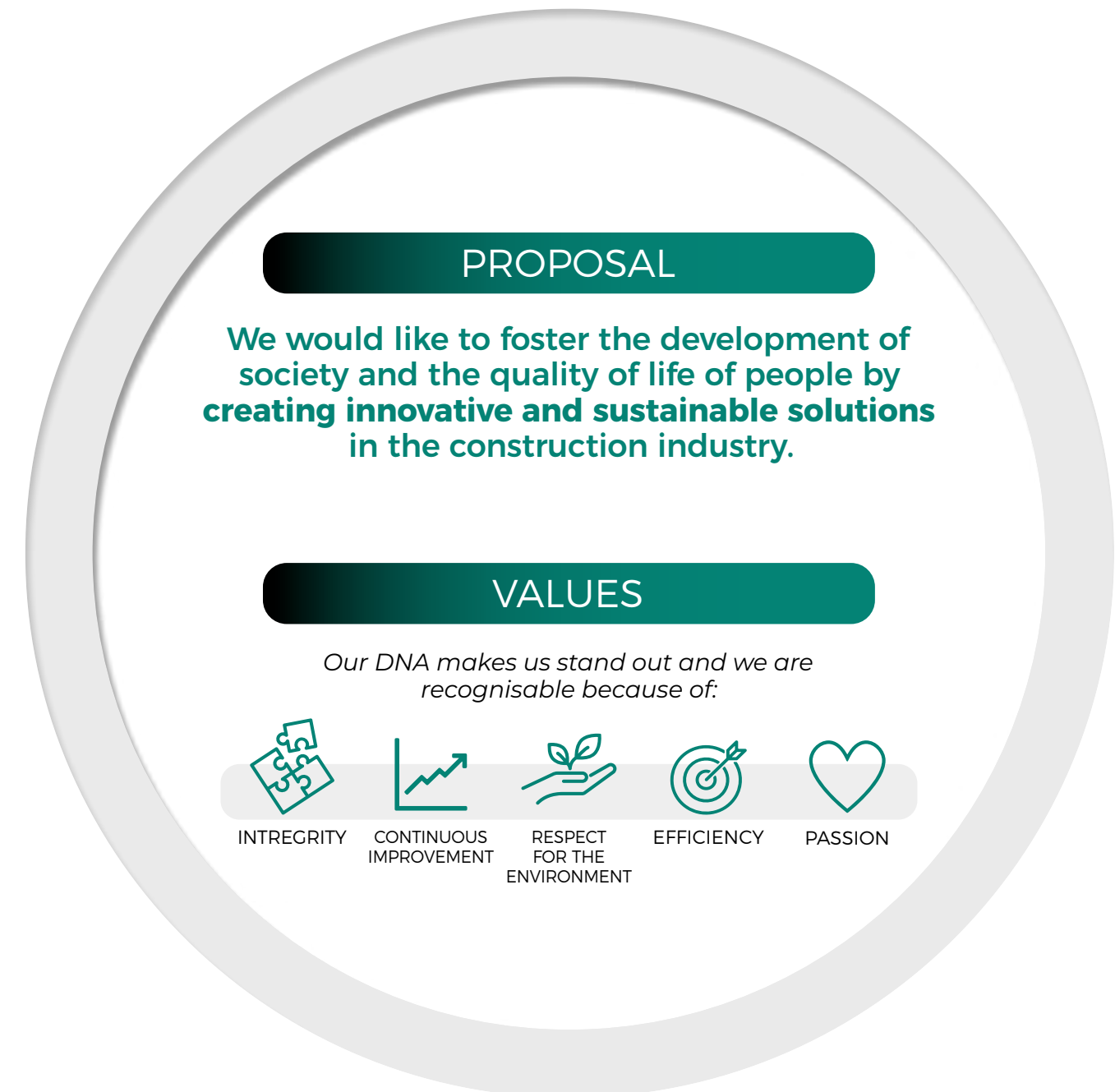
Since our foundation in 1928, Cementos Molins has had one fundamental aim: to develop innovative and sustainable solutions for the construction industry. With a track record of almost a century in the cement industry, we are positioned as a leading company in the sector, but always anchored in the differential values of our company culture.

These almost 100 years of history have been possible thanks to our excellent team: more than 6,300 professionals working in 12 countries on four continents, consolidating us as a global and diversified company.



Our integrated business model includes a wide range of products and solutions such as Portland cement, white cement, calcium aluminate cement, aggregates, concrete, mortars, precast concrete, urban landscaping, architectural façades and waste recovery, with which we give a strong impetus to the development of the circular economy.

We have a very clear purpose as a company that is the fundamental guide for all our employees: *We would like to foster the development of society and people's quality of life by creating innovative and sustainable solutions for construction.* This purpose is the source of inspiration for our daily work, together with a strong set of values.



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We currently operate in 12 countries: Spain, Mexico, Argentina, Uruguay, Bolivia, Germany, Colombia, Croatia, Turkey, Tunisia, Bangladesh and India. Within this geographical framework and based on our local operations and subsidiaries, we offer our customers a wide range of innovative and sustainable products and solutions. The aim is clear: to always seek maximum satisfaction on the basis of a service that sets us apart.

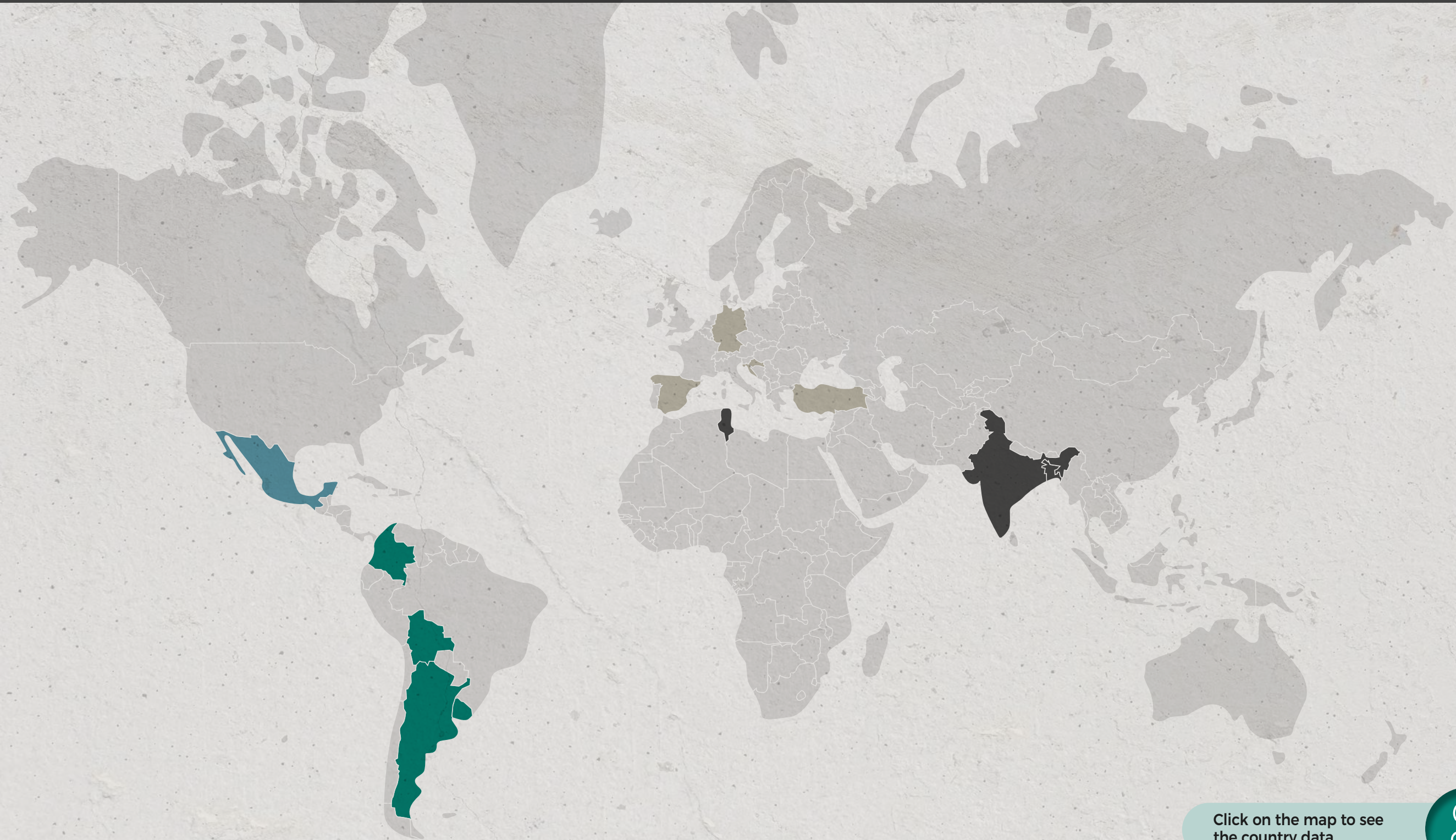
Our companies in Spain produce and market Portland cement, white cement and calcium aluminate cement; concrete, aggregates, mortars and eco-materials; precast solutions; special mortars and thermal insulation systems; urban landscaping and architectural façades.

In 2023 we expanded our portfolio of industrial flooring solutions in Spain through the acquisition of Tecnoresil. With this operation, we strengthen our strategy by complementing our portfolio of building solutions.

Furthermore, we continue to develop our international presence with the strength of our various local brands: Corporación Moctezuma (Mexico); Cementos Avellaneda (Argentina), Cementos Artigas (Uruguay); Itacamba Cemento (Bolivia); Alión (Colombia); LafargeHolcim Bangladesh (Bangladesh and India); Sotacib and Sotacib Kairouan (Tunisia); Calucem (Croatia, Turkey, Spain, Germany and a worldwide commercial presence through an extensive network of sales offices and distribution centres in Europe, the USA and Asia),



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Click on the map to see
the country data



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2.2 OUR INTEGRATED BUSINESS MODEL

Our industry is cyclical by nature and depends on the level and volume of public and private sector investment, which in turn is contingent on the state of the economy. Therefore, the development of the industry is closely linked to the economic cycle of the countries and regions in which it operates, and in particular to construction activity in each of these markets. Faced with this context, at Cementos Molins we pay special attention to identifying the risks and opportunities that may affect our business model. We do this by analysing the main factors in the environment and identifying the main resources needed for the progress of the business.



2.2.1. | Value proposition

With our integrated business model we offer an extensive product range of cement, aggregates, concrete, mortars, precast items, urban landscape, architectural façades, and eco-materials, which allows us to increase our resilience to market fluctuations. Moreover, thanks to geographic diversification we balance the cycle risks in the different countries, which has led to very positive growth in our results over the last few years.

Our unwavering commitment to the environment and sustainability are at the heart of our strategy, fully integrated into our business model. In view of the 2030 Cementos Molins Roadmap and the ambitious action plan we have set in motion to fulfil it, we are making steady progress in fostering social development and continuous environmental improvement. The objectives of the 2023 Roadmap are grouped into 5 specific areas: Health and Safety, Climate Change and Energy, Environment and Nature, the Circular Economy, and Corporate Social Responsibility.

With a view to achieving the objectives associated with each field of action, we strive daily to implement the best available practices that allow us to prioritise alternative fuels, electricity from renewable sources, the full integration of the circular economy into our business model and the development of new low products with a lower carbon footprint. At the same time, we are working across our entire value chain with a view to our 2030 roadmap and achieving our emissions neutrality target by 2050.



Exterior facade concrete architectural panel, Vizcaya (Spain)

2.2.2. | Our stakeholders at the centre

At Cementos Molins, we maintain a close relationship with our stakeholders and the communities around us. Our strategy is based on a framework of forging long-term relationships based on trust, transparency and two-way communication. The aim is to incorporate stakeholder expectations into the decision-making process.

Maintaining these channels of constant and fluid dialogue encourages the participation of the actors and gives us an insight into how their demands and needs develop. In doing so, we can adapt our business model so that is closer to and more aware of the environment in which we operate.

We participate in sectoral, social and community initiatives locally and internationally. We participate in a number of different discussion forums and working groups with a view to learning about trends in social and environmental transformation in our sector.

STAKEHOLDERS	COMMITMENT	COMMUNICATION CHANNELS
SHAREHOLDERS AND INVESTORS	<p>We go to great lengths to repay the trust you place in us and to facilitate the exercise of your rights.</p> <p>We provide truthful and transparent information on an ongoing basis, including financial and non-financial aspects of the business.</p>	<ul style="list-style-type: none"> ■ Corporate website ■ Investor relations ■ Announcement of results ■ General meetings of shareholders ■ Significant events and CNMV reports ■ Press releases ■ Regular meetings with institutional investors
SUPPLIERS	<p>We strive to forge long-term relationships of trust with suppliers who share the same ethical and business principles and are committed to the local economy. Our Supplier Code of Conduct is the framework for making commitments.</p>	<ul style="list-style-type: none"> ■ Direct negotiating based on a close-knit relationship ■ Regular meetings and visits ■ Supplier portal ■ Whistleblowing channel ■ Corporate website
EMPLOYEES	<p>We are committed to improving the quality of life of our employees in all the locations in which we operate.</p> <p>We are committed to our values of equality, diversity, talent development and opportunities for all.</p>	<ul style="list-style-type: none"> ■ Direct and fluid communication ■ Corporate intranet, newsletters and internal communication ■ Conventions and cross-organisational working groups ■ Talent management tools ■ Works councils ■ Whistleblowing channel
CUSTOMERS	<p>Our priority is the full satisfaction of our customers and, to this end, we strive to continuously improve the quality products and services with sustainable and innovative solutions.</p> <p>We offer a quality personalised service through various communication mechanisms to guarantee optimum attention to all our customers.</p>	<ul style="list-style-type: none"> ■ Corporate Website ■ Newsletters ■ Whistleblowing channel ■ Direct negotiating based on a close-knit relationship ■ Surveys
SOCIETY AND LOCAL COMMUNITY	<p>The cornerstones of our relationship with local communities are a firm commitment to reducing the environmental impact of our activities and to making a social contribution.</p> <p>We seek strong, stable relationships of trust that allow us to operate in our facilities with the purpose of contributing to local development.</p>	<ul style="list-style-type: none"> ■ Corporate Website ■ Channel for queries and complaints ■ Continuous, direct communication
PARTNERS	<p>We work as a team with our partners, sharing common goals and building trust in the management of our operations.</p> <p>Transparent relationships channelled through fluid communication allow us to generate shared value and effective operations.</p>	<ul style="list-style-type: none"> ■ Continuous communication ■ Joint committees and working groups ■ Active participation on the Boards of Directors of investees

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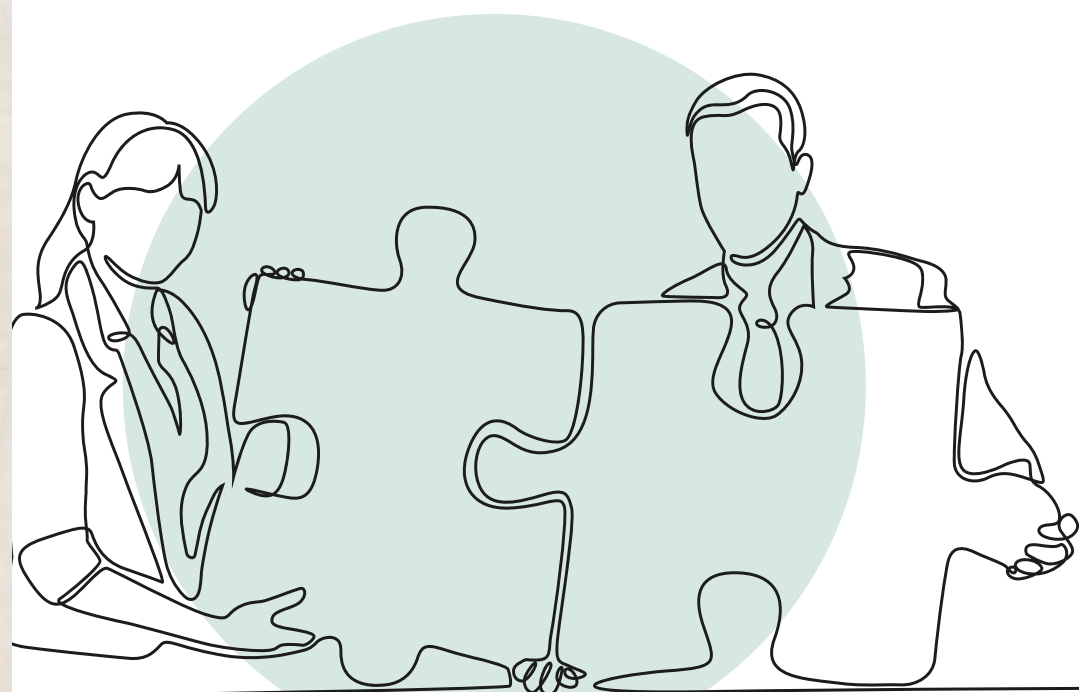
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■ Strategic alliances

In order to strengthen our relationship with our stakeholders and the communities around us, we are present in more than 50 leading organisations in the sector at home and abroad. Our presence takes the form of membership agreements, participation in their steering committees, participation in working groups and collaboration on specific projects. The aim is to analyse the latest trends and share knowledge to multiply the positive impact and social contribution.

SCOPE	ASSOCIATION/ENTITY	FULL NAME
ENVIRONMENTAL	GCCA	Global Cement and Concrete Association
ENVIRONMENTAL	VDZ	Verein Deutscher Zementwerke
SECTORAL	OFICEMEM	Agrupación de Fabricantes de Cemento de España (Spanish Cement Manufacturers' Association)
SECTORAL	ANEFHOP	Spanish National Ready-Mixed Concrete Manufacturers' Association
SECTORAL	CIMENT CATALÀ	Catalan Cement Manufacturers' Association
ENVIRONMENTAL	FUNDACIÓ CEMA	Cement and Environment Labour Foundation
ENVIRONMENTAL	FEC	Business and Climate Foundation
SOCIAL	Global Compact	UN Global Compact
COMPLIANCE	WCA	World Compliance Association
COMPLIANCE	AEC	Spanish Compliance Association
ENVIRONMENTAL	GREMI D'ÀRIDS	Association of aggregate manufacturers of Catalonia
ENVIRONMENTAL	NACTIVA	Nactiva Platform
SECTORAL	IECA	Spanish Institute of Cement and its Applications
INNOVATION	INNOVANDI	Innovandi Research
ENVIRONMENTAL	PTECO ₂	Spanish CO ₂ Technology Platform



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2.3 MAIN ENVIRONMENTAL FACTORS

The recovery of the world economy remains slow and uneven with growing divergences between regions. The 2023 financial year therefore took place in a complex and uncertain global environment, influenced by a changing geopolitical environment and socio-economic instability. Against this background, inflation has continued at high levels, albeit declining faster than expected in most regions. To mitigate inflation, monetary authorities raised interest rates to record levels.

2023 was also marked by supply chain disruptions and the correction of energy and raw material prices. Both of these developments are a residual consequence of the conflict between Russia and Ukraine, which marked the previous year, and of the new impact on shipping due to attacks on vessels in the Red Sea in the latter part of the year. The economic slowdown was also combined with the socio-political situation in some of the regions where we operate, where political developments have increased instability and uncertainty.

In FY 2023, again against a complex global backdrop of a gradual slowdown in activity as the year progressed, and with uneven performance by geographical region, we once again posted solid results based on sustainable and profitable growth, with increases in sales and earnings in all businesses and most regions. In short, we once again demonstrated the resilience of our business model despite the impact of the global context.

Despite the increasingly difficult international environment, the year's results demonstrate the strength of our business model, which integrates products and solutions for the construction industry. We also continue to make progress in implementing our sustainability strategy.



Urban elements: concrete benches at the University Alfons X in Madrid (Spain)

2.4 MILESTONES IN 2023

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FIRST QUARTER 2023	■ Opening of the comprehensive refurbishment of our plant in Minas (Uruguay), with a view to increasing efficiency and significantly improving environmental and sustainability indicators.	GROWTH SUSTAINABILITY
	■ Launch of the new customer service channel in the concrete and aggregates business in Spain.	EFFICIENCY
	■ Obtaining the marking for recycled aggregates complying with the requirements of the Structural Code produced in our alternative raw materials plant (Spain).	INNOVATION
SECOND QUARTER 2023	■ Expansion of our portfolio of industrial flooring solutions with the acquisition of Tecnoresil through Propamsa.	GROWTH
	■ Presentation of the new product PROHEAT TERM, in the PROMSA TECH range. A self-levelling mortar specially designed as a heat conductor: the best solution for screeds with underfloor heating.	INNOVATION SUSTAINABILITY
	■ Opening of the solar power facility in La Calera, San Luis province in Argentina, which has 46,800 solar panels and an installed capacity of 22MW.	SUSTAINABILITY INNOVATION
THIRD QUARTER 2023	■ Energy refurbishment of the Sant Vicenç dels Horts offices, enabling energy savings of more than 670 Mwh per year.	SUSTAINABILITY EFFICIENCY
	■ Launch on the Spanish market of two new types of cement with a smaller carbon footprint. Both incorporate pozzolana as an active addition, which allows performance to be maintained, but reduces the clinker/cement ratio and associated CO ₂ emissions by 15-25% compared with their corresponding type I cements	SUSTAINABILITY
	■ Installation of a photovoltaic plant for self-consumption in Sant Vicenç dels Horts and 35 electric vehicle charging points in the car park.	SUSTAINABILITY
FOURTH QUARTER 2023	■ Recovery of 75,000 tonnes of waste at our alternative raw materials plant (Spain).	SUSTAINABILITY
	■ Cementos Molins signs a novation of its sustainable syndicated loan	GROWTH SUSTAINABILITY

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Urban elements: concrete benches and wooden slats in Barcelona (Spain)

With a view to ensuring a comprehensive management of financial and non-financial risks and to provide security and confidence to our stakeholders, at Cementos Molins we have created a solid and robust Corporate Governance System, based on national and international standards.

We strive to be at the forefront of best practice in governance, as we understand that this is the way to continue to be the transparent company that our shareholders and stakeholders rely on year after year. With this governance structure, we are able to execute our ambitious corporate strategy, based on 5 pillars: sustainability, efficiency, growth, innovation and digitalisation, and people.

Our Corporate Governance System is key to maintaining the competitive vision that ensures long-term economic profitability, in perspective with sustainability, a structural pillar of our 2030 Strategic Plan and Roadmap. Only in this way will we be able to maximise shared value for stakeholders, generating economic impact, minimising environmental impact and, ultimately, promoting sustainable development.

We foster corporate policies aimed at guaranteeing the sustainable impact of our activity on all stakeholders, thus ensuring socially responsible management. These policies are the frameworks and guidelines for action that govern the activities of all the people who make up Cementos Molins with respect to their areas of action:

- General corporate governance policy
- Competition policy
- Communication and contact with shareholders policy
- Directors' remuneration policy
- Risk control and management policy
- Corporate credit risk policy
- Corporate social responsibility and sustainability policy
- Environmental policy
- Health and safety policy
- Respect for human rights policy
- Relationship with stakeholders policy
- Equal opportunities and work-life balance policy
- Ethics channel management and communications received policy
- Corporate tax policy

3.1 OUR GOVERNANCE STRUCTURE

The governance structure provides an appropriate response to the requirements of the business model aligned with the integrated strategy. The fulfilment of the established goals calls for a structure that can integrate the set of principles and rules that regulate the design, integration and operation of the governance bodies. This encourages the anticipation and management of risks that may arise in the current environment.

The defined governance structure ensures the monitoring of the management team by the Board of Directors and the monitoring of the Board of Directors' responsibilities to its shareholders.

The Executive Committee assumes the managerial functions and the Board of Directors exercises the supervisory functions. Together, the two bodies are responsible for meeting the needs of the General Meeting of Shareholders, the forum through which the shareholders' right to participate in the decision-making process is structured.

GOVERNANCE STRUCTURE

GENERAL MEETING OF SHAREHOLDERS



This is the most senior corporate body which implements the shareholders' right to participate in key decisions, establishing the principles of its organisation and operation and the rules governing its activity in accordance with the law and its articles.

BOARD OF DIRECTORS



This is the body responsible for ensuring the pursuit of the corporate interest, deemed to be the consequence of a profitable and sustainable business in the long term. It is responsible for overseeing the company's strategy, implementing the corporate governance policies, controlling the managing bodies and liaising with the shareholders.

EXECUTIVE COMMITTEE

The mission of the Executive Committee, led by the Chief Executive Officer, is to manage the company's different divisions in order to fulfil the strategic, financial and non-financial objectives set by the Board of Directors, ensuring the sustainable development of the business and its long-term continuity

REMUNERATION AND APPOINTMENTS COMMITTEE



This is a delegated committee of the Board of Directors, whose main functions are to propose to the Board the remuneration of directors and senior management, as well as to report on the appointment of directors

AUDIT AND COMPLIANCE COMMITTEE



This is a delegated committee of the Board of Directors that supports the Board in the regular drawing up of the regulated information and external controls, as well as monitoring the control systems and the financial and non-financial risks and information

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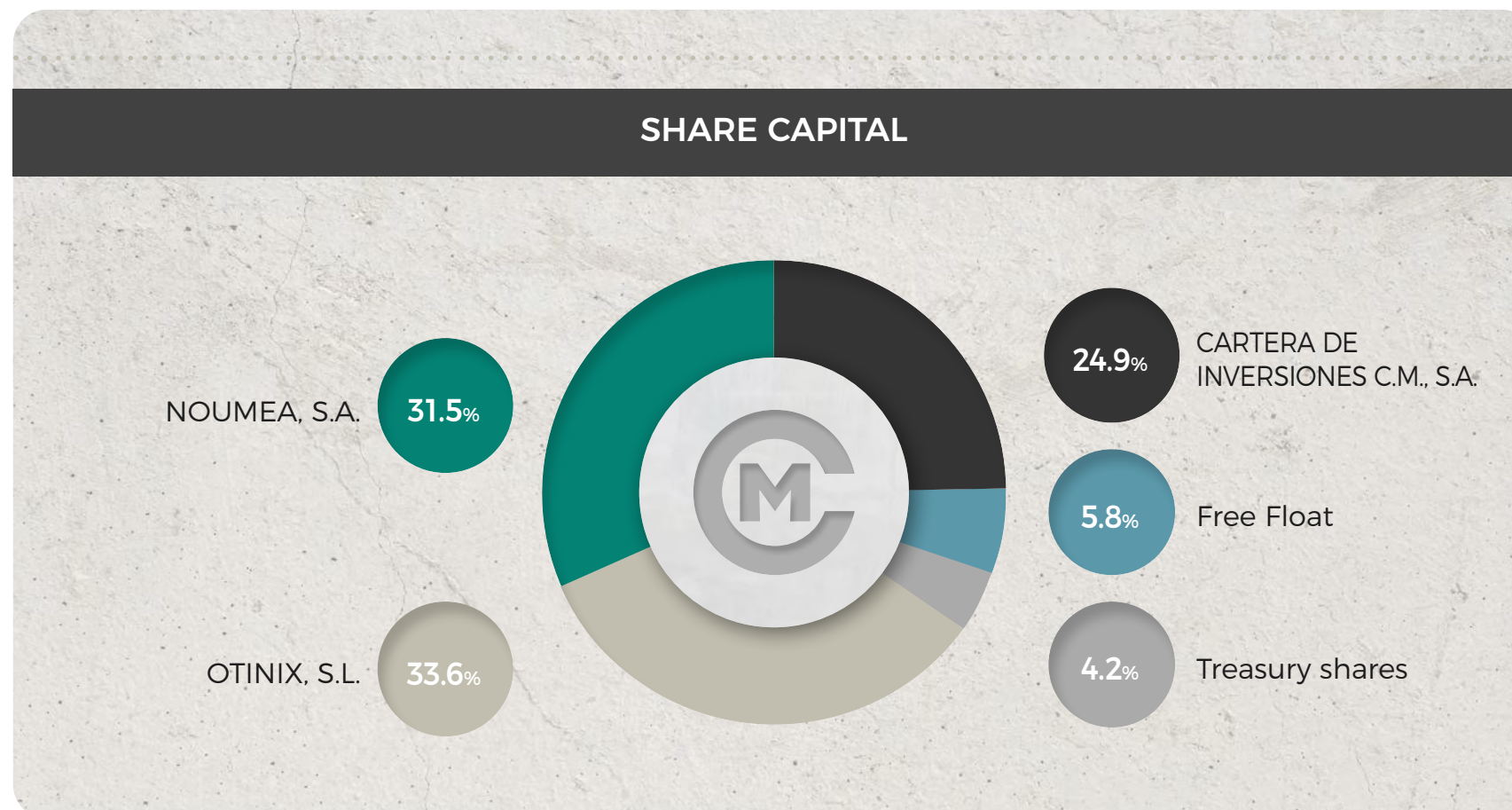
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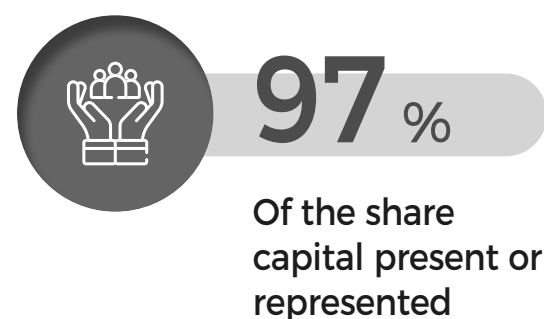
3.1.1. | General Meeting of Shareholders

The General Meeting of Shareholders is the Company's highest decision-making body and the shareholders' right to participate in its key decisions is realised through it. To this end, the principles of its organisation and operation and the rules governing its activity in accordance with the law and its articles are established.

The Ordinary General Meeting of Shareholders, held on 28 June 2023, was attended by shareholders representing 97% of the share capital and 85% of the proposed resolutions were approved. The share capital of Cementos Molins is divided into 66,115,670 ordinary shares of a single series, each with the right to one vote. The composition of the share capital is shown in the following chart:



ORDINARY GENERAL MEETING OF SHAREHOLDERS HELD ON 28 JUNE 2023



3.1.2. | Board of Directors

The Board of Directors is the body with the broadest powers of administration and representation. Its main task is to define and supervise the company's overall strategy, including the approval of corporate policies, and it serves as a liaison between the shareholders and the Executive Committee.

With a view to meeting the objectives, it is of utmost importance for the Board of Directors to perform its functions with a unity of purpose but also with independence of judgement. In this way, the principles of transparency, equality and diversity are guaranteed, while ensuring that the corporate interest is safeguarded at all times. All of this is based on sustainability to ensure long-term value creation.



■ Powers of the Board of Directors

The Regulations of the Board of Directors is the document that sets out the powers, principles and rules governing the proper operation of this body, including its legal and statutory activity, as well as its supervisory and control regime.

MAIN POWERS OF THE BOARD OF DIRECTORS



- Its organisation and functioning
- The supervision of the effective functioning of the committees it has set up, as well as the performance of the delegated bodies and the directors it has appointed
- The determination of the Company's general policies and strategies
- The formulation and submission of the annual accounts, the management report and the relevant documentation to the General Meeting of Shareholders.
- Approval of the financial information that the Company must regularly publish due to its status as a listed company.
- The drawing up of any report or proposal required of the Board of Directors by law that cannot or must not be delegated
- Decisions regarding director remuneration, in accordance with the remunerations policy
- The calling of the General Meeting of Shareholders and the drawing up of the agenda and proposed resolutions
- Defining the policy on shares and holdings
- Approval of the strategic and business plan, the annual management objectives and budget, the investment and financing policy, the corporate social responsibility policy and the dividend policy
- Determining the risk management and control policy, including the tax risks, and supervision of the internal information and control systems
- Determining the Company's corporate governance policy according to criteria of responsibility, competence and local management for each of the companies that comprise the Group
- Approval of the annual corporate governance report
- The issuance of series of debentures, delivery notes, bonds and other similar securities
- Partnerships with non-profit organisations

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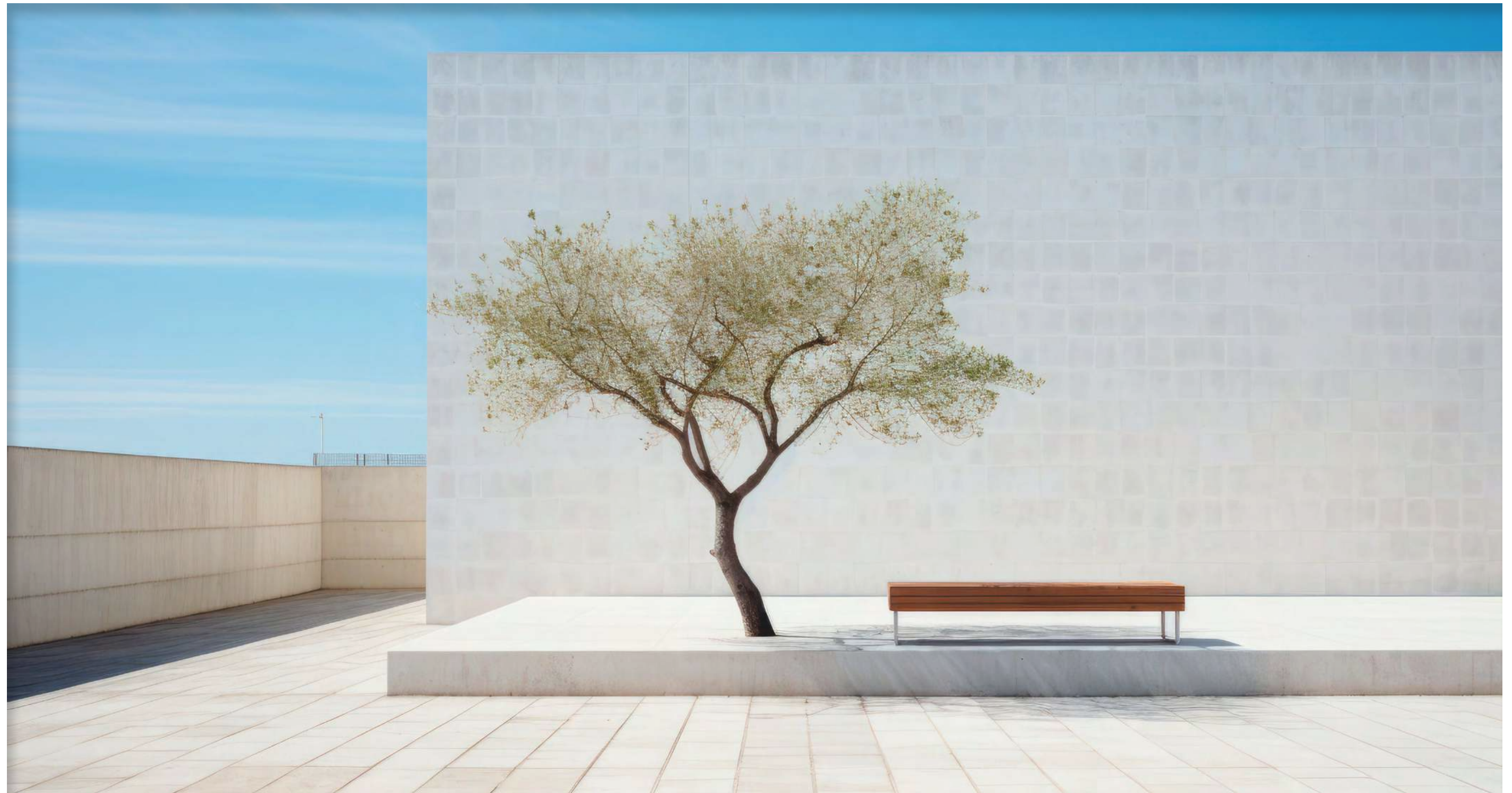
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Another of the Board's powers that should be highlighted is the supervision of the Internal Control over the Financial Reporting System (hereinafter ICFR). This function is included in the policy of the same name, Policy of the Internal Control System of Financial Information, and is responsible for guaranteeing the veracity of the financial information of Cementos Molins to our stakeholders.

In addition to the direct control exercised by the Board of Directors, the ICFR is managed by the Audit and Compliance Committee and the company's senior management. To ensure its proper functioning, an internal procedure with multiple levels of control is followed. The supervision of due compliance is carried out by means of an implemented IT tool, which enables the departments involved in the preparation of financial information to be monitored and evaluated.

The robust control system, combined with the training of key employees involved in the tool, ensures a duly designed and implemented ICFR. In this way, the security of the financial information shared by Cementos Molins is fully guaranteed.



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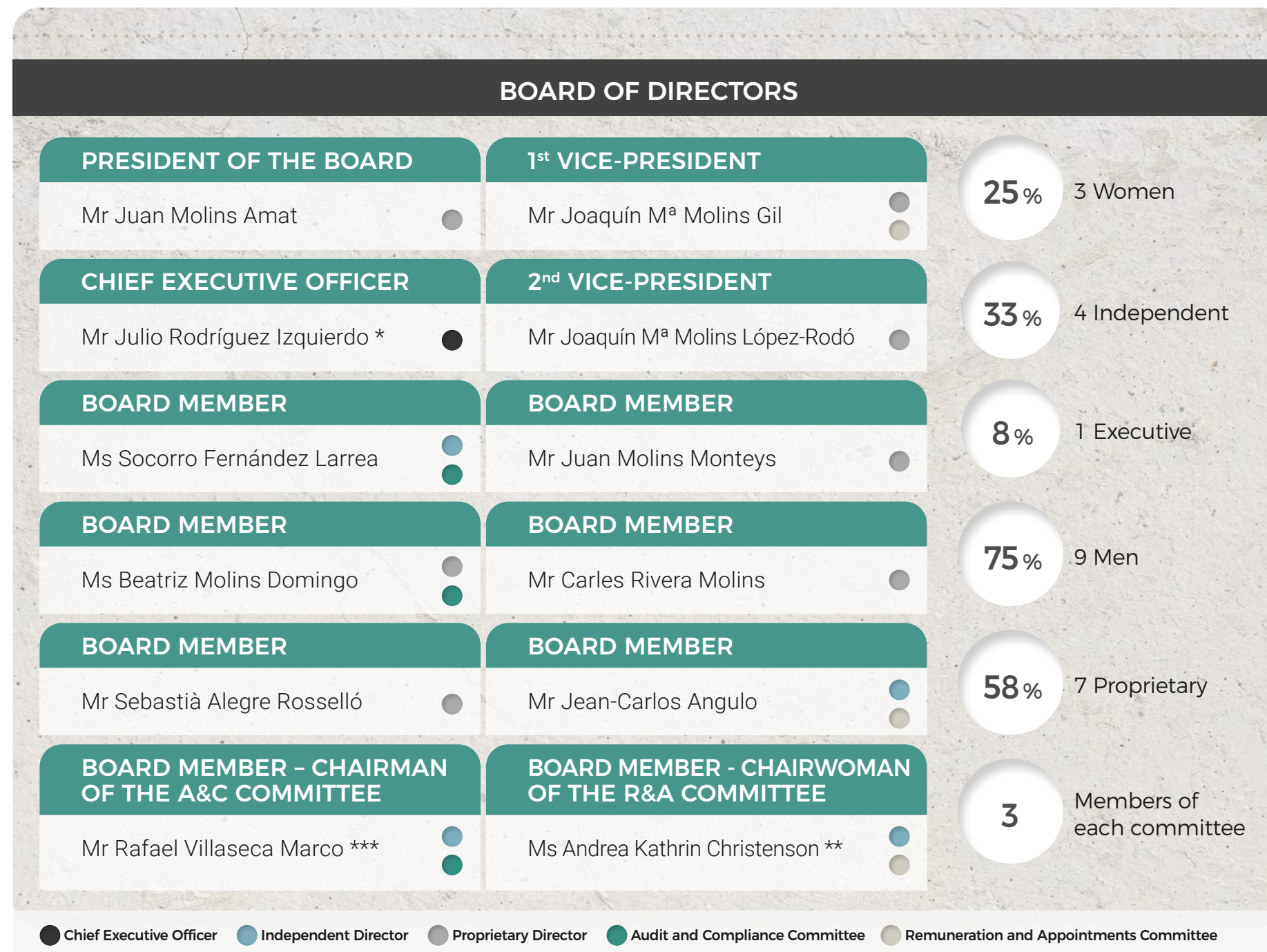
■ Structure of the Board of Directors

The composition of the Board of Directors strives to comply with the good corporate governance recommendations proposed each year by the Spanish Securities and Exchange Commission (CNMV).

We comply with 98% of the corporate governance recommendations and best practices fostered by the Spanish Securities and Exchange Commission (CNMV), the Spanish securities market watchdog.

In 2023 we maintained the structure of the Board compared with the previous year. It is composed of 12 board members, with 75% men and 25% women. Furthermore, 33% of the directors on the board are independent, while proprietary members account for 58%. With regard to the composition of the Remuneration and Appointments Committee and the Audit and Compliance Committee, both have 3 members and the majority are independent directors.

We strive to steer the composition of the Board towards gender parity and a greater degree of diversity in knowledge and experience, in line with good corporate governance recommendations and market best practice.



* Mr. Julio Rodríguez Izquierdo was re-elected as Chief Executive Officer at the Ordinary General Meeting of Shareholders held on 28 June 2023

** Ms Andrea Kathrin Christenson was re-elected as an independent director at the Annual General Meeting of Shareholders held on 28 June 2023

*** Mr. Rafael Villaseca Marco, was appointed Chairman of the Audit and Compliance Committee at the Board of Directors' meeting held on 28 June 2023.

■ Selection and evaluation of the members of the Board of Directors

The diversity of gender, age, skills and experience of the members of the Board of Directors allows for a plural perspective to enrich the strategic decision-making process for Cementos Molins.

The proposals for appointment or re-election of the directors will be approved by the Board of Directors, following a proposal made by the Remuneration and Appointments Committee in the case of the independent directors or a proposal by the Board of Directors following a report submitted by the above committee in the case of the other directors. In both cases, the proposal must be accompanied by a report demonstrating suitability for the position issued by the Board of Directors. The appointments and re-elections to positions are for a maximum period of four years.

With a view to ensuring the continuous improvement of the governing body, an annual evaluation of these members and the committees of the body is carried out.

With a view to carrying out the self-assessment of the Board of Directors, the Remuneration and Appointments Committee commissions an external consultant to conduct a self-assessment questionnaire addressed to the directors. The purpose of this document is to identify and collect its views and proposals on the various aspects of the highest governance body. The external consultant uses the data obtained from the questionnaires and personalised interviews to issue a report with its conclusions.

In 2023, the self-assessment identified action plans whose implementation has been monitored by the Remuneration and Appointments Committee.



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Information on the academic background and professional track record of the members of our Board of Directors is presented below:

PRESIDENT



MR JUAN MOLINS AMAT
Chairman of the Board

Holds a degree in Civil Engineering from the Madrid Escuela de Caminos and completed a Senior Business Management Programme at IESE Business School.

Member of the Board of Directors of Cementos Molins, S.A. since 1967. In 1987 he was appointed Deputy Chair until 2017, when he became President. He has been a proprietary director since 2015. For 20 years he held the position of Manager of Cementos Molins, S.A. and Managing Director until 2005. Subsequently, until 2015, he held the position of Chief Executive Officer.

CHIEF EXECUTIVE OFFICER



MR JULIO RODRÍGUEZ IZQUIERDO
Chief Executive Officer

He holds a degree in Industrial Engineering from the Polytechnic University of Catalonia, completed a General Management Programme at IESE Business School and a holds a diploma in Marketing Management from EADA.

He has held senior management responsibilities and has been the President of Schneider Electric Spain, Portugal and Belgium. In 2003, he joined Schneider Electric's worldwide Executive Committee as Executive Deputy President: first in the International division, in 2007 he joined the European division and finally, from 2010 until his departure in 2015, he was part of the company's Global Operations division. He was appointed Executive Director of Cementos Molins in 2015 and is also a director of Schneider Electric Spain as well as the chemical-pharmaceutical corporation ESTEVE and the Global Cement and Concrete Association.

PROPRIETARY DIRECTORS



MR JOAQUÍN Mª MOLINS GIL
1st Vice-President

Holds a degree in Economics and Business Administration from Wagner College (USA) and General Management Programme and Senior Business Management Programme at IESE Business School.

He is President of the Board of Directors of Cartera de Inversiones CM., S.A. and Compañía General de Inversiones, SICAV, S.A., and Director of Gesiuris, SGIIC, S.A. He was a representative of Cartera de Inversiones CM., S.A. on the Board of Directors of Cementos Molins, S.A. He currently holds the position of First Deputy Chair.



MR JOAQUÍN Mª MOLINS LÓPEZ-RODÓ
2nd Vice-President

He holds a degree in Law from the University of Barcelona, where he obtained his doctorate. Professor of Political Science at the Autonomous University of Barcelona.

He was the Head of the Department of Political Science at the Autonomous University of Barcelona, Dean of the Faculty of Political Science and Sociology, member of the National Commission for the Evaluation of Research Activity (CENAI) at the National Agency for Quality Assessment and Accreditation (ANECA), as well as carrying out teaching and research visits. He is the author of numerous academic studies.

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PROPRIETARY DIRECTORS



MS BEATRIZ MOLINS DOMINGO

Director

Degree in Business Management and Administration from Ramón Llull University in Barcelona. Monitoring and participation in training Programmes on family business and corporate governance at IESE Business School.

She was an auditor at Deloitte in the water supply, electricity and telecommunications services industries, and in family businesses, with emphasis in the areas of financial strategy, accounting and process auditing, financial, industrial and real estate asset management control, as well as regulatory aspects and financial compliance in the sphere of stock exchanges. She undertakes professional activity in her capacity as a consultant with in the Family in Business Analysis Centre (FIBAC).



MR JUAN MOLINS MONTEYS

Director

He holds a degree in Economics and Business Administration from the University of Barcelona and completed an Executive Development Programme at the IESE Business School.

He began his career at Europraxis, a strategic and operational consultancy, and ended it at Sorea (Agbar Group) and Soluziona (Fenosa). He was Managing Director of Ros Roca, Europe's leading company in urban waste collection systems. He was Managing Director of Antibióticos de León (ADL BioPharma) and Operating Partner at Black Toro Capital. He is a director of Akiles Corporation, and Industria Circular TNP, SL



MR CARLES RIVERA MOLINS

Director

Graduate in Business Administration and Management and MBA from ESADE, graduate in International Management from McGill University (Montreal, Canada), General Management Programme from IESE Business School and diploma in Business Sustainability Management from the University of Cambridge Institute for Sustainability Leadership (CISL).

He was an auditor at PwC and held various responsibilities in the public administration, including chief of staff at the Department of Economy and Finance of the Government of Catalonia, and coordinator of the Economic Development Department of the Barcelona Provincial Council. He was also a member of the Board of Directors of the Institut Català d'Indústries Culturals (ICIC) and a member of the Board of the Agència Catalana del Consum. He coordinates the association Pacto Industrial de la Regió Metropolitana de Barcelona (Industrial Pact of the Barcelona Metropolitan Region). He is an associate lecturer at Pompeu Fabra University.



MR SEBASTIÀ ALEGRE ROSSELLÓ

Director

Degree in Industrial Engineering from the Polytechnic University of Catalonia (UPC). Degree in Law from the UNED-University of Barcelona. He has taught at the Industrial Engineering schools of Terrassa and Barcelona, as well as at ESADE.

He was General Manager of Grupo Fecsa's concrete subsidiaries. He was also General Manager at Ciments de Fígols, Copisa and shared general management at the Beton Group with responsibility for the development of CRH's operations in France. He was a director at Cement Roadstone and the Secil Group.

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INDEPENDENT EXTERNAL DIRECTORS



MR JEAN-CARLOS ANGULO

Director

Degree in Mining Engineering from the Mining School of Nancy. International Executive Programme at INSEAD in Fontainebleau.

President of SFIC (French Cement Industry Union), Director of Cembureau (European Cement Association). He began his career as a design and project engineer at SEP, Société Européenne de Propulsion (aerospace). He was part of the Engineering Department at CEC, a subsidiary of the Lafarge Group, and of Lafarge Conseil et Etudes (LCE), an engineering subsidiary for cement plants, and took over the management of LCE Brazil (Rio). He went on to join the Management Committee of Lafarge Fondu International. After several positions of responsibility in different countries in the company, he ended his career with Lafarge as an advisor to the President of the Group.



MS SOCORRO FERNÁNDEZ LARREA

Director

Degree in Civil Engineering from the Polytechnic University of Madrid. She completed a Senior Management Programme at the IESE Business School and a Property Management Programme at COAM.

She is the Chair of OFG Telecomunicaciones and founding member of the consultancy firm JUSTNOW. She is an independent director of Red Eléctrica Corporación, and Chair of its Remuneration and Appointments Committee, an independent director of Banco Caminos and Chair of its Audit Committee, as well as of SEG Engineering. She is a member of YPO (Young Presidents Organisation), WCD (Woman Corporate Directors) of the IWF (International Women's Forum) and AED (Spanish Association of Executives) and is a member of the Madrid Regional Board of IESE Business School and of the board of directors of the Alliance for Ibero-America Business Council (CEAPI).



MR RAFAEL VILLASECA MARCO

Director

Degree in Industrial Engineering from the Polytechnic University of Catalonia and MBA from IESE Business School.

He has held the post of CEO of Gas Natural Fenosa, as well as director of Enagás, S.A., President of Compañía General de Electricidad S.A. (Chile), director of Gas Natural SDG, S.A., General Manager of the Panrico Group, President of Túneles y Accesos de Barcelona, S.A.C. (Tabasa), President of Túnel del Cadí, S.A.C., President of Gestión de Infraestructuras, S.A., President of Grupo Inisel (now Grupo Indra), Managing Director of Nueva Montaña Quijano, S.A., Director of Amper, S.A. and director of Ravifa 2013, S.L. He has been a member of the board of directors of Círculo de Economía and President of the Spanish Energy Club.



MS ANDREA KATHRIN CHRISTENSON

Director

Degree in Economics and Social Sciences from the Vienna University of Economics, MBA from the IESE Business School, Advanced Management Programme from the IESE Business School, Diploma in Mediation from the IMS (Institute for Mediation) in Munich.

She worked in consulting at the Boston Consulting Group in Munich. In 1990, she took over the family-owned doll manufacturer Käthe Kruse Productions-und Vertriebs-GmbH, Donauwörth, Germany. She is currently a director of the International Advisory Board of IESE, Pumpkin GmbH, Corvatsch AG and Diavolezza Legal AG

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■ Remuneration of the members of the Board of Directors

The remuneration of board members in their capacity as such consists of a previously established amount and the payment of per diems for attendance at board meetings.

The President of the Board of Directors may receive, in addition to the fixed amount and the per diems, a further amount recognised by the Board for his performance as President.

As for the CEO, his remuneration is structured in two parts. He receives, as do the other directors, a fixed remuneration for his position as director and, for the executive functions as CEO, he receives a fixed and a variable remuneration that depends on the degree of fulfilment of the Company's strategic objectives, in many cases related to sustainability issues. This variable remuneration associated with the achievement of short and long-term objectives has been set at 50% of the CEO's annual fixed salary.

The remuneration of the members of the Board of Directors is set out in the Annual Report on Directors' Remuneration.

■ Delegated committees of the Board of Directors

The Board of Directors has an Audit and Compliance Committee and a Remuneration and Appointments Committee. The objective of both committees is to promote efficiency in the exercise of the powers and the performance of the functions assigned to the Board.

FUNCTIONS OF THE DELEGATED COMMITTEES OF THE BOARD OF DIRECTORS



REMUNERATION AND APPOINTMENTS COMMITTEE

Their main functions include proposing to the Board of Directors the remuneration policy for directors and general managers and those who perform senior management functions reporting directly to the Board of Directors, as well as executive committees and managing directors.



AUDIT AND COMPLIANCE COMMITTEE

Their role is to support the Board of Directors in its oversight duties by regularly reviewing the process of preparing economic and financial information, the Company's internal controls and the independence of the Company's statutory auditor.

Both committees are composed of three directors, the majority being independent directors.

Members are appointed on the basis of knowledge, skills and experience appropriate to the functions to be performed.

The performance of the committees is evaluated annually in conjunction with the evaluation of the Board of Directors.

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Meetings of the Remuneration and Appointments Committee

Meetings of the Audit and Compliance Committee

3.1.3. Executive Committee

Our Executive Committee is made up of 11 executive directors who are responsible for the day-to-day management of Cementos Molins. The Committee, led by the Chief Executive Officer, meets on a regular and periodic basis. In its decision-making processes, the Committee is responsible for the management of the different divisions and departments of the company for the effective fulfilment of the strategic objectives, with the sustainability objectives of the 2030 Roadmap playing a very important role.

In 2022, the Committee was expanded, incorporating the Precast Global Business and Global Building Solutions businesses, in line with the strategy to focus part of the growth in the precast concrete and building solutions market. The corporate innovation function was also created and separated from the Corporate Technical and Industrial Area.

The management team (including the CEO on the basis of his executive functions) has a variable remuneration linked to the achievement of objectives. Some of these targets are linked to the Sustainability Barometer, from which the development and achievement of the targets of our 2030 Roadmap are monitored.

EXECUTIVE COMMITTEE	
CHIEF EXECUTIVE OFFICER	
Julio Rodríguez Izquierdo	
CHIEF FINANCIAL OFFICER	AREA MANAGER MEXICO, SPAIN OPC & READY-MIX CONCRETE
Jorge Bonnin Bioslada	Salvador Fernández Capo
CORPORATE BUSINESS STRATEGY & SUSTAINABILITY DIRECTOR	AREA MANAGER ASIA, AFRICA, AND SOUTH AMERICA
Carlos Martínez Ferrer	Marcos Cela Rey
CORPORATE HUMAN RESOURCES DIRECTOR	MANAGING DIRECTOR GLOBAL PRECAST BUSINESS
Eva González Andreu	Higini Alfageme Carrera
CORPORATE TECHNICAL & INDUSTRIAL DIRECTOR	MANAGING DIRECTOR GLOBAL BUSINESS SOLUTIONS
Jaime Prieto Vizoso	Celia Pérez Rodríguez
CHIEF INNOVATION OFFICER	MANAGING DIRECTOR GLOBAL CAC BUSINESS*
Ignacio Manuel Machimbarrena Gutiérrez	Juan Martínez Gilsanz

* New appointments in 2023

3.1.4. Management of sustainability issues by the management team

The sustainable management of the business is the responsibility of the Board of Directors and the Executive Committee, the main governing bodies of Cementos Molins.

The Board of Directors plays a key role in sustainability issues, as it is responsible for the approval of the sustainability strategy (2030 Roadmap), setting its objectives and the regular monitoring of the achievement of these objectives at Board meetings. For his part, the CEO takes the lead in decision-making in relation to setting the objectives associated with the 2030 Roadmap, participates in their supervision and monitoring and is responsible for approving the associated investments.

The Executive Committee is responsible for implementing the Roadmap throughout the organisation. It manages the integration of sustainability objectives into the company's business, and identifies, at a more practical level, the areas where efforts and resources need to be focused.

Both the Board of Directors and the Executive Committee have sustainability experts with a strong background in sustainability.



In 2023, we created specific sustainability committees in each business unit, whereby the company's overall sustainability strategy is tailored to the peculiarities of each business and region. These committees are responsible for ensuring that sustainability goals and objectives are aligned with regional contexts.

This granularity allows us to identify specific challenges that may have a local effect in terms of environmental, social and economic impact, and to develop customised action plans to address them. Furthermore, they establish channels of communication and collaboration with local stakeholders, such as communities, governments and non-governmental organisations, to ensure transparency and engagement with local communities. They also regularly monitor and report on sustainability progress and achievements in each country in which we operate.

3.2 ETHICS AND COMPLIANCE

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*Sant Vicenç dels Horts
factory (Spain)*

The purpose of the regulatory compliance and corporate crime prevention system is to provide the company with a regulatory framework that identifies critical processes, defining the contents, roles and mechanisms for control and supervision. The main aims of this regulatory framework are to increase transparency, generate value, improve economic efficiency and strengthen investor confidence.

Cementos Molins’s corporate governance system is aligned with the company’s values and fosters integrity and business ethics as its hallmarks. It is structured on the basis of the Articles of Association, Mission, Vision and Values, corporate policies, internal regulations and codes and procedures.

In 2023, we significantly strengthened our commitment to compliance by joining two prestigious associations with outstanding expertise and leadership in the field: the World Compliance Association (WCA) and the Spanish Compliance Association (ASCOM). These partnerships are a source of knowledge, resources and best practices that will help to further strengthen and enhance our compliance culture.

GOVERNANCE STRUCTURE

ARTICLES OF ASSOCIATION

MISSION, VISION AND VALUES

CORPORATE POLICIES

Corporate governance policies

Risk management policies

Corporate Social Responsibility policies

INTERNAL REGULATIONS

Regulations of the General Meeting of Shareholders

Regulations of the Board of Directors

CODES AND PROCEDURES

Code of conduct

Compliance Unit Regulations

Internal rules of conduct in the sphere
of the securities market

Internal rules for the processing of
confidential information

Regulations of the shareholder electronic forum

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3.2.1. | Code of Ethics

The Cementos Molins Code of Ethics establishes the company's fundamental values and principles and includes mandatory guidelines for conduct. Furthermore, the Code is the cornerstone of our good corporate governance policies, including the Compliance System. This Code applies to the entire workforce, and includes common and mandatory guidelines for action. All company employees formally adhere to it, and receive mandatory training as part of an onboarding when they join the company.

With regard to subsidiaries and investee companies, each has its own code of ethics, always aligned with the principles of the Cementos Molins Code of Ethics.

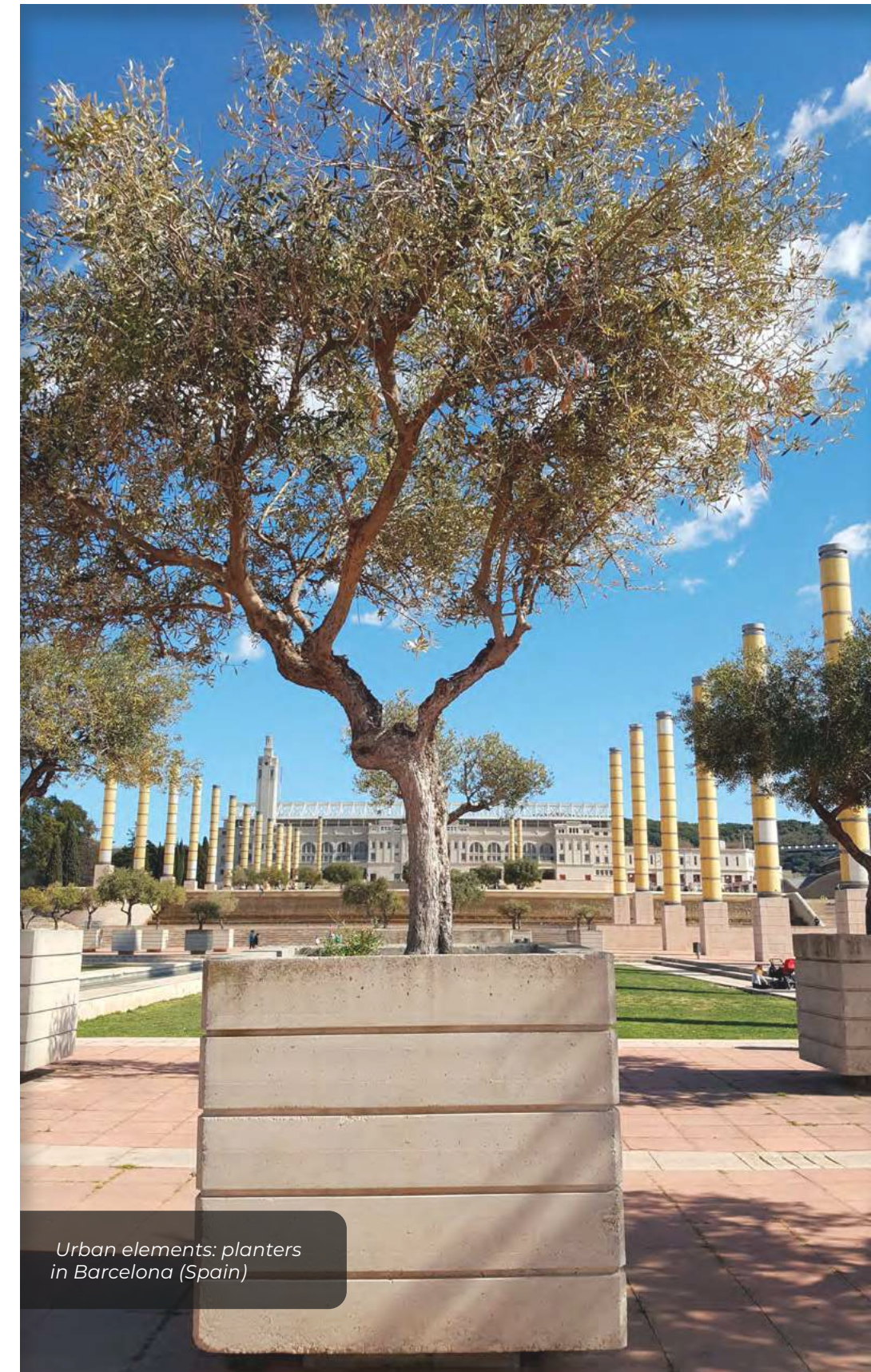
In line with our commitment to regularly review the Corporate Governance System, an update of the Code of Ethics was carried out in 2023. Among the amendments, the requirements arising from the new Law 2/2023 of 20 February on the protection of persons who report regulatory infringements and the fight against corruption stand out.

■ Anti-corruption

Another major compliance milestone in the 2023 financial year was the development of an anti-corruption policy. This policy sets out the guidelines for conduct to prevent corruption of any kind, whether in dealings with public or private entities. This policy reaffirms the framework for all employees and stakeholders to act in accordance with our values, business ethics and legal provisions in all circumstances, thus contributing to maintaining a transparent business environment of integrity.

Raising awareness and fostering an ethical business culture through training are essential to prevent corruption. To this end, we include mandatory training on corruption as part of onboarding to the company, ensuring that our employees start their career at Cementos Molins with an ethical perspective aligned with our values.

In 2023, we did not receive any official penalties related to incidents of corruption or bribery.



Urban elements: planters
in Barcelona (Spain)

3.2.2. | Ethical Channel

The Ethical Channel is the tool for members of the company, stakeholders and third parties to submit incidents and communications, and is available on the website and the intranet.

With the entry into force of the aforementioned Law 2/2023, the Board of Directors of Cementos Molins approved the Ethical Channel policy and appointed the Compliance Officer as the person responsible for the internal information system.

Following best market practices, this platform is operated by an independent third party that ensures the confidentiality of the communications received and facilitates a channel of contact between the informant and the person responsible for the implementation of the Ethical Channel. It also allows reports to be made anonymously.

Reports received through this channel are processed and assessed by the Compliance Officer and, if an investigation is required, they are passed on to the Ethics and Compliance Committee for effective management.

In 2023, 45 reports were received in the ethical channels of the Cementos Molins companies (compared with 57 in 2022). All communications were duly processed and managed by those responsible therefor.

3.2.3. | Training

In FY2023, we trained our staff to strengthen their knowledge in critical areas of our corporate environment. This training covered key issues such as the Code of Ethics, the Ethical Channel, corruption and fraud prevention, management of conflicts of interest, money laundering prevention, safeguarding confidentiality and information security. We are committed to ensuring that our entire team is fully prepared to comply with the highest ethical and legal standards in all our activities. In this regard, we delivered 6,480 hours of training to our employees on ethics and corruption prevention.

3.2.4. | Protocol for the prevention of money laundering

Cementos Molins is not a reporting party under Law 10/2010, of 28 April, on the prevention of money laundering and the financing of terrorism. However, we prioritise the prevention of any activity that could lead to money laundering and have developed and implemented a protocol for this purpose.

This protocol reflects the company's commitment in this area and forms an integral part of our compliance system. With this proactive approach, we ensure that all of our business practices are transparent and upstanding.

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CRIME PREVENTION PROTOCOLS

 <p>Compliance Manual</p> <p>It sets out the rules and principles of the criminal compliance system, aligns business objectives, allocates resources appropriately and establishes effective risk management and reporting mechanisms</p>	 <p>Anti-corruption Protocol</p> <p>This brings together the protocols for preventing corruption in relations with the public and private sector and establishes guidelines for action to prevent the risk of committing corruption offences</p>
 <p>Workforce and Talent Management Protocol</p> <p>This includes the guidelines for equal treatment, opportunities, and guidelines for staff selection and hiring and is aligned with the equality plans that Cementos Molins is implementing in each of the companies</p>	 <p>Protocol on the Flow of People and Goods</p> <p>Regulates activity related to the movement of goods, both domestically and internationally, and prohibits human trafficking, illegal labour trafficking, organ trafficking, and the possession and smuggling of drugs</p>

3.2.5.1 Fiscal transparency

■ Corporate tax policy

The Board of Directors of Cementos Molins, S.A. approved the corporate tax policy in 2017. This policy sets out Cementos Molins' tax strategy and defines the principles governing the tax risk management framework. The aim is to ensure compliance with the tax regulations applicable in the countries and territories in which the company's companies operate.

Among the guidelines established to achieve such compliance, certain action guidelines are specified, including not to incorporate or acquire companies in tax havens or create opaque corporate structures with the intention of tax evasion, acting with transparency, good faith and cooperation with tax authorities, as well as establishing a control system for monitoring and controlling tax risks.

■ Fiscal transparency

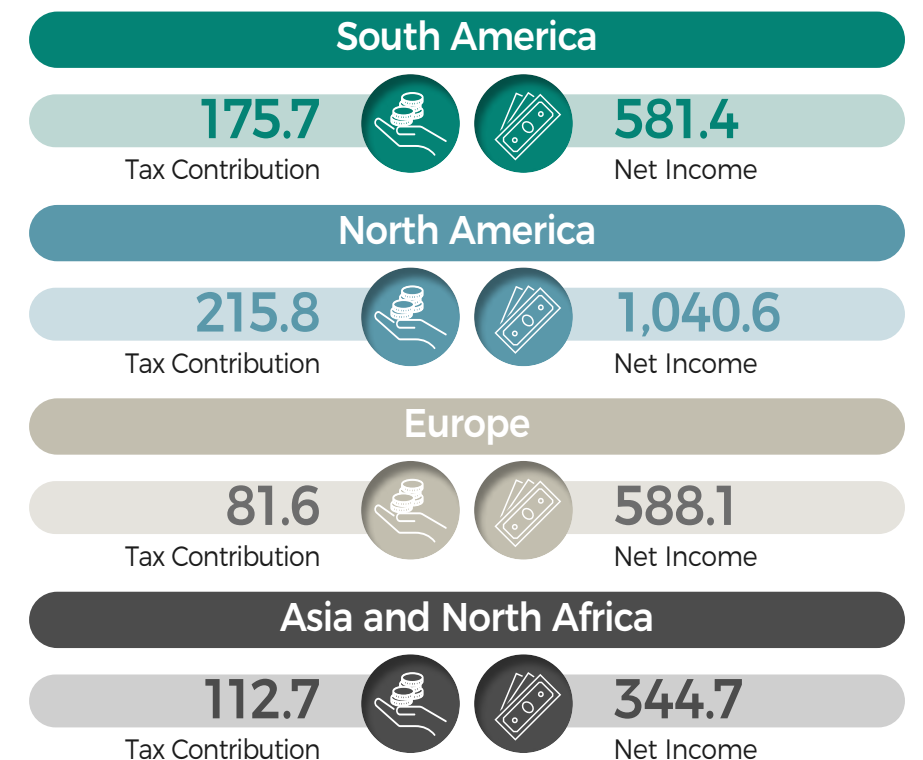
The expansion and consolidation of Cementos Molins' businesses in the countries in which it operates requires a focus on strict compliance with the principle of transparency applied to tax practices. This is a basic requirement for the company's good governance and to comply with the code of good tax practices, which is reflected in the exhaustive monitoring of the principle of transparency in the tax practices of all our plants.

Through this report, Cementos Molins communicates to the various stakeholders its responsible attitude towards compliance with fiscal obligations: taxes, the amount of these taxes, the way in which it provides clarity on taxation and, in short, the certainty of tax compliance. All of this permits the appropriate level of transparency to be met, which strengthens the company's image as a responsible taxpayer and thus increases the value of the company and interest among investors.

The information set out in this section shows the total contribution that Cementos Molins makes to the public administrations of the different jurisdictions where it is present through the taxes that, directly or indirectly, it pays as a result of its economic activity. This includes both taxes borne, which represent an effective cost for the Group companies, and taxes collected and paid as a result of the economic activity carried out. Although the latter do not represent a cost beyond that of their management, they must form part of Cementos Molins' tax contribution as they are paid into the public coffers as a direct consequence of the economic activity carried out.

In 2023, Cementos Molins' total tax contribution amounted to €586 million, of which €297 million related to amounts borne by the group and €289 million to amounts collected.

TAX CONTRIBUTION		PERCENTAGE OF TOTAL
TAXES ON PROFITS	Includes taxes on profits earned by the company or on the mere performance of an economic activity. Examples: Corporate Income Tax, Business Activity Tax	207 / 35 %
PROPERTY TAXES	Includes taxes levied on the ownership, sale, transfer or occupancy of real estate	5 / 1 %
EMPLOYMENT TAXES	Includes taxes and other charges of a similar nature associated with employment	104 / 18 %
TAX ON PRODUCTS AND SERVICES	Includes indirect taxes on the production and consumption of goods and services.	262 / 45 %
OTHER TAXES	Includes taxes on the supply, use or consumption of products and services	8 / 1 %
TOTAL AMOUNT		586



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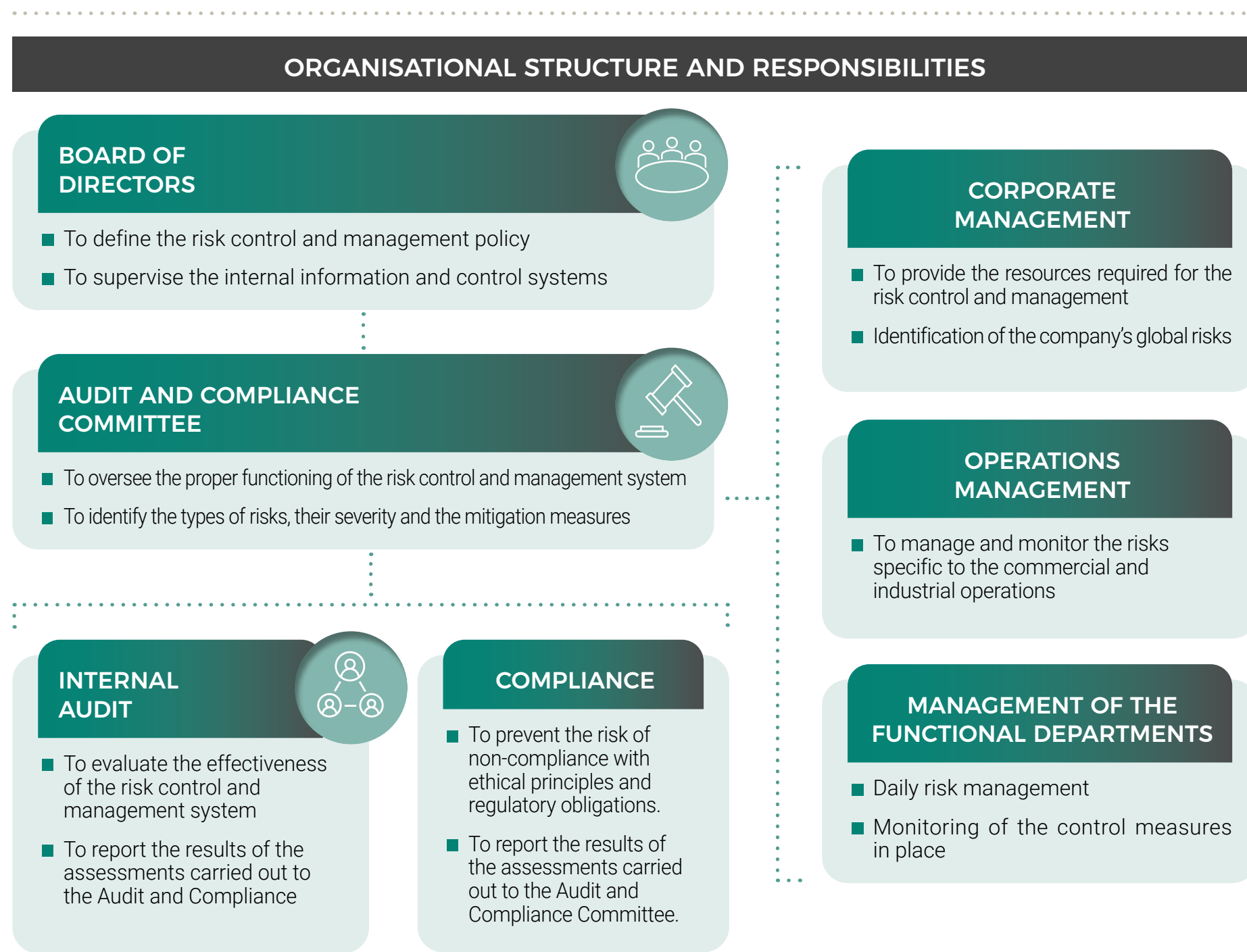
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3.3 RISK MANAGEMENT

3.3.1. Organisational structure and responsibilities

At Cementos Molins, one of our corporate priorities is risk management. Through the bodies with responsibility in this area, we neutralise uncertainty and prevent potentially damaging factors for the correct performance of our activity and the achievement of the Strategic Plan. Identifying, addressing and monitoring risks through an established procedure allows multiple risk scenarios to be kept up to date and to be taken into account in the decision-making process.

The following chart shows the risk management scheme for Cementos Molins, showing the relationships between the various bodies involved, as well as their main responsibilities.



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3.3.2.1 Phases of the risk management system

Our risk management and control system that enables us to identify, prevent and mitigate risks. The phases in which the system is applied are as follows:

PHASES OF THE RISK MANAGEMENT SYSTEM

DRAFTING OF THE RISK INVENTORY

The Internal Audit department of Cementos Molins draws up a risk inventory, based on its knowledge of the company, the supervision activities carried out and the business objectives that have been established.

These risks lie within the corporate and operational sphere of each business and include environmental, social and governance risks.

IDENTIFICATION

The General Management, the heads of department and Internal Audit identify, by means of the risk inventory, the risks to which the company's businesses are exposed.

SCORE

Having identified the risks to which Cementos Molins is exposed, an assessment is conducted to identify the most significant risks.

The assessment is determined upon the basis of the likelihood of occurrence, the potential impact and the number of businesses and/or divisions in which the risk may materialise.

RISK MAP

After identifying the most significant risks, risk maps are drawn up.

Indicators are defined in order to monitor its evolution. Risk maps are reviewed annually.

CONTROL MEASURES

After drawing up the risk map and the risk assessment, the management of each of the businesses and the functional departments determine the necessary measures and define the controls to mitigate the risks that have been identified.

The internal control system is defined and assessed by internal audit during this stage.

SUPERVISION

The risk maps and the control measures that are identified constitute the basis for the annual internal audit plan.

Once a year, the Annual Corporate Governance Report outlines the scope of the risk management model and reports on the risks that have materialised during the year, as well as the status of the risk control and management system.

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3.3.3. Identification of potential risks

RISK ASSOCIATED WITH	MITIGATION ACTIONS	STRATEGIC PILLAR
STRATEGIC RISKS		
<i>Environment</i>		
<ul style="list-style-type: none"> ■ Reduction of CO₂ emissions and energy consumption, as well as the circular economy, by minimising the consumption of materials, water and waste generated. ■ Increasingly demanding regulatory compliance and disclosure requirements. 	<ul style="list-style-type: none"> ■ Promotion and incorporation of alternative fuel sources to reduce the carbon footprint. ■ Development of innovation processes for the implementation of new products and technologies. ■ Use of indicators in relation to emissions and the circular economy that form part of the sustainability Barometer to determine the variable remuneration of the workforce. ■ The Roadmap 2030 strategic lever sets measurable targets and actions regarding emissions throughout the value chain. ■ Sustainability-linked financing, with interest linked to carbon emission assessments. 	SUSTAINABILITY
<i>Country risk</i>		
<ul style="list-style-type: none"> ■ Economic developments, geopolitical conditions and social stability in the respective countries where we operate: exchange rates, changes in economic growth, the Consumer Price Index and interest rates. ■ Degree of internationalisation involving a level of exposure to the evolution of the main macroeconomic variables of each country (exchange rate, inflation and interest rate). 	<ul style="list-style-type: none"> ■ Monitoring of each country's strategy and potential scenarios to anticipate risks and opportunities. ■ Implementation and compliance with the defined financial strategy. ■ An integrated business model that is resilient in the event of an economic downturn. ■ Operational efficiency plans. ■ Use of hedging instruments to reduce exposure to exchange rate fluctuations. 	GROWTH

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RISK ASSOCIATED WITH	MITIGATION ACTIONS	STRATEGIC PILLAR
<i>Climate change risks</i>		
<ul style="list-style-type: none"> ■ Risk associated with “physical risks” (acute or chronic) resulting from climate change, caused by natural events (parameters of climate change), which may have a direct or indirect impact on operations, products and services, as well as throughout the value chain in some of the countries where Cementos Molins operates. ■ Potential environmental and air quality incidents, as well as the restoration of quarries and biodiversity management. 	<ul style="list-style-type: none"> ■ Establishment of contingency plans to ensure operations in all cases. ■ Taking out insurance policies. ■ Implementation of improvement and maintenance projects on a continuous basis in the facilities. ■ Monitoring by the Sustainability Committee. 	<p>SUSTAINABILITY</p>
<i>Digitalisation</i>		
<ul style="list-style-type: none"> ■ Digitalisation and adaptability to new technologies, potential disruption by emerging technologies, flexibility and speed of internal adaptation of processes and systems in accordance with business and customer needs. 	<ul style="list-style-type: none"> ■ Digitalisation in industrial facilities ■ Digitalisation of the customer experience ■ Development of digital infrastructures ■ Simplification and automation of back-office processes ■ Digital workplace 	<p>INNOVATION AND DIGITALISATION</p>
<i>Mergers and acquisitions</i>		
<ul style="list-style-type: none"> ■ To ensure the growth of Cementos Molins as well as the successful integration of acquisitions. ■ To ensure the profitability of new investments (profit forecasts and liquidity generation). 	<ul style="list-style-type: none"> ■ Ongoing analysis and assessment of potential opportunities in new markets and already established businesses. ■ Due diligence processes with the advice of third-party specialists. ■ Implementation and compliance with the governance model. ■ Monitoring of new operational investments and tracking of the activity in each country. 	<p>GROWTH</p>

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CORPORATE GOVERNANCE RISKS		
<i>Fraud and corruption in business</i>		
<ul style="list-style-type: none"> ■ Exposure to the risk of fraud and corruption in business, given the geographical dispersion of the countries in which we are present. ■ Potential negative impacts on the company's reputation arising from situations or events that fail to meet the stakeholders' expectations. 	<ul style="list-style-type: none"> ■ Crime prevention and anti-fraud policy that encompasses the Organisation's compliance system. ■ System for the annual evaluation and monitoring of controls in domestic companies. In international companies, this mitigation measure differs in accordance with local regulations. ■ Ethics channel managed by an independent organisation to guarantee the strictest confidentiality of the messages received through this channel. ■ International transposition of the Corporate Government model. ■ Compliance with the regulations of the Corporate Enterprises Act and recommendations of the Code of Good Governance (CNMV). Annual Corporate Governance Report. ■ Specific crisis management protocol currently being drawn up, which focuses on reputational crises. 	
<i>Compliance as a listed company</i>		
<ul style="list-style-type: none"> ■ Regulation and compliances as a listed company. 	<ul style="list-style-type: none"> ■ Compliance with the regulations of the Corporate Enterprises Act and recommendations of the Code of Good Governance (CNMV). Annual Corporate Governance Report. 	
FINANCIAL RISKS		
<i>Market-related</i>		
<ul style="list-style-type: none"> ■ Cost and margin efficiency in a competitive environment and trend. 	<ul style="list-style-type: none"> ■ Operational efficiency plans. ■ Continuous cost reduction projects through new technologies, processes and products, seeking efficiency. ■ An integrated business model that is resilient in the event of an economic downturn. ■ Macroeconomic monitoring, strategy and positioning review, etc. 	
<i>Asset valuation</i>		
<ul style="list-style-type: none"> ■ Return on strategic investments. 	<ul style="list-style-type: none"> ■ Monitoring of operational investments and the activity in each country. 	
<i>Financial</i>		
<ul style="list-style-type: none"> ■ Planning of financial needs. ■ Cash flow generation and liquidity. ■ Imbalance of debt versus cash generation and compliance with covenants. ■ Return on current investments. 	<ul style="list-style-type: none"> ■ Signing of credit lines to guarantee liquidity. ■ Optimisation of the financing structure. ■ Internal guidelines for optimising the financing of subsidiaries. ■ Optimisation of the rolling fund. ■ Monitoring of operational investments and the activity in each country. ■ Financial risk hedging policies appropriate to the exposure to the different types of risks. 	

RISK ASSOCIATED WITH	MITIGATION ACTIONS	STRATEGIC PILLAR
OPERATIONAL RISKS		
<i>Operations: Supply chain and external suppliers</i>		
<ul style="list-style-type: none"> ■ Possibility of depletion or difficulties in accessing strategic resources for the performance of the activity. ■ Increased prices of raw materials, fuels, electricity, etc., as well as costs in a global context of generalised inflation. 	<ul style="list-style-type: none"> ■ Establishment of long-term relationships with suppliers to secure supplies and negotiate prices. ■ Analysis of the company's internal capabilities to seek synergies and develop good practices. ■ Contingency plans to secure the plants' operations. ■ Incorporation and promotion of renewable energies and the use of alternative fuels. ■ Cost efficiency plans. 	EFFICIENCY AND SUSTAINABILITY
<i>Systems: Cybersecurity</i>		
<ul style="list-style-type: none"> ■ Business continuity plan. ■ Cybersecurity. 	<ul style="list-style-type: none"> ■ IT Security Master Plan within the framework of the corporate IT security policy. ■ Implementation of the Cybersecurity Office. ■ Implementation of an ISMS (Information Security Management System). ■ Contingency plans to secure the continuity of the plants' operations. 	EFFICIENCY
<i>Human Resources: Talent Management</i>		
<ul style="list-style-type: none"> ■ Adaptation of the human capital structure to accommodate expansion and succession needs and adapt future growth to the market tools and new trends. 	<ul style="list-style-type: none"> ■ Individual development plans and international mobility. ■ Long-term development of key competences. ■ Implementation of short-, medium- and long-term succession plans. 	PEOPLE AND EFFICIENCY
<i>Health and safety</i>		
<ul style="list-style-type: none"> ■ Non-compliance with health and safety regulations and instructions. ■ Security at the facilities. 	<ul style="list-style-type: none"> ■ Indicator monitoring: the Frequency Index (FI) forms part of the Sustainability Barometer used to set the variable remuneration. ■ Emergency plans and risk assessment following security protocols and corporate policies. ■ Occupational Health and Safety management systems. ■ Implementation of a tool for occupational safety management. 	PEOPLE

RIESGO ASOCIADO A	ACCIONES DE MITIGACIÓN	PILAR ESTRATÉGICO
RIESGOS DE CUMPLIMIENTO		
<i>Fiscal</i>		
<ul style="list-style-type: none"> ■ Cambios legislativos o regulatorios en materia fiscal. 	<ul style="list-style-type: none"> ■ Política fiscal corporativa. ■ Apoyo en especialistas externos para conocer las novedades fiscales, el análisis y las implicaciones derivadas. 	EFICIENCIA
<i>Licencias y permisos</i>		
<ul style="list-style-type: none"> ■ Derivado del cumplimiento de los requisitos regulatorios y normativa aplicable para la obtención y vigencia de licencias y permisos. 	<ul style="list-style-type: none"> ■ Supervisión y monitorización de los cambios regulatorios y legislación aplicable. ■ Evaluación y supervisión anual de controles. 	EFICIENCIA



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*Urban elements:
planters-benches in
Barcelona (Spain)*

The cement industry has consolidated itself as one of the key sectors for building a sustainable future, given its ability to reduce greenhouse gas emissions, invest in new products and technologies needed for a low-carbon economy and provide stable employment to ensure long-term development and financial stability.

Against this backdrop, the Global Cement and Concrete Association (GCCA) has set out a roadmap for a carbon neutral industry by 2050 based on clinker substitution, deploying technology and improved product efficiency, among others.

As active members of the GCCA and with the aim of meeting this sector climate goal, since 2020 we have been working on a strategic approach in line with its guidelines, to develop our current corporate strategy.

Over the past four years, we have made progress in line with the objectives set out in our 2020-2023 Strategic Plan, focusing our efforts on the development of the five strategic pillars relating to our vision of growth, human capital, sustainability, innovation and digitalisation and operational efficiency.

2020-2023 PLAN - STRATEGIC PILLARS

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SUSTAINABILITY



- We approved our Roadmap 2030 in 2021, which has enabled us to work on the various levers available to reduce the impact of our operations.
- Reduction of our CO₂ emissions (from 590 kg CO₂ /t cementitious in 2019 to 558 in 2023).
- Reduction of the clinker factor (from 71.9% in 2019 to 69.9% in 2023).
- Increase of alternative fuels (from 7.6% in 2019 to 10.6% in 2023) despite the gradual decrease in biomass availability in the markets.
- Boost the use of renewable energies to 22.3%, achieved in 2023.

GROWTH



- We have consolidated our position in current markets (with investments to improve operations) and we have consolidated the greenfield projects developed (stabilisation of the business in Colombia after its start-up in 2019, development of the aggregates business in Bangladesh, etc.).
- Investments in new markets, especially in building solutions: urban landscape, calcium aluminate cements, aggregates and concretes, white cement, precast concrete and building solutions, with a total investment of 254 million euros.
- The clear vision of our objectives has enabled us to achieve great results: 15% + increase in revenues and 16% + in EBITDA on average per year in the period 2020-2023 solely in terms of organic growth.

PEOPLE



- Firm commitment to the development of our team with individual development plans, in-house and external training, encouraging mobility within the various operations.
- Implementation of a cultural change project with the aim of developing the organisation's key competencies in the long term and implementation of the new leadership model. Boosting the well-being project to encompass physical, mental and financial well-being.
- Renovation of the Sant Vicenç dels Horts building and relocation to new offices in Buenos Aires, to align it with the new cultural model.
- We have worked to reduce the accident rate in our factories, improving the risk prevention culture and conveying the message to all workers about the crucial importance of safety. The sponsorship programme has been launched in order to give greater visibility and evidence of management's commitment to safety. The frequency index (FI) has been reduced by 13% globally, and by 49% on a like-for-like basis.

**INNOVATION AND
DIGITALISATION**



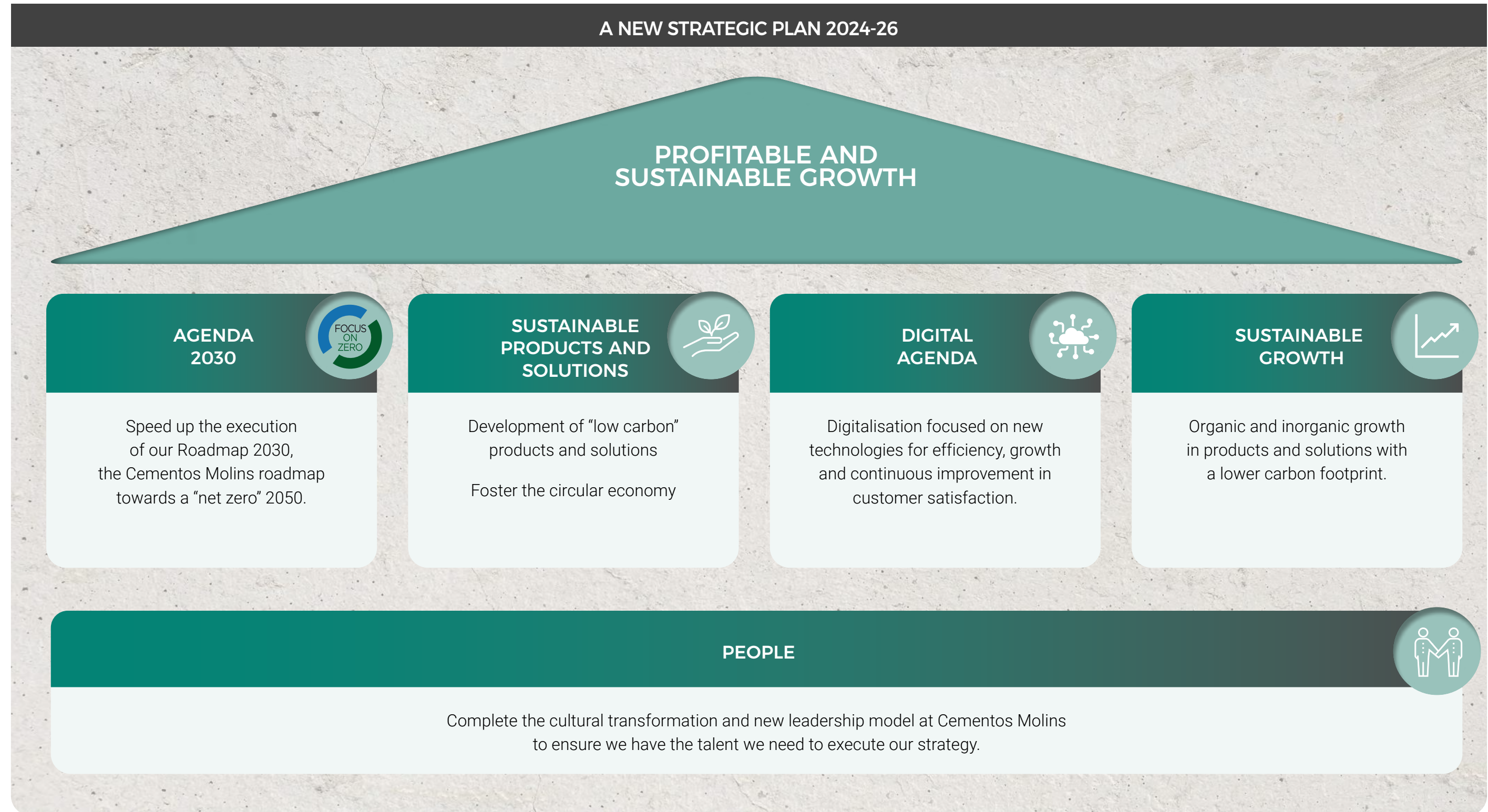
- Creation of a corporate innovation department that leads and guarantees the development of new processes and products with a low environmental impact.
- Establishment of an RDI committee with representation from the different businesses throughout our value chain, which brings us closer to our customers and enables us to develop solutions to build the future.
- Incorporation of a corporate digitalisation and project execution team across the organisation.
- Optimisation of electricity consumption and cement production at the Barcelona plant by means of artificial intelligence tools, achieving a reduction in CO₂ emissions.
- Consolidation of digital platforms to improve customer experience, streamline communication, and provide information based on geolocation systems for logistics.
- To consolidate the digital platforms in countries to improve customer service and simplify the touch points, the points providing access to the different features of the platforms.
- Massive automation of back office processes using RPA technology in Spain with extension to Tunisia and Argentina, and deployment of digital tools to simplify and digitise processes.
- Migration of applications to the cloud, establishment of a new data area and deployment of the data exploitation and analysis platform.

**OPERATIONAL
EFFICIENCY**



- Development of the global procurement function, which has enabled us to achieve productivity targets in this area and to leverage synergies and economies of scale.
- Reduction of electricity consumption in our operations, and development of renewable energy generation projects in plants (photovoltaic generation in Spain and Argentina, and development of projects in other regions to be implemented in the coming years).
- Improvement of the thermal consumption of our operations, with major improvements at several of our factories. This enabled us to improve from 827 kcal per kg Ck in 2019 to 825 in 2023, despite the change in perimeter and product mix, as well as the increased use of new alternative fuels with poorer performance than traditional fossil fuels. The contribution to the circular economy thanks to these new fuels has also been outstanding.
- An important part of the operational efficiency is evident in the high availability rates in the operation of most of our factories, which have improved considerably over the past four years.

Throughout 2023, we worked on a new Strategic Plan for the years 2024-2026, in which we validated the company's current strategy and reaffirmed our commitment to sustainability and business development.



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Since 2020, we have been part of the United Nations Global Compact, thus reaffirming our commitment to the Sustainable Development Goals (SDGs).

Our commitment to sustainable development has meant we have created value in line with the SDGs. The result is the identification of goals throughout the entire value chain and the joint work with the priority stakeholders in the countries where we operate..



Urban elements in Ginebra (Swiss)

VALUE CREATION IN KEEPING WITH THE SUSTAINABLE DEVELOPMENT GOALS

SDGs	INITIATIVES
<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>AFFORDABLE AND NON-POLLUTING ENERGY</p> <p>Cementos Molins is committed to the development of clean energies by investing in the acquisition of green energy and in renewable energy farms for consumption in its plants.</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>DECENT WORK AND ECONOMIC GROWTH</p> <p>One of the strategic pillars is "people", whereby measures are implemented to foster talent and employment opportunities for promotion within the company and to guarantee health and safety in the conducting the business.</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>The products developed by Cementos Molins are raw materials for the construction of large infrastructures. The company carries out its industrial activity by investing in innovation to increase operational efficiency and seek more sustainable product alternatives.</p>
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Cementos Molins contributes to the development of local communities by supporting local suppliers and workers. This enables it to activate the economy, while also promoting social action projects in the countries where it operates</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>RESPONSIBLE PRODUCTION AND CONSUMPTION</p> <p>In the course of its activity, Cementos Molins advocates a circular economy model that enables the reuse of waste and reduces the consumption of natural raw materials</p>
<p>13 CLIMATE ACTION</p>	<p>CLIMATE ACTION</p> <p>Aware of its impact on the climate, Cementos Molins is aligned with the sector's target of achieving net zero emissions by 2050</p>
<p>14 LIFE BELOW WATER</p>	<p>SUBAQUATIC LIFE</p> <p>Cementos Molins seeks to contribute to the care for subaquatic life by paying special attention to the discharge of its wastewater, with measures to reduce consumption and reuse water.</p>

4.1 PILLAR 1: GROWTH

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4.1.1. | Financial performance

Cementos Molins actively participates in the management of the companies that it integrates by the equity method, either jointly with another shareholder or by means of significant participation in their decision-making bodies.

The information included in this section of the report on economic and financial performance is based on the application of the criterion of proportionality in the integration method of its investees. For this purpose, the final percentage of the holding in each of them is considered. Cementos Molins thus considers that the management of the business and the way in which the results are analysed for decision-making purposes are adequately reflected. In line with the guidelines and recommendations of the ESMA (European Securities and Markets Authority), that strives to foster the usefulness and transparency of the Alternative Performance Measures included in the regulated information and any other data submitted by listed companies, in Annex II of this report we show a reconciliation of the figures indicated under this criterion with the financial statements as per the International Financial Reporting Standards (IFRS-EU).

Financial performance of Cementos Molins

World economy recovery remains slow and uneven. Economic activity is still below its pre-pandemic trajectory, especially in emerging markets and developing economies. All this despite the resilience shown at the beginning of this year by the economy, which showed some signs of recovery: the reopening of the Chinese economy, the resilience of labour markets in the United States and the progressive reduction of inflation from its peak levels of last year.

Several factors have held back the recovery. Some are related to the long-term consequences of the pandemic, the war in Ukraine and increased geo-economic fragmentation. Others are more cyclical in nature, such as the effects of monetary policy tightening needed to reduce inflation, the withdrawal of fiscal support in a context of high indebtedness and extreme weather events.

According to the latest edition of the International Monetary Fund's World Economic Outlook, the global recovery is still sluggish with growing divergences between regions. The report projects global growth to have decelerated from 3.5% in 2022 to 3.1% in 2023, well below the historical average (2000-19) of 3.8%, but above initial forecasts, in a context of high monetary policy interest rates to combat inflation, the withdrawal of fiscal support in an environment of heavy indebtedness holding back economic activity and low underlying productivity growth.

Global activity in 2023 was mainly driven by the services industry, while manufacturing output remained relatively subdued. The fallout from the problems in the US banking sector in early March led to a brief period of acute stress in global financial markets. In order to combat inflation, major central banks raised policy rates to restrictive levels in 2023. This led to high mortgage costs, made it difficult to refinance corporate debt, limited the availability of credit and weakened business and housing investment. On the positive side, global headline inflation is projected to have fallen from 8.7% in 2022 to 6.8% in 2023, a faster-than-expected decline in most regions. This decline in inflation reflects the fading of relative price shocks, particularly in energy, and the easing of tight labour markets.

The likelihood of a hard landing has subsided, and risks to global growth are broadly balanced. On the positive side, faster disinflation could lead to a further easing of financial conditions. On the negative side, further commodity price hikes due to geopolitical shocks and supply shocks, or a further persistence of core inflation, could prolong tight monetary conditions.

In this complex global context, Cementos Molins once again posted solid results based on sustainable and profitable growth, with increases in sales and earnings in most regions. The profits/losses that the company uses for management purposes as at 31 December 2023 are as follows, in millions of euros:

PROPORTIONATE CONSOLIDATION	12M 2023	12M 2022	% VAR.	% LFL ¹
SALES	1,349	1,268	+6%	+34%
EBITDA	337	276	+22%	+56%
EBITDA MARGIN	25.0%	21.8%	+3.2	+3.6
EBIT	257	202	+27%	+66%
NET PROFIT	151	112	+35%	+39%
PROFIT PER SHARE (€)	2.29	1.69	+35%	
NET FINANCIAL DEBT	-17	145	-112%	-84%

¹ Like-for-like: constant exchange rates, no hyperinflation effect in Argentina or Turkey and an identical consolidation perimeter

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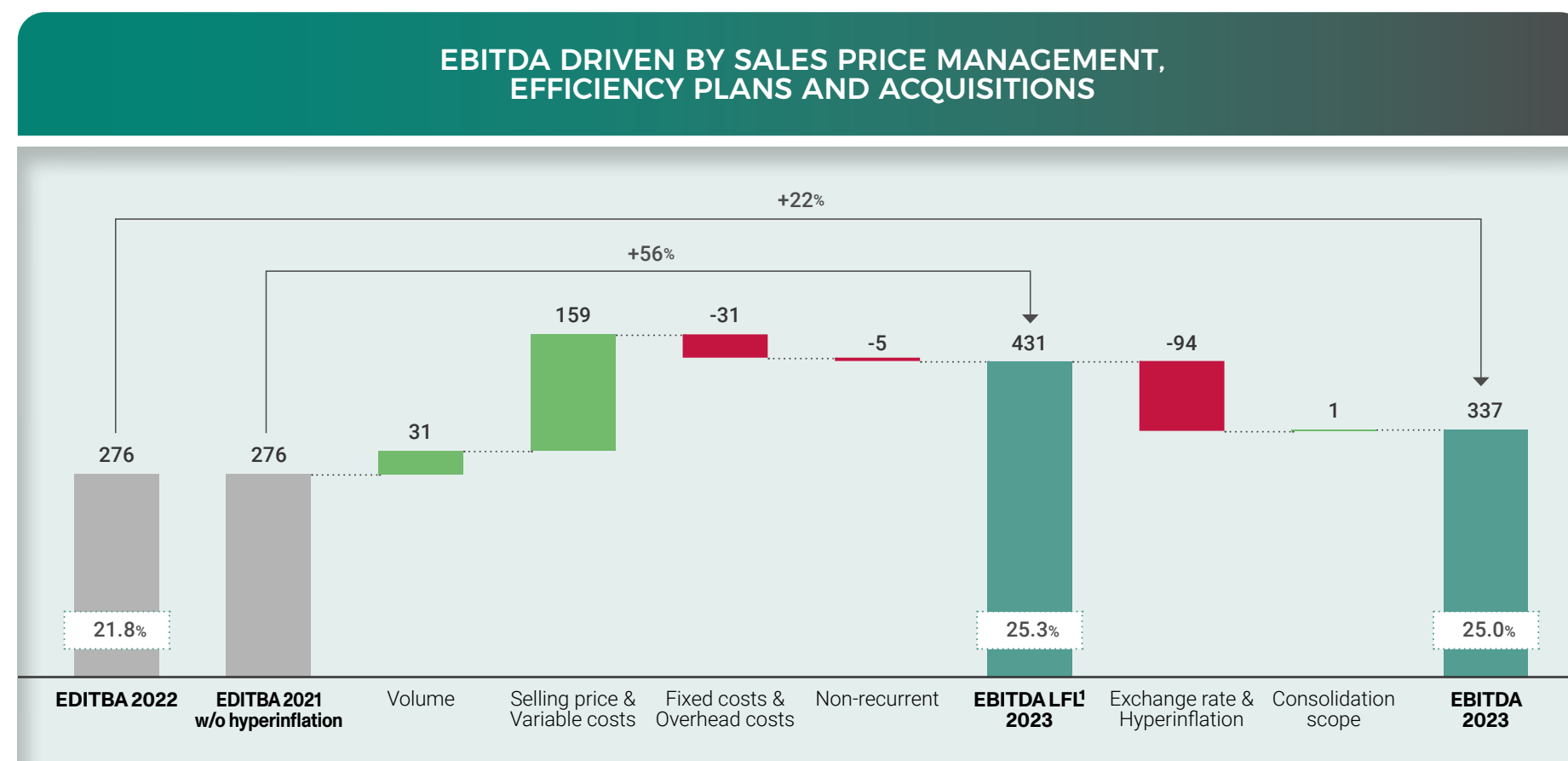
During the 2023 financial year, Portland cement sales volume increased by 6% compared with 2022, to 7.5 million tonnes. Growth was recorded in all regions, especially Mexico, Asia and North Africa.

In concrete, the 2023 sales volume grew by 12% compared with 2022, to 1.5 million cubic metres. Increases in all regions and especially in South America, due to the development of the business in Colombia; and in Spain, partly due to the contribution of the business acquired in Catalonia in 2022

Sales amounted to €1.349 billion at the end of 2023, an increase of 6% compared with the previous year, with a positive impact on both volume and prices. Moreover, increases are taking place in all businesses and most regions. On a like-for-like basis,

eliminating the effects of the exchange rate and hyperinflation adjustment in Argentina and Turkey, and with an identical consolidation perimeter, sales increased by 34%.

The EBITDA reached €337 million, 22% more than in the previous year. Of note was the improvement in the results of the businesses in Europe and Mexico. This improvement, as shown in the chart below, is mainly supported by volume increases, the positive impact of the efficiency plans, and the improvement in sale prices, lessened by the unfavourable impact of the exchange rate. On a comparable basis, the EBITDA increased by 56%. The 2023 EBITDA margin increased by 3.2 percentage points to 25.0%, recovering much of the previous year's erosion.



..... EDITBA margin

¹ Like-for-like: constant exchange rates, no hyperinflation effect in Argentina and an identical scope of consolidation.



Residential housing facade with concrete panels in Barcelona (Spain)

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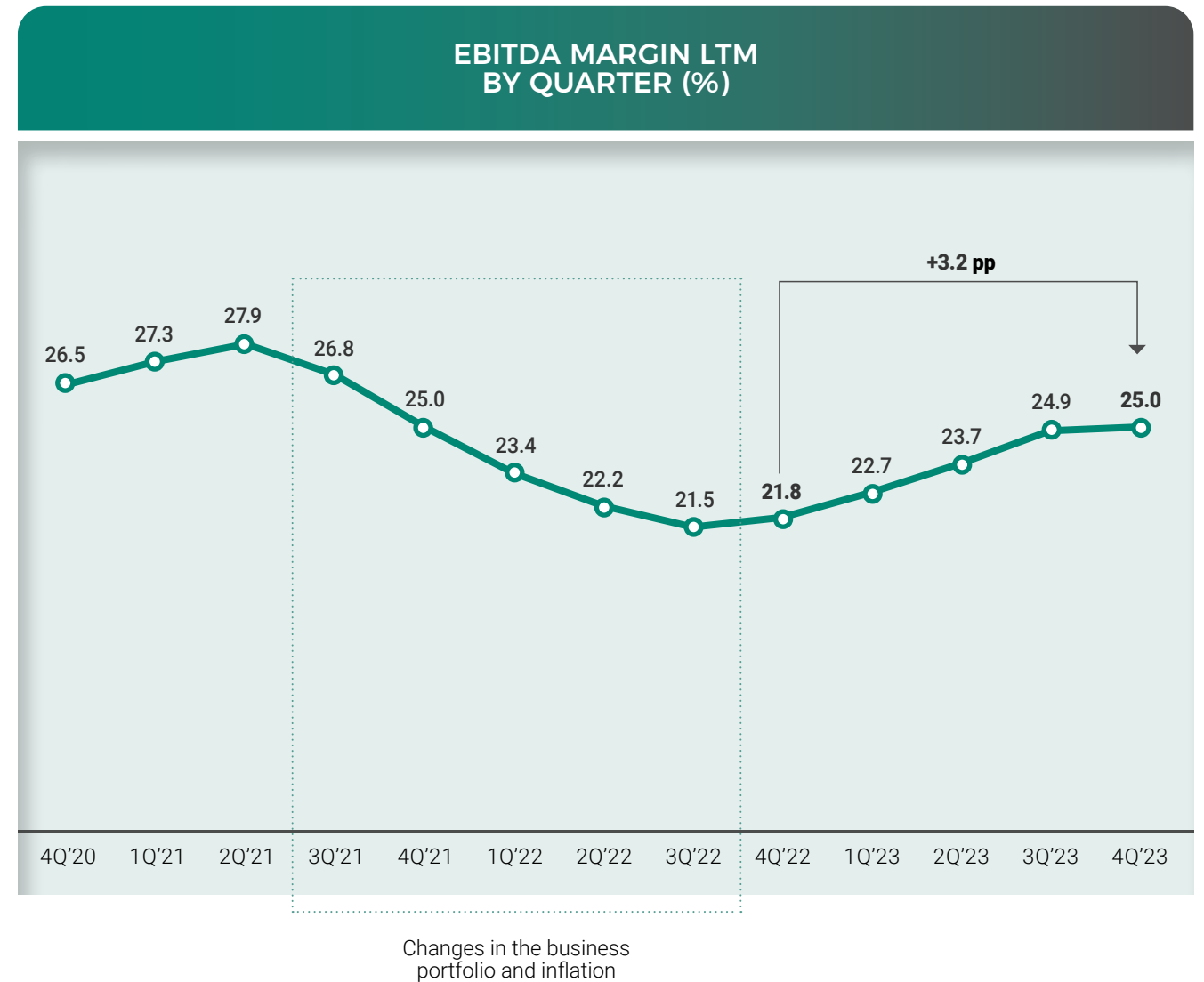
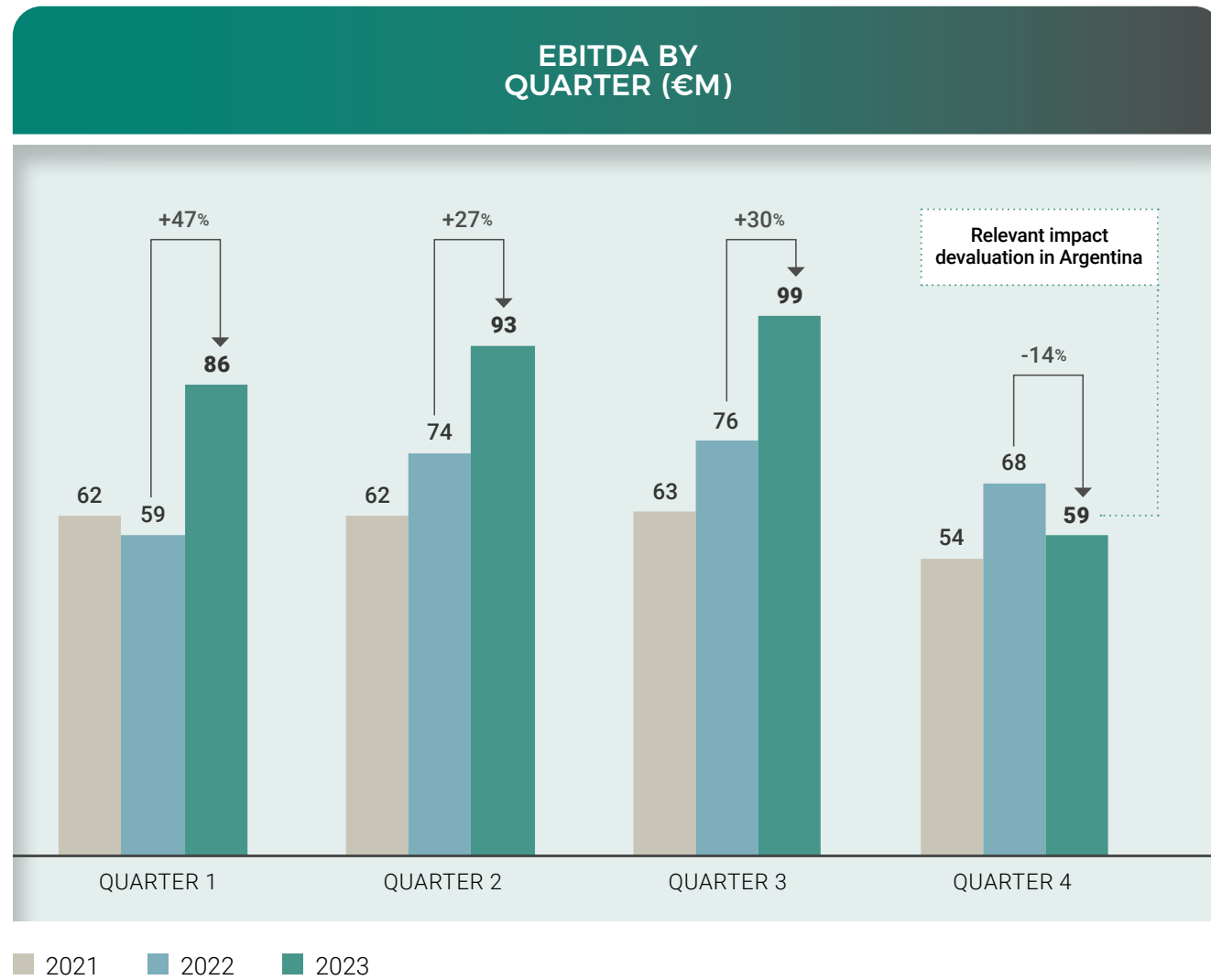
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Net profit reached €151 million, 35% more than in the previous year, with the outstanding profit in Mexico. This increase is due to the strong rise in operating profit as well as the base effect of the comparison with the previous year. It should be noted that 2022 was negatively affected by the economic slowdown, strong cost inflation and supply chain tensions. Earnings per share grew by 35% to €2.29 per share.

4.1.2. Business development broken down by regions (proportional basis)

Sales and the EBITDA in 2023 increased by 34% and 56% respectively on a like-for-like basis (eliminating exchange rate, hyperinflation and perimeter effects).

MILLION EURO	SALES				EBITDA			
	2023	2022	%VAR.	%LFL ¹	2023	2022	%VAR.	%LFL ¹
EUROPE	581	519	12%	11%	102	71	43%	43%
MEXICO	347	261	33%	21%	156	103	52%	39%
SOUTH AMERICA	279	353	-21%	83%	76	92	-18%	97%
ASIA AND NORTH AFRICA	142	135	5%	17%	36	32	11%	31%
CORPORATE AND OTHERS	-	-	-	-	-23	-17	-	-
NON-RECURRING	-	-	-	-	-9	-4	-	-
TOTAL	1,349	1,268	6%	34%	338	277	22%	56%

¹ Like-for-like: constant exchange rates, no hyperinflation effect in Argentina and Turkey and an identical consolidation perimeter.

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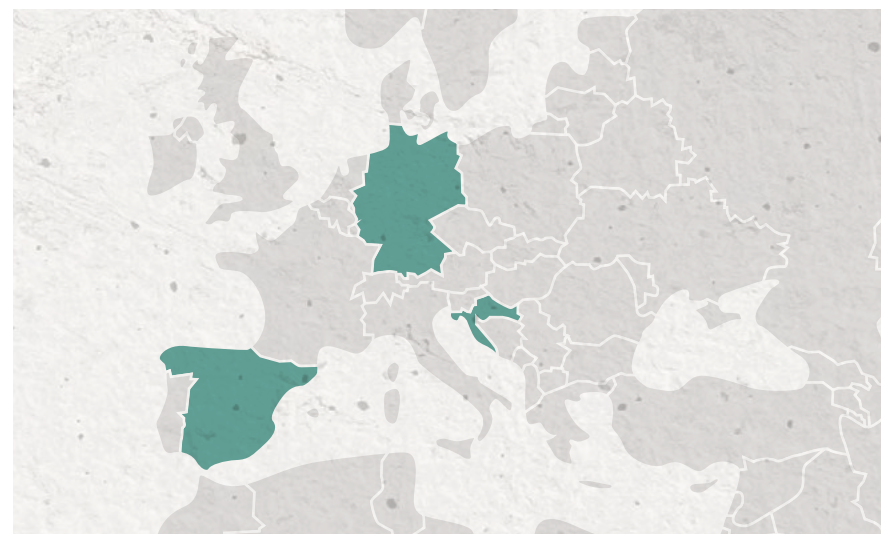
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■ EUROPE



The Eurozone economy remains weak and ended the year stagnant. According to the European Union’s statistical office, Eurostat, GDP in the last quarter was 0%, thus continuing the situation of economic stagnation that has been seen throughout 2023 in which it has bordered on technical recession, with annual growth of barely 0.5%, a result that is mainly due to the inertia of the end of 2022.

The latest data indicate that manufacturing output has continued to fall. Moreover, weak external demand and tighter financing conditions are increasingly weighing on investment and consumption. This is mainly because the weakening of industrial activity is spreading to other industries. At the same time, the momentum of the effects of the reopening is fading and the impact of rising interest rates is broadening.

The German situation also partly explains why the European economy is at a standstill. The continent’s leading economy is suffering, on the one hand, from the change in its energy model, and on the other, China no longer matters as much as it did because of geopolitical tensions and because the Asian giant’s own economic model is also affected,

The year-on-year inflation rate in the Eurozone accelerated in December to 2.9%, according to Eurostat’s flash estimate. Among the Eurozone countries, the largest year-on-year price increases were observed in Slovakia (6.6%), Austria (5.7%) and Croatia (5.4%), while the smallest increases were observed in Belgium and Italy (0.5% each) and Latvia (0.9%). For their part, the two large economies have suffered from the effects of inflation: Germany closed 2023 with the second highest inflation since reunification and France with an increase of 4.9%.

With regard to the exchange rate, the euro appreciated by 7% against the dollar over the course of the year. Euro/dollar volatility was marked by expectations of weak European growth and declining US inflation. On the other hand, the Euribor benchmark rate started 2023 at 3.30%, but over the course of the year accumulated a rise of up to 100 base points. It reached its highest level in September at 4.3% and ended the year at 3.68%.

In **Spain**, information from the National Statistics Institute (INE) indicates GDP growth of 2.5% in 2023 (5.8% in 2022). Domestic demand contributed 1.7 points to GDP growth (1.2 points lower than in the previous year), while foreign demand contributed 0.8 points (2.1 points lower than in 2022). In the fourth quarter, growth was 0.6%, two tenths of a percentage point higher than in the previous quarter. This was better than expected and is explained by the contribution of domestic demand. This growth places Spain as the leader in economic growth in the Eurozone, but at the same time GDP per capita is stagnating, maintaining a gap of more than 15% with respect to the average per capita income of the Eurozone countries. Catalonia’s GDP will grow by 2.6% in 2023 (5.5% in 2022). This means returning to more normalised levels, as the indicator grew by almost half in 2022 and at rates similar to those before the ‘Covid period’, around 3%.

According to the INE, Spain ended the year with inflation at 3.1% compared with 5.7% in 2022. This was the lowest rate since August, mainly attributed to lower fuel prices and a slowdown in food and non-alcoholic beverages and electricity inflation.

The underlying rate (general index excluding unprocessed food and energy products) declined gradually during the year and ended at 3.8% (in 2022 it was 7.0%), marking the lowest level since March 2022.

In **Croatia**, the World Bank estimates that GDP growth in 2023 will have reached 2.5% as mentioned in the most recent edition of the World Economic Outlook. This is slightly lower than the rate recorded in the third quarter, which was 2.8% year-on-year. GDP growth decelerated during the first half of the year following the increase in energy prices, although this was subsequently offset by growth in the tourism sector following another favourable tourist season. According to the Croatian Statistical Office (DZS), inflation in 2023 was 4.5% (average inflation 8.0%). The largest increases were recorded in restaurants and hotels, food and beverages, clothing and footwear, and health care.

In January 2023, Croatia became the 20th member of the Eurozone and the 27th member of the Schengen area. This accession mitigates currency risks, and together with the disbursement of EU funds, provides a boost to trade, exports and investment.

According to Oficemen, the Spanish cement manufacturers’ association, annual Portland cement consumption in Spain decreased by 2.9% in 2023 compared with the previous year, with a volume of 14.5 million tonnes. This negative market development is due to a number of factors, such as inflation and political and business uncertainty. The sum of these factors has led to a decrease in the execution of public works, while private initiative maintains the main value of consumption. With regard to Catalonia, according to Ciment Català, the Catalan cement manufacturers’ association, cement consumption in 2023 fell by 9.0%, with a volume of 2.1 million tonnes. The main reason for this is the lack of investment in infrastructure by public administration agencies.

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In the case of the concrete market in Spain, according to the Spanish National Association of Ready Mixed Concrete Manufacturers (ANEFHOP), production in the first nine months of the year grew by 2.5% compared with the same period the previous year. However, performance has been uneven across communities. The market in Catalonia grew slightly, with a variation of around 0.5%. This is due to a slowdown in residential housing projects offset by increased small construction activity resulting from the electoral processes in the year and the implementation of special projects.

As for special mortars, activity in Spain continues to decline. According to data from the Ministry of Transport, Mobility and Urban Agenda, the number of renovation and refurbishment permits accumulated up to November 2023 decreased by 5.0% compared with the same period of the previous year. There is also a decline in new construction and building renovation with little impact of EU funding.

In the case of precast concrete in Spain, according to the National Association of the Precast Concrete Industry, between January and November the number of construction projects with this type of construction solution fell by 9% compared with the same period the previous year, although with different behaviour depending on the subsector. Civil works related to road transport remain stable: specific infrastructure projects were carried out during the year, although activity remains in the low range in which it has been moving for years. This is not the case for rail transport-related projects, which saw increased activity in 2023. Industrial building works had a more active start to the year, but subsequently slowed down due to the municipal and general elections. This delayed the obtaining of building permits and led to a slowdown in activity during the last quarter of the year. On the other hand, precast works in residential construction continue to grow.

Sales in Europe reached €581 million, up 12% compared with 2022, with an increase in all businesses and a positive impact on both volume and prices. Of particular note is the development of the precast and concrete businesses, the latter partly due to the consolidation of the concrete and aggregates business acquired at the end of the first quarter of 2022. On a comparable basis, sales in Europe increased by 11%.

Portland cement activity was based on the growth of sales in Catalonia and on the increase in clinker exports. Concrete saw increased activity driven by supply to major construction sites and the consolidation of the new plants acquired in 2022. Furthermore, precast concrete activity has more than doubled following the successful consolidation of Pretersa-Prenavis's building business and the growth in the execution of works in the civil engineering, residential and rail industries. Moreover, it is worth highlighting the growth of sales in businesses with higher future growth forecasts, such as special mortars and thermal insulation systems. Calcium aluminate cement sales have been affected by the global slowdown and lower activity in Europe, especially in Central European customers. In the case of urban items and architectural concrete, sales in 2023 increased mainly due to sales growth in Spain and Italy.

The recurring EBITDA in Europe stood at €102 million, an increase of 43% with respect to the previous year. The improvement in results was based on the increase in activity, the management of sales prices, and the correction of fuel and energy prices, together with the contribution of operational efficiency plans to mitigate the strong cost inflation that began last year. The recurring EBITDA margin in Europe was 18%.



*Works in the port of
Tarragona (Spain)*

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■ MEXICO



Mexico's Gross Domestic Product (GDP), according to the National Institute of Statistics and Geography (INEGI), recorded a growth of 3.4% in 2023 (3.0% in 2022). At the beginning of 2023, the outlook for Mexico was not encouraging and it was thought that it might suffer from the poor start of the US economy. However, since the first months, it has diverged from forecasts thanks to several factors: on the one hand, the good performance of the domestic market, with consumption that has remained resilient thanks to gains in real wages, employment and the lower household savings rate. This has been coupled with the increase in investment favoured by public construction and the acceleration of the government's flagship projects, as well as the rapid growth of investment in imported machinery and equipment in the face of nearshoring expectations. However, economic activity slowed down in the fourth quarter with a 0.1% change in GDP due to a slowdown in external demand and lower growth in public construction.

Inflation was on a downward trend for much of the year and, despite a rebound in the last quarter, closed 2023 with an annual inflation rate of 4.7%, down from 7.2% in December 2022 but above the target set by the Bank of Mexico. While it is true that during its last monetary policy meetings in 2023

the Central Bank did not increase its interest rate and kept it at the historical high of 11.25%, price indices showed that it was too soon to think about a rate cut.

Throughout the year, the dollar was highly volatile and the Mexican peso was the emerging market currency that strengthened the most against the dollar. This is due to the interest rate differential vis-à-vis the US, fiscal soundness, and the expectation of low current account deficits in the short to medium term. The dollar was sold at the close of 2023 below 17 pesos (quoted at 16.89 pesos), representing an appreciation of 13% over the previous year. In addition, remittances to Mexico grew by 7.6% in 2023, reaching USD 63.313 billion. This marks a 10-year upward trend.

During 2023, the development of the construction sector in Mexico had two main levers, the federal government's infrastructure works and nearshoring. Cement consumption from January to November, according to INEGI data, increased slightly by 0.5% compared with 2022.

Sales in 2023 reached €347 million (proportionate consolidation). This figure represents an increase of 33% over 2022, with a positive impact from the appreciation of the Mexican peso. In comparable exchange rate terms, the increase in sales was 21%, mainly due to the improvement in selling price and, to a lesser extent, volume.

Recurring EBITDA increased by 52% to €156 million (proportionate consolidation), and on a like-for-like basis at constant exchange rates, the profit increased by 39%. This is explained by the improvement of the selling price to mitigate inflation, the correction of energy and fuel costs, and the positive contribution of efficiency plans. The recurring EBITDA margin in Mexico was 45%.



Cerritos factory
(Mexico)

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In **Argentina**, the GDP forecast in 2023 is determined by a combination of domestic factors such as recession, high inflation, fiscal restraint and political pressures, as well as external factors including drought, global economic shocks and energy prices. These factors collectively contribute to the 2.5% economic contraction projected by the International Monetary Fund and the World Bank for 2023.

The figure forecast by the National Institute of Statistics and Censuses (INDEC) indicates an annual inflation rate of 211% (95% in 2022). By the end of 2023, the devaluation reached 356%, with two strong impacts: the first in August after the primary, open, simultaneous and compulsory elections, also called PASO (27% devaluation), and the second in December after the inauguration of the new president Milei (124% devaluation). The exchange rate at the end of December was 808.45 peso/dollar (177.16 in December 2022).

Argentina's new president has launched a radical economic policy approach to address the country's macroeconomic challenges. His measures include an aggressive devaluation of the peso, the repeal of price controls and the consolidation of ministries to reduce public spending. He has also proposed the

privatisation of state-owned enterprises and changes to housing rental and land ownership laws to allow foreign investment. Furthermore, there is talk of the "dollarisation" of the country's economy. However, the policies have been met with protests and scepticism, with concerns that they are not enough to tackle hyperinflation and could lead to further economic chaos.

In 2023, **Colombia**'s main macroeconomic indicators point to a period of challenges and adjustments. The country's economic growth is projected at 0.9% for the year, with activity decelerating throughout the year due to a strong moderation in domestic demand (7.5% in 2022) according to the Central Bank of Colombia. Inflation in Colombia has behaved differently from other countries in the region. It reached its inflationary peak later and is therefore lagging behind in the reduction phase of this indicator and recorded an annual change of 9.3% (13.1% in 2022, the highest in 25 years). These figures reflect the country's economic environment, which is navigating the global economic slowdown, inflationary pressures and efforts to maintain fiscal stability.

The exchange rate responded positively to greater external and internal volatility, ending the year with a 22% appreciation of the Colombian peso against the US dollar (3,868.60 COP/USD). Furthermore, the IBR banking benchmark started 2023 at around 11.3% and accumulated, over the year, a rise of up to 12.3%.

In **Uruguay**, World Bank and Central Bank of Uruguay projections indicate GDP growth of 1% in 2023 (5.5% in 2022). This is due to the boost in private consumption from the recovery in wages and exports in the service industry, with activity in the service sector picking up during the year. On the other hand, the severe drought that affected the country between the fourth quarter of 2022 and the second quarter of 2023 has had a negative impact. However, cumulative inflation at the end of the year stood at 6.1% (8.3% in December 2022), according to the National Institute of Statistics of Uruguay (INE).



Factory in Colombia

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In **Bolivia**, the IMF maintains a 1.8% growth forecast for 2023, while the World Bank projects 1.9% (3.5% in 2022). Cumulative inflation to December was 2.1% (3.1% in 2022). The official exchange rate has been fixed since 2011 (6.96 peso/dollar), although the country suffered a shortage of dollars in 2023, consolidating a parallel market (up to 7.80 peso/dollar). The government attributes the phenomenon to a speculative campaign in the financial system. Faced with this shortage, the Bolivian Central Bank increased the bank commission for transfers abroad to 11% and restricted the withdrawal of dollars by the population. The shortage of dollars has led to higher import prices, as well as a credit crunch and a decline in investment.

In South America, there has been a generalised slowdown in cement markets. In Argentina, according to the Association of Portland Cement Manufacturers (AFCP), cement consumption decreased by 3% compared with 2022, to 12.5 million tonnes. Public works pushed bulk sales and there was a limitation of access to the purchase of dollars that boosted private projects, in a market that recorded a worse performance in the second half of the year and in a situation of great uncertainty due to the change of government. In Colombia, according to the National Administrative Department of Statistics (DANE), cement consumption in 2023 fell by 5%, with data up as far as November, to 11.8 million tonnes. This is explained by the lower activity in residential construction by construction companies, as a result of a decrease in demand in the face of high inflation and higher financing costs. In Uruguay there has been a decrease in cement consumption of around 3%. Initially, a higher fall was estimated due to the completion of the UPM paper mill, the country's main project, at the beginning of 2023. However, activity has increased, supported by public infrastructure works. By contrast, in Bolivia, which is our only market in South America that has grown, cement consumption from January to November increased by 5%, according to the National Institute of Statistics (INE). All this

in a better political framework than 2022, which was affected by civic strikes and road blockades.

Sales in South America in 2023 amounted to €279 million (proportionate consolidation). This is a decrease of 21% compared with 2022. Increases in sales were recorded in all countries except Argentina, in this case due to the strong currency devaluation and the hyperinflation adjustment according to IAS 29 (total negative impact of €367 million). On a like-for-like exchange rate and hyperinflation-adjusted basis, the increase in South America is 83% with sales growth in all countries. In Argentina, price management has been key to offset the strong monthly inflation throughout the year, which has led to a 120% increase in like-for-like sales. In Colombia, comparable sales increased by 16% despite the market contraction, with the concrete business gradually developing. Comparable sales in Uruguay grew by 3%, in line with increased market activity, and higher supplies to infrastructure works. In Bolivia, like-for-like sales grew by 12% due to the increase in activity, especially because of the greater commercial presence in more remote provinces.

In South America, recurring EBITDA declined by 18% to €76 million (proportionate consolidation), with a relevant effect of the devaluation of the Argentine peso and the hyperinflation adjustment of Argentina under IAS 29 (total negative impact of €103 million). However, on a like-for-like basis at constant exchange rates and without any adjustment for hyperinflation in Argentina, recurring EBITDA increased by 97% with growth in profits in all countries. The recurring EBITDA margin in South America was 27%. In Argentina, as mentioned in the previous paragraph, price and cost management, together with efficiency measures, played a key role in mitigating the strong monthly inflation in an environment of lower cement activity, which led to a 134% increase in profit on a like-for-like basis. In Colombia, recurring EBITDA increased 20% on a like-for-like basis due to price management to mitigate inflation, the positive impact of efficiency plans,

and a slight increase in volume. In Uruguay, on a like-for-like basis, the EBITDA increased by 35%. This is mainly due to cost efficiencies as a result of the unification of the industrial activity and the investments made in the Minas plant. Recurring EBITDA in Bolivia increased by 5% on a like-for-like basis, supported by increased activity and the positive impact of the efficiency plans.



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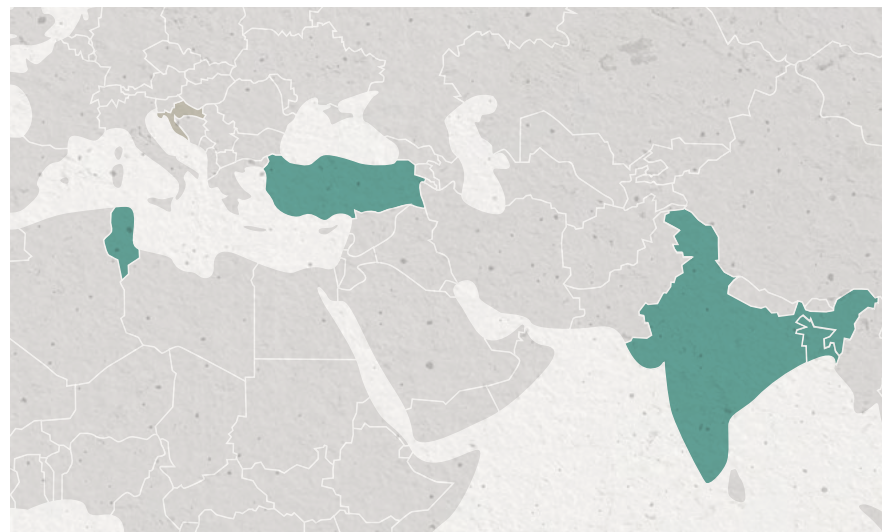
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■ NORTH AFRICA AND ASIA



Bangladesh faces a number of economic challenges, with a significant import-export mismatch that has aggravated its current account and overall balance of payments problems. The direct impact of fiscal deficits, partly attributed to lower exports and higher import bills, added stress to the economic situation in 2023. The International Monetary Fund expects the economy to grow by around 6% in 2023 (7% in 2022), amid rising import prices and declining remittances from abroad. Despite impressive growth rates, Bangladesh faces the challenge of low export diversification due to its heavy dependence on the textile sector. The annual inflation rate stood at 9% in 2023 (6.2% in 2022) according to the Bangladesh Bureau of Statistics (BBS). The Bangladeshi Taka depreciated by only 5 per cent against the dollar, despite a fall in foreign exchange reserves from \$39 billion to less than \$32 billion in six months. To safeguard the dwindling reserves, the government implemented measures to halt all non-essential imports and limit the supply of dollars.

Tunisia is in the midst of a major economic and financial crisis, while negotiations with the International Monetary Fund (IMF) have stalled. Economic recovery slowed in the first half of 2023, as the country continued to grapple with persistent drought, external financing problems, the growing accumulation of domestic debt of major utilities and regulatory hurdles, according to the World Bank. Gross Domestic Product growth forecast is estimated at 1.3% in 2023 (2.5% in 2022). Inflation has stabilised at a high level of around 9.4%. Exchange rates remain relatively stable, with 3.39 for the euro and 3.07 for the dollar at end-December 2023 (3.31 for the euro and 3.11 for the dollar at end-December 2022).

In this regard, cement consumption in Tunisia fell by around 7% due to the negative impact of the economic slowdown, the decline in public investment and fiscal pressures on the construction industry. In Bangladesh, cement consumption grew slightly, at around 1%, at a lower rate than in previous years, due to the country's economic situation.

Total sales in North Africa and Asia amounted to €142 million (proportional consolidation), 5% more than in 2022. In comparable exchange rate terms, the increase stands at 17%. In Bangladesh, like-for-like sales increased by 21% due to the positive impact of sales price management to mitigate cost inflation, and the development of the aggregates business. Like-for-like sales in Tunisia increased by 13% supported by several factors: the increase of selling prices in the local and export market - to mitigate part of the cost inflation -; the optimisation of the customer portfolio in white cement, and the higher sales volume.

Recurring EBITDA was €36 million (proportionate consolidation), an increase of 11% compared with 2022. On a comparable exchange rate basis, the EBITDA improvement is 31% with a strong increase in Tunisia's results. The recurring EBITDA margin in North Africa and Asia was 25%. Tunisia's recurring EBITDA on a like-for-like basis increased 72%, due to the positive impact of

efficiency plans, price management, and the correction of energy costs, together with the increase in sales volume. In Bangladesh, comparable recurring EBITDA increased by 12% mainly due to the development of the aggregates business, the positive impact of efficiency plans, and higher cement activity.



Feriana factory
(Tunisia)

4.1.3. | Non-recurring expenses and income

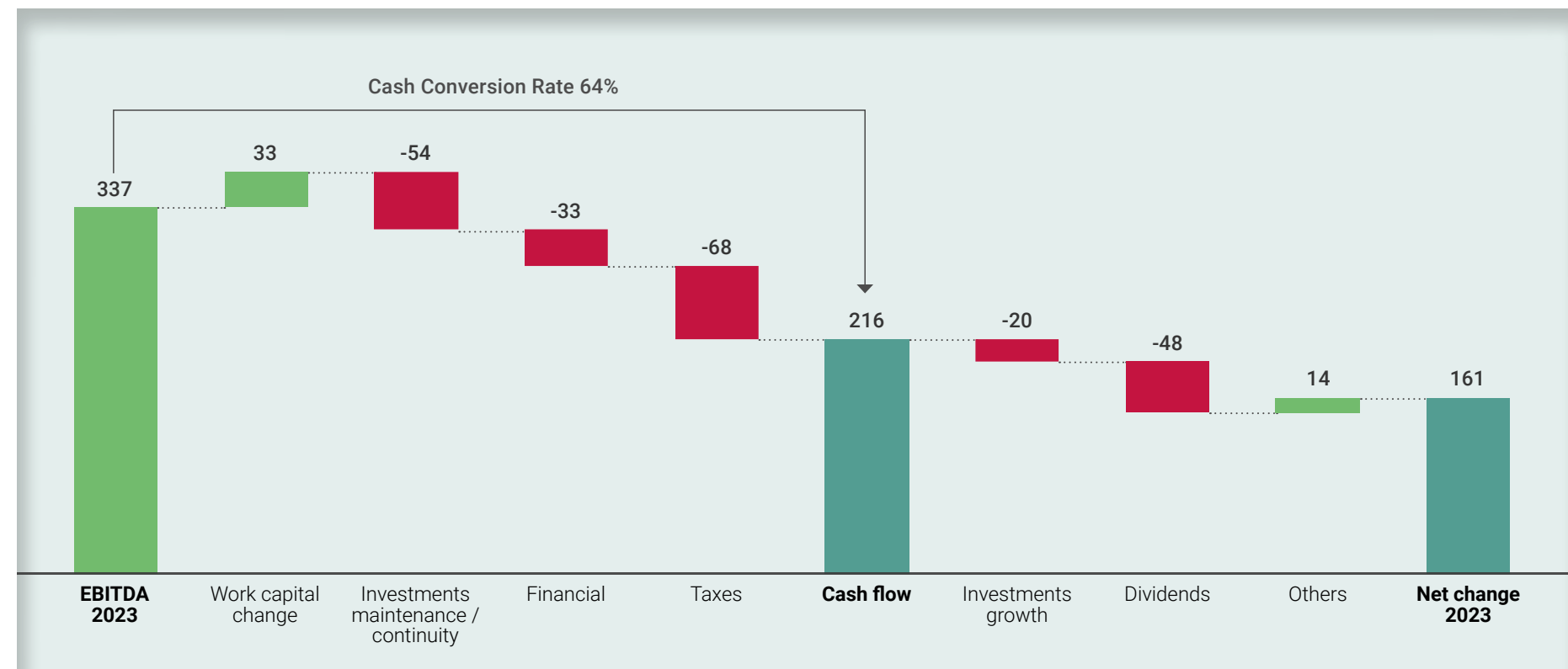
Non-recurring expenses and income had a negative impact of €9 million in 2023 and were mainly related to exceptional litigation, restructuring plans, and exceptional inventory impairments (non-recurring expenses in 2022 were €4 million).



4.1.4. | Net financial debt

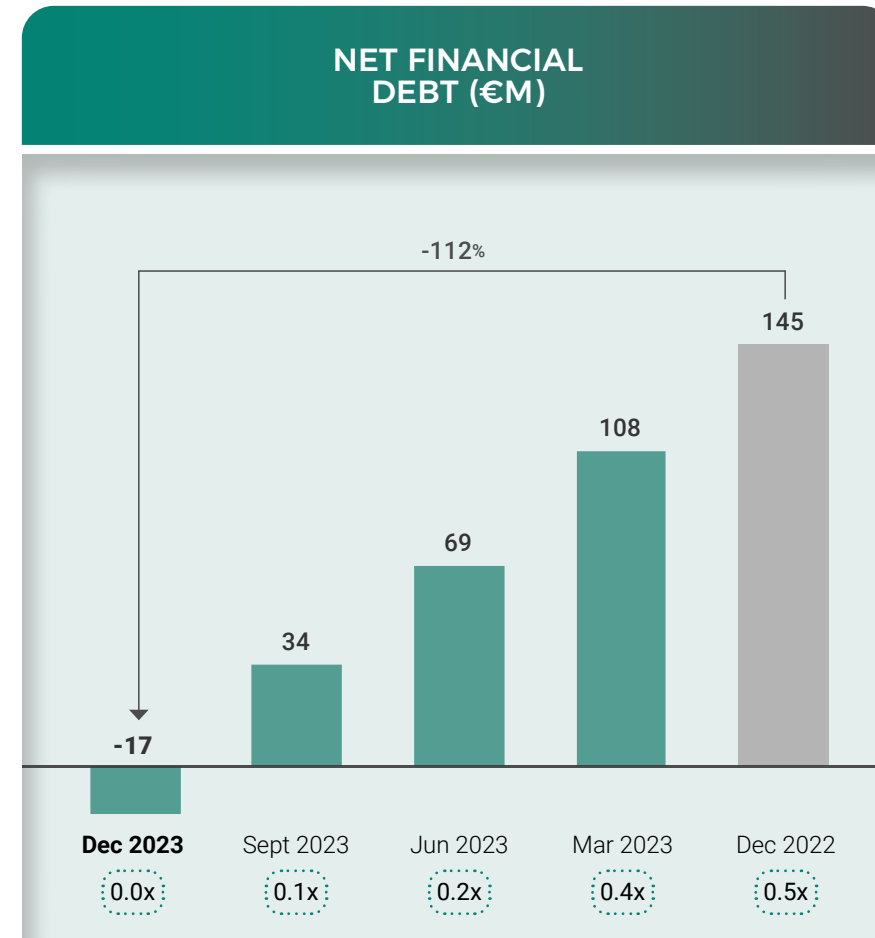
Once again, 2023 was a year of strong liquidity generation with a cash-conversion-rate above 60%, reaching a free cash flow of €215 million, an increase of 52% with respect to 2022. This was due to the higher result (EBITDA of €337 million) and the improvement in working capital from operating and financial efficiency, which decreased by €33 million (in 2022 it had a negative impact of €11 million). This achievement has strengthened the continuity investments, focused on sustainability and efficiency investments, which have increased by 38%, amounting to €54 million (€39 million in 2022). There has also been a higher payment of financial expenses mainly due to the increase of reference rates of the financing amounting to €33 million (€17 million in 2022), while the payment of corporate taxes amounts to €68 million.

Furthermore, growth investment payments amounted to €20 million (€55 million in 2022). Dividends of €48 million (€39 million in 2022) were paid. The impact of other items was positive for €14 million (mainly including collections and payments for changes in treasury shares, the exchange rate effect on the opening balance of net financial debt, changes in finance leases as per IFRS 16, and translation costs through CCL in Argentina). As a result, net financial debt decreased by €161 million. As a result, net financial debt decreased by 112% ending with a net cash balance of €17 million.

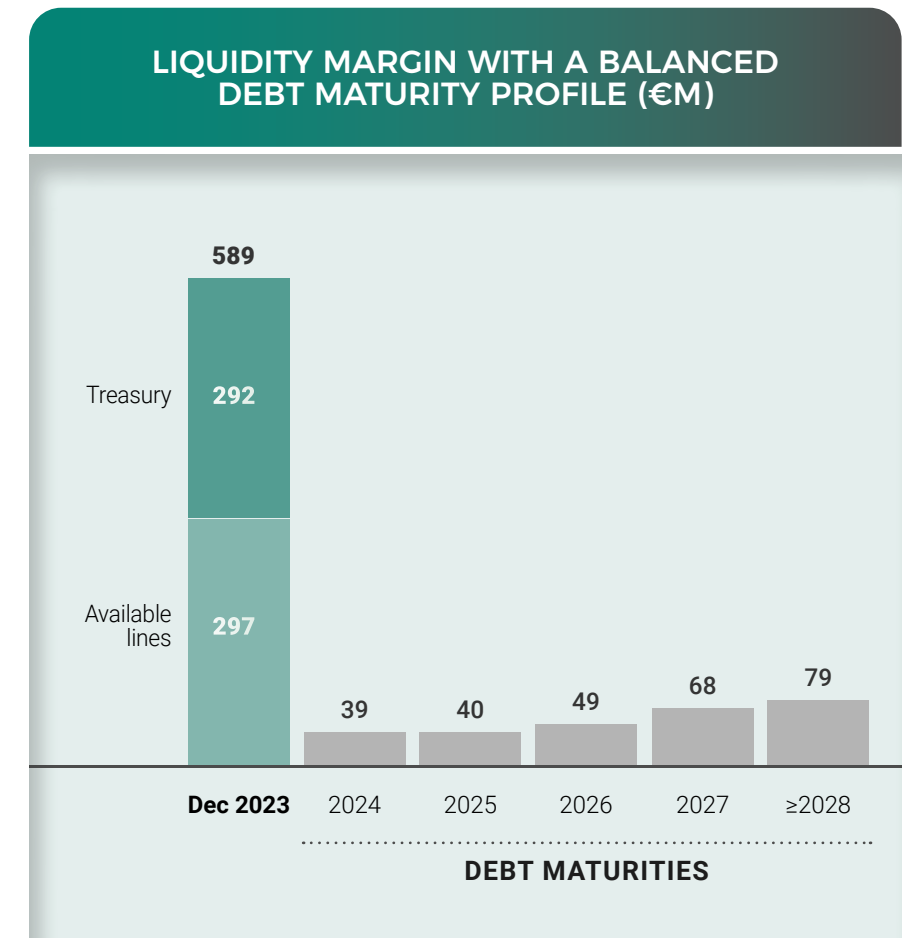


As at 31 December 2023, 65% of the debt was denominated in euros and 50% of the cash was denominated in dollars and euros. Furthermore, the company had financing lines amounting to €577 million. Of these, 52% were undrawn as of 31 December 2023, and 54% have a maturity from 2028 (as of 31 December 2022, 62% of the lines had a maturity from 2026). The improvement in the debt maturity profile is mainly due to the second novation of the sustainable syndicated financing, which has extended its maturity date by two years to 2028, with all other terms and conditions remaining unchanged. This financing, which was the first sustainable syndicated financing of a company in the building materials and solutions industry in Europe, continues to be linked to sustainability objectives. Specifically, to the reduction of carbon emissions, one of the main actions of the company's sustainability roadmap.

This strong financial position is a major lever for the implementation of new growth opportunities and the investments of the 2030 sustainability roadmap.



..... NFD/EBITDA

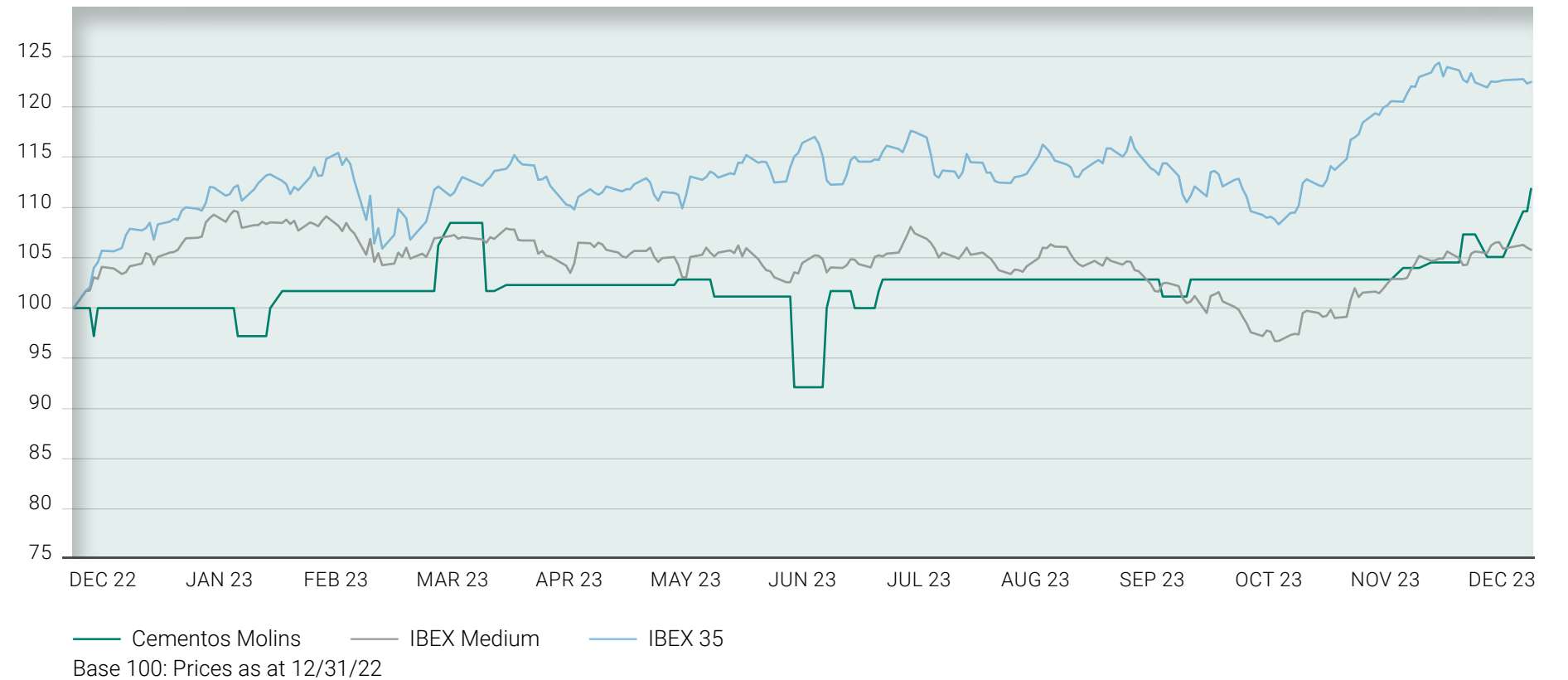


Solar park in San Luis (Argentina)

4.1.5. Evolution of shares

Cementos Molins has been listed on the Barcelona market since 1942. The Company closed the 2023 financial year with a capitalisation of €1.296 billion. The share price increased by 12% in 2023 and closed the year at €19.60. During the year, a total volume of 126,000 securities was traded for a total amount of €2,255,000.

	2023	2022
INITIAL PRICE	17.50	18.30
■ Annual high	19.60	19.00
■ Annual low	16.10	14.90
CLOSING PRICE	19.60	17.50



Own share transactions are detailed in note 16.e of the consolidated annual accounts.



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4.1.6. | Investor relations

Attracting investors and maintaining their confidence is important for the company's growth strategy. Cementos Molins therefore publishes all the information required to ascertain the financial status of the company and the performance indicators that any investor needs to know on its corporate website. In particular, on our website one can find everything related to the Shareholders Meeting, its proceedings and primary decisions, an evolutionary analysis of the share on the stock market with values updated in real time, a summary of the dividends distributed in recent years, an external coverage analysis and all documents related to the financial statements and disclosure of periodic consolidated profits/losses.

With a view to improving shareholder remuneration, and in accordance with the dividend policy¹, the General Shareholders Meeting, at the proposal of the Board of Directors, approved the distribution in July 2023 of a supplementary dividend for the financial year 2022 of €0.35 per share. The Board of Directors also approved the distribution in December 2023 of an interim dividend of €0.40 per share against profit for 2023. It was also approved to propose to the General Meeting of Shareholders the distribution of a final dividend of €0.52 per share in July 2024. With this, the total dividend for 2023 reaches €0.92 per share, 35% higher than in 2022, equivalent to a dividend pay-out of 40% and a dividend yield of 4.7%, based on the 2023 closing price.

¹ The dividend policy establishes a dividend pay-out of between 30% and 40%, with around half being distributed as an interim dividend in December of the current year and the remainder as a final dividend in July of the following year.

4.1.7. | Foreseeable development of the group

The International Monetary Fund, according to its latest World Economic Outlook, projects the slowdown to continue with moderate global growth of 3.1% in 2024 (1.5% in advanced economies and 4.1% in emerging and developing economies), and headline global inflation falling to 5.8% in 2024, although core inflation is likely to resist a decline. Interest rates are also expected to start declining gradually from the third or fourth quarter onwards.

On the other hand, persistent geopolitical risks with conflicts in Ukraine and the Middle East, and uncertainty stemming from electoral processes in the United States and 40 other countries, mean a high volatility of scenarios.

In this context, the forecasts for the sector for the coming year are for a certain stability, with hardly any growth in activity, although it will be uneven depending on the geographical area. In the case of South America, activity in Argentina is expected to decline due to the combined effect of high inflation, currency devaluation and the decision to halt public works tenders. Despite this backdrop, on an annual basis, we expect to continue to deliver solid results based on our strategy of sustainable and profitable growth.



4.2 PILLAR 2: SUSTAINABILITY

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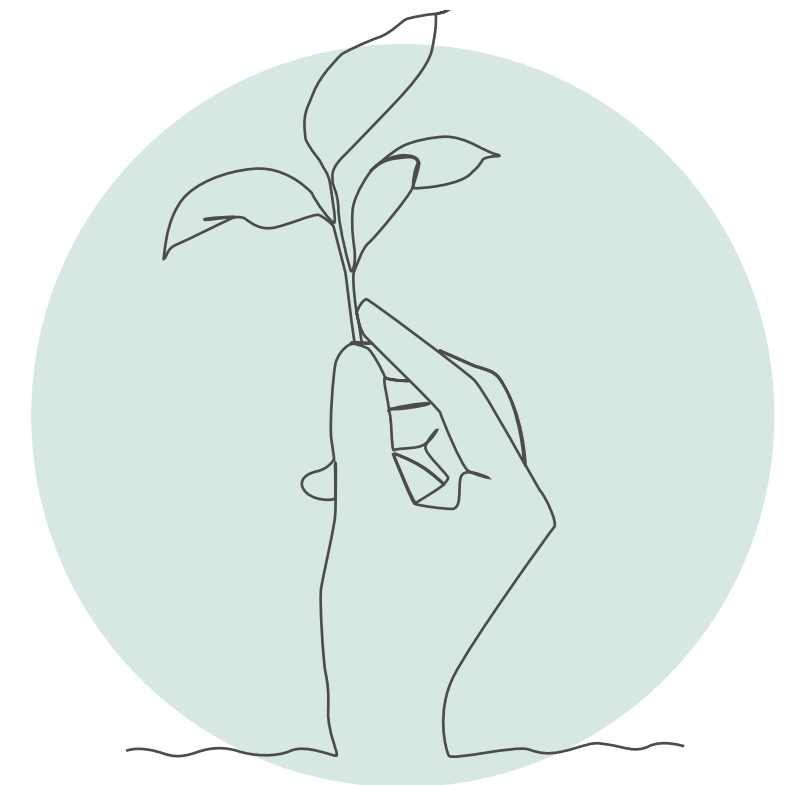


Solar park in San Luis
(Argentina)

Our sustainability policy has clearly defined four basic principles for Cementos Molins in economic, environmental and social terms:

- To secure the company's competitiveness and long-term sustainable economic profitability.
- To minimise the environmental impact of all our companies' and investees' activities.
- To maximise the creation of shared value for the company's stakeholders.
- To foster the development and improvement of quality of the local communities in which we operate and society in general.

The policy sets out the main lines of action, which are supervised and monitored by our governing bodies. They are responsible for implementing appropriate monitoring mechanisms to ensure compliance with the objectives and principles.



4.2.1. | Our Roadmap

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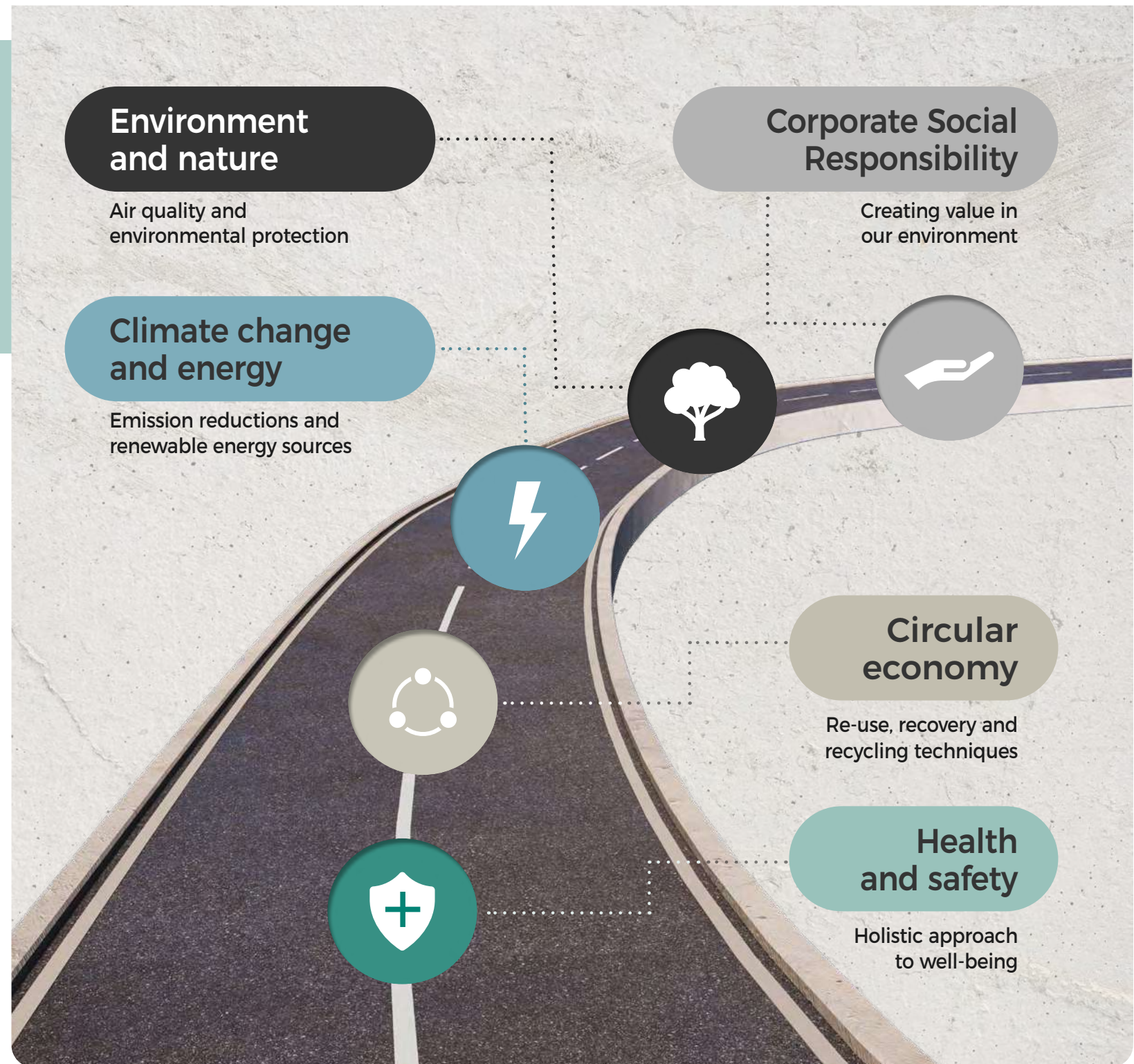
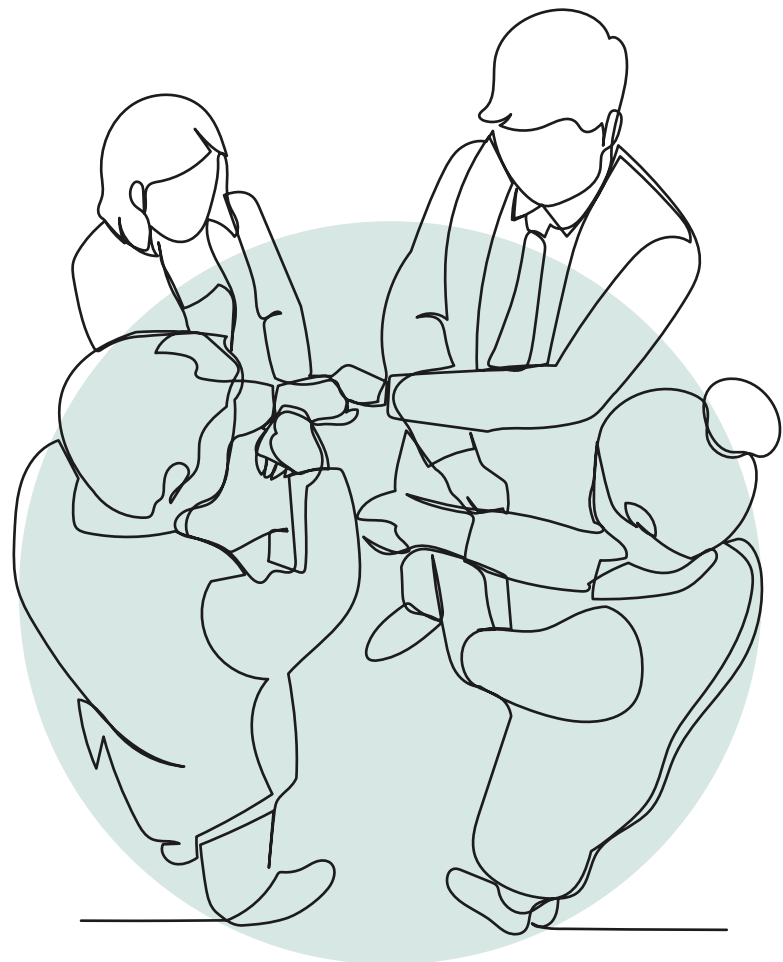
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Sustainability is fully integrated into our business, through all processes and areas of activity and through the awareness of the professionals who make up Cementos Molins. We are convinced that only through the utmost environmental and social awareness will we be able to make progress as a company and as a society.



■ Sustainability Barometer

The definition of the objectives, targets and commitments of the Roadmap is the responsibility of the Board of Directors and the Executive Committee.

The monitoring of our performance in the area of sustainability is measured through the Sustainability Barometer tool, created in 2015. This tool consists of indicators that evaluate the company's progress in environmental matters:

- a. Emissions
- b. Use of alternative fuels
- c. Occupational health and safety
- d. Employee satisfaction

The results allow us to identify margins for improvement, as the indicators are aligned with the long-term objectives set out in the 2030 Roadmap.

At Cementos Molins, the variable remuneration of the management team is contingent upon the achievement of the sustainability goals set in the Barometer for the financial year in measurable terms of sustainability.

SUSTAINABILITY BAROMETER INDICATORS	PROFIT (LOSS) 2023	2023 OBJECTIVES	PROFIT (LOSS) 2022
Accident frequency index	3.46	3.16	3.30
Emissions kg CO ₂ NET/t cementitious tonne	558	555	563
Alternative fuel substitution ratio	10.6%	15.0%	11.0%
Employee Satisfaction Index*	61.8%	59.7%	-

* The Satisfaction Index is measured every 2 years



4.2.2. Health and safety

People's health and safety is a core value in all our activities and is integrated into the company's DNA as a priority lever in our operation.

We have a strategic health and safety framework within which we deploy actions aimed at creating a healthy working environment. We work to prevent accidents and to detect and correct unsafe behaviour through a holistic approach to well-being that encompasses physical, mental and socio-economic aspects.

Through a culture of safety leadership and with a focus on zero accidents, we place the safety and health of the workforce as the first lever of the 2030 Roadmap.



HEALTH AND SAFETY

HOW WILL WE ACHIEVE THIS?

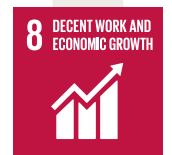
By prioritising health and safety at all levels so that good practices take root in all fields, countries and professionals, reinforcing:

- The culture of leadership in safety
- The identification and correction of unsafe conducts
- The reporting and analysis of all accidents and incidents
- Monitoring of proactive indicators
- The linkage of these objectives to the variable remuneration

OBJECTIVES SET

- Zero accidents

SDGs



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Urban elements: concrete seats integrated in locations of landscape value

■ Occupational risk prevention management system

Our occupational health and safety policy sets forth the principles for creating a safe and healthy environment in all of the company's subsidiaries in order to completely eliminate occupational accidents. To achieve this objective, each of our businesses has designed an Occupational Risk Prevention Management System, as well as a series of protocols with the purpose of eliminating accidents.

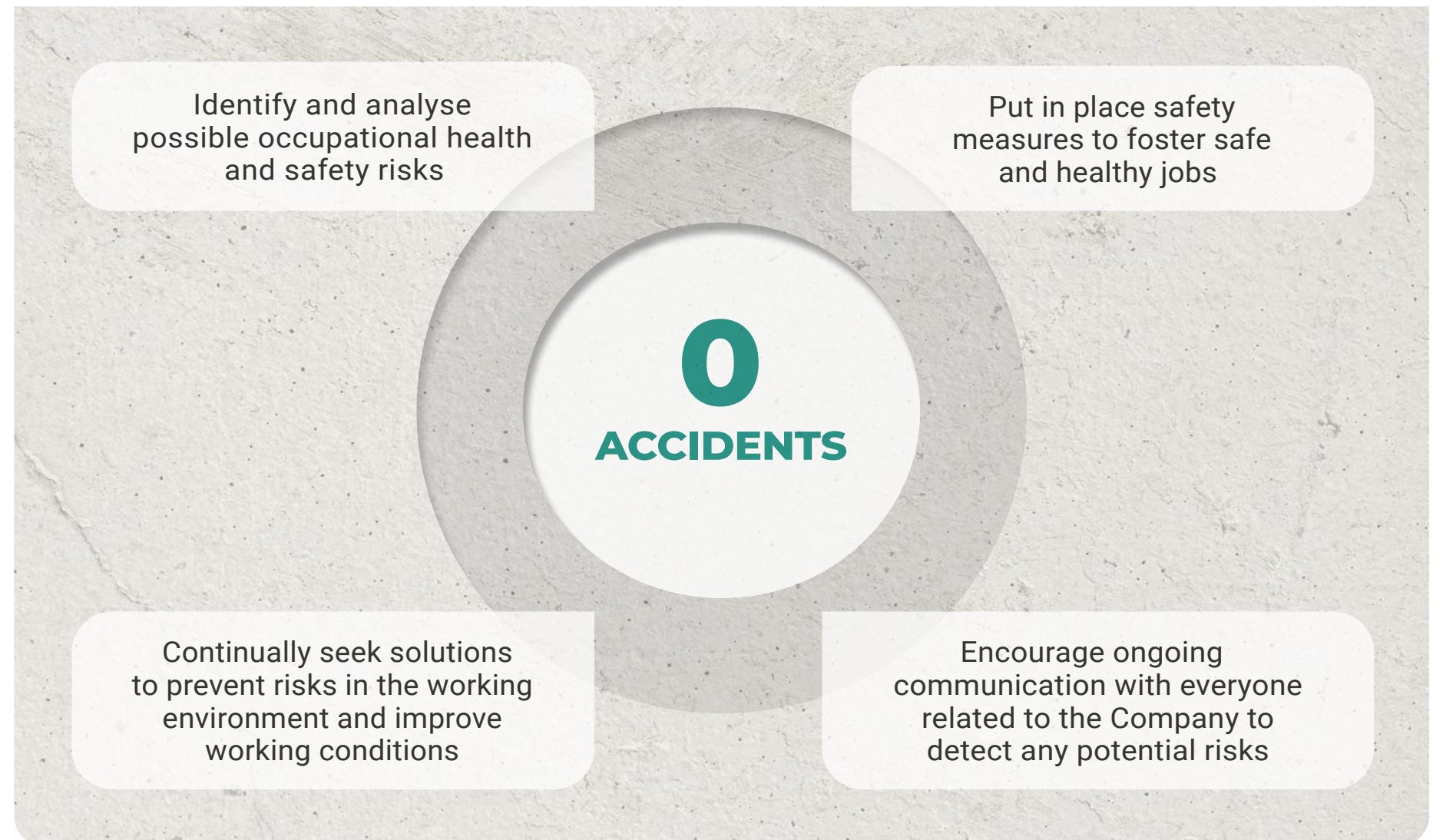
The management systems are periodically audited externally and internally in accordance with the legislation of each country, as well as to obtain and maintain certifications. We have occupational health and safety management systems that meet the ISO 45001 standard in the cement and concrete business in Argentina, Uruguay and Mexico.

Our approach to prevention is directed at all our operations, so this coverage also extends to contractors operating on our premises.

The health and safety teams focus their efforts on training staff on the risks of their jobs, investigating accidents and incidents, developing an annual improvement plan and carrying out internal audits.

The Technical Management and each of the businesses carry out an intense process of detection of unsafe acts, with the aim of improving operational discipline. Monthly meetings are held with the teams to take stock of the most critical safety issues and implement the necessary control measures, as well as to share and exchange best practices to identify new risks and operational solutions.

With a view to meeting the zero accidents target set out in the 2030 Roadmap, the company implements a series of occupational health and safety principles that guide staff to carry out their work safely in order to eliminate accidents and reduce risks.



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■ Safety of contractors and suppliers

Health and safety monitoring extends to the workers of contractors who access our facilities. We ensure that suppliers are qualified according to the necessary safety standards and we establish specific safety clauses in the procurement process.

Anyone who accesses our facilities must comply with the established access requirements and have the personal protective equipment (PPE) required in each case. Employees of service companies and contractors are adequately trained in basic safety rules, risks and consequences, emergency response and the use of personal protective equipment.



■ Health and safety tools

We implement a series of mitigating actions and procedures aimed at identifying potential unsafe acts in order to assess and rectify them:

- a. The management of the business is oriented towards preventing occupational risks through operational discipline. On a monthly basis, the most critical issues are defined in each factory in order to set out a series of habits to be achieved for the following month, which are communicated through specific training sessions.
- b. Through the safety culture transformation project, the development of safety skills and knowledge among supervisors and middle management is enhanced. Through email, the corporate portal and events, a permanent campaign is maintained to create and disseminate best practices, recommendations and updates on health and safety.
- c. Use of specialised equipment, risk prevention assessments for all workers and regular measurements in all factories related to procedures for protection against inhalation of crystalline silica. Thanks to our efforts in this respect, no cases of silicosis have been reported in our factories to date.

- d. Health and safety training is provided on an ongoing basis, as it is crucial to ensure that all workers have the necessary information and skills to understand their risks and take the necessary preventive measures.
- e. The implementation of new safety systems based on artificial intelligence is proving successful in the operation to reduce exposure to risk factors.



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Health promotion

We are committed to providing a healthy environment in all areas, which is why we offer our employees a wide range of health promotion initiatives. To encourage a healthy lifestyle, we promote sport with options for everyone along with solidarity challenges in collaboration with local sports organisations.

Among other projects, specific campaigns to help people quit smoking have been successfully followed by the workers who requested them.

Performance in 2023

During the year, we recorded a total of 99 accidents with loss of days, of which 77 were accidents involving direct employees involving 4801 lost days, and 22 were accidents involving indirect staff.

There were 3 high severity accidents involving direct workers and 2 involving indirect workers. In 2023, we regrettably had two fatalities, one of a direct employee in Spain and the other of an indirect staff member in Tunisia. After conducting the analysis of the cause as part of the investigation process, the conclusion was that both cases were due to operational carelessness. We are introducing new technologies available on the market, thus improving

working conditions and making them safer. In particular, we have increased the physical safety measures for human detection by linking the campaign to the company's digitalisation process.

As part of the accident prevention measures, more than 52,600 hours of health and safety training were delivered to the workforce in 2023. Of these, 60% (31,588 hours) were spent on training operators, the occupational category most at risk of accidents. On the other hand, no occupational diseases were identified either for own staff or for workers in the value chain.

BEST PRACTICE



Promotion of healthy habits and Go well-being:

- a. Sports support programme "from 0 to runner"
- b. Access to online gym
- c. Physiotherapy service
- d. Telemedicine consultations
- e. Smart nutrition programme
- f. Free fruit in the workplace



Urban elements: rest area in Barcelona (Spain)

4.2.3. Climate change and energy

Combating climate change is the key element in our business strategy in line with industry climate targets to provide society with low-carbon building materials. We are committed to climate action by promoting a production model based on efficiency and the use of alternative fuels and the circular economy.

Guided by the targets of achieving 55% of electricity consumption from renewable sources and reducing 20% of Scope 1 and 2 emissions by 2020, we position climate change and energy as the second lever of the 2030 Roadmap.

Due to the nature of our business, the main greenhouse gas emissions are generated in the manufacturing processes, mainly during the calcination of limestone, and from the use of fossil fuels in clinker kilns. Consequently, we are continuously working to implement initiatives to reduce the greenhouse gas emissions associated with these production processes and to reduce the energy consumption required.

We have embarked on the path to carbon neutrality by 2050, which we will only achieve through our determination and involvement with the environment.

CLIMATE CHANGE AND ENERGY

HOW WILL WE ACHIEVE THIS?

Acting on CO₂ emissions throughout the value chain, focusing on:

- Replacing 40% of fossil fuels with alternative fuels
- Achieving maximum energy efficiency
- Generating and procuring renewable electricity
- Replacing clinker in cement

OBJECTIVES SET

- Obtain 55% of electricity consumption from renewable energy sources
- A 20% reduction in CO₂ emissions compared with 2020
- Emission factor < 500 kg net CO₂/t cementitious material

SDGs



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■ Analysis of climate change risks and opportunities

The climate crisis, and the risks inherent in it, are of great concern to stakeholders. For this reason, and with the aim of acting against emerging risk factors, this financial year 2023 we have carried out a detailed analysis of risks and opportunities related to climate change, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which is an internationally recognised framework for the treatment of climate risks from a four-fold perspective of governance, strategy, risk and opportunity management, and metrics and objectives.

In 2023, we conducted an analysis of risks and opportunities related to climate change based on TCFD, CDP's analysis of Climate Change and Water Security

This exercise serves as a key starting point to reinforce and enhance our climate change adaptation strategy, as well as to capitalise on emerging opportunities in our field. Furthermore, it also helps us to identify the possible physical and transition risks to which our activity may be exposed and which may result in financial impacts for Cementos Molins.

GOVERNANCE	STRATEGY	RISK AND OPPORTUNITY MANAGEMENT	METRICS AND TARGETS
<p>The Board of Directors defines and oversees risk management, with the support of the Audit and Compliance Committee, which monitors the effectiveness of the systems.</p> <p>The Management Committee, together with the management of the various business divisions, provides resources for the appropriate management of risks and to generate business opportunities arising from climate change.</p>	<p>The current and potential impacts of climate risks and opportunities are fully integrated into the strategy and business model. It considers mitigation, adaptation, and the company's resilience to possible scenarios.</p> <p>At the heart of the strategy are the new opportunities that allow us to steer the business towards a long-term low-carbon model, thanks to our innovation and efficiency levers.</p>	<p>Climate change impacts are integrated into the risk assessment and management system and we implement appropriate monitoring mechanisms to mitigate them.</p> <p>The various business divisions and corporate departments identify and assess relevant risks. The risk map is regularly monitored by the Board of Directors</p>	<p>Systems for monitoring and measuring key climate change objectives provide real knowledge of potential risks and progress in mitigating them.</p>



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This detailed analysis of climate change risks and opportunities provides us with a comprehensive view of climate-related financial risks, with a particular focus on our businesses and geographies.

By assessing both physical and transitional risks, we have gained a greater understanding of how climate change could affect our operations, supply chains and ultimately our profitability. This knowledge is key to making informed and proactive decisions for our sustainable growth.

However, beyond identifying risks, this exercise has given us the opportunity to analyse new business prospects in the context of a low-carbon economy, particularly relevant to our sector. By understanding these emerging opportunities, we are better prepared to diversify our operations and capitalise on changes in the market, thereby driving long-term sustainable growth.



WE HAVE UNDERTAKEN INITIATIVES TO MITIGATE RISKS AND TAKE ADVANTAGE OF EMERGING OPPORTUNITIES:



- Regular assessment of the applicable regulation.
- Including climate risks in the risk management framework.
- A proactive approach to address climate change contingencies.



- Investment in innovative technologies.
- Development of solutions to mitigate greenhouse gas (GHG) emissions.



- Assessment of physical impacts of climate change.
- Identification of vulnerable areas in operations.
- Implementation of mitigation measures to strengthen resilience.



- Partnership with institutions and associations in the industry.
- Collaboration in the search for more sustainable practices for the cement industry.
- Active participation in collective initiatives to address climate challenges.

BEST PRACTICE



In Argentina, within the alternative fuels programme of the cement and concrete business biomass is an essential element in terms of both quantity and quality. In this respect, a contract has been signed for the supply of dry pelletised biosludge and an investment has been made at the Minas plant to store it. This biosludge is waste from the cellulose manufacturing process and its use will increase the percentage of biomass used by the plant.

In Tunisia, the white cement and Portland cement businesses use olive pomace as a fuel, which provides a clean, renewable energy source that improves the environmental carbon footprint and generates much lower air emissions than fossil fuels.

In Colombia, we have introduced concrete mixer trucks that use gas as fuel, which allows us to reduce CO₂ emissions by up to 50% and also reduce nitrogen oxide pollution.

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■ Energy management

Achieving maximum energy efficiency and generating renewable electricity is one of the main measures to reach the objectives set by the 2030 Roadmap, and is being transferred throughout the entire value chain.

With a view to reducing our indirect greenhouse gas emissions, we are making great efforts to supply ourselves with electricity from renewable sources, both through the purchase of energy from renewable sources on the market and through the promotion of our own renewable energy generation facilities or through PPAs (Power Purchase Agreements) aimed at supplying electricity to production facilities.



Performance in 2023

For the third consecutive year we have participated in the CDP Climate analysis (Carbon Disclosure Project), in which we obtained a B rating.

Our climate change performance shows favourable results, reducing emissions from our cement production year on year. In 2023, net CO₂ emissions from our cement business were 558 kg CO₂ per tonne of cementitious material, a reduction of 1% compared with the previous year.

We continue to work on the reduction of Scope 2 emissions, with total emissions of 562,888 tonnes of CO₂, a decrease of 3.3% compared with 2022.

The ratio of renewable electricity to total electricity consumption now stands at 22.3% with the resulting reduction in associated Scope 2 emissions. With a view to meeting the targets set in our roadmap to reach 55% by 2030, various investments in self-consumption generation projects have already been planned.

BEST PRACTICE



- The San Luis plant in Argentina has a 22 MW photovoltaic farm occupying 49 hectares with great potential for photovoltaic generation thanks to its geographical location and favourable climatic conditions. The farm has 46,800 solar panels that will prevent the emission of 21,000 tonnes of CO₂ into the atmosphere per year.
- The Sant Vicenç dels Horts plant has been awarded the ISO 50001 certification for its energy efficiency system. Thanks to the refurbishment of the office building, energy savings of 68.75% have been achieved compared with the consumption prior to the works. Furthermore, 55 electric vehicle chargers have been installed in the employee car park to encourage the use of sustainable means of transport.
- This year, the purchase of renewable energy at the Sant Vicenç dels Horts plant through PPA agreements accounted for 47% of the plant's total electricity needs. The new annexed corporate facilities have a total surface area of 3,250 m² covered with photovoltaic panels for the building's self-consumption. This new solar plant enables 100% of the building's electricity consumption to be supplied by renewable energy.
- In Mexico, we have developed the CEMOSA Energy Plan, with the aim of optimising the use of thermal and electrical energy in plant operations. This plan implements 10 control rules to properly manage electricity tariffs and optimise combustion consumption in kilns, among others.
- The External Thermal Insulation Composite System (ETICS) manufactured in Spain, improves the energy efficiency of the buildings in which it is installed by acting as cladding around the façade, thus reducing the energy demand.
- In Bolivia, the Federation of Private Businesspeople of Santa Cruz (FEPSC) and the United Nations Development Programme (UNDP) have awarded us the Sustainability Seal for the good practices implemented in terms of energy efficiency in the cement grinding plant in Yacuses. This recognition has made us the first cement manufacturer in the country to receive this important certificate.

4.2.4. Environment and nature

At Cementos Molins we have always been committed to minimising our environmental impact, prioritising the improvement of air quality by monitoring and reducing air pollution and working to preserve and protect biodiversity in the surrounding areas of our operations. With a view to making a positive contribution to the environment and nature, we continuously measure emissions in our factories and draw up plans for the recovery and conservation of biodiversity and efficient water consumption. In this way, we identified environment and nature as our third lever of the 2023 Roadmap.



ENVIRONMENT AND NATURE

HOW WILL WE ACHIEVE THIS?

The minimisation of the environmental impact is achieved by fine-tuning all of the tools focused on:

- Analytical monitoring of alternative fuels.
- Continuous measurement of emissions at the factories and emission reduction techniques.
- Water reduction and efficient consumption plans.
- Recovery and conservation of biodiversity by means of specific reforestation and restoration programmes.

OBJECTIVES SET

- Reduction of channelled emissions of PM (-50%) to 50 gPM/t clinker, NOx (-40%) to 1,400 gNOx/t clinker and SOx (-10%) to 32gSOx/t clinker by 2030
- Have water management and biodiversity programmes at all our sites in sensitive areas

SDGs



Sustainable urban elements that incorporates concrete recycled in Bilbao (Spain)

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2023

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■ Integrated Environmental Management System

With a view to carrying out our corporate objectives, each business division works within the framework of its own environmental management system. In order to minimise potential impacts, we apply the precautionary principle which leads us to implement measures to mitigate and reverse our negative impacts. We carry out continuous monitoring of our environmental objectives, through audits that allow us to know the impact of our activity on the environment. If any are detected, we take action to minimise them across our entire value chain.

Currently 74 facilities have been certified with the ISO 14001 standard. Each year, we make investments in environmental issues that focus on the valorisation of resources, the prevention and control of emissions and/or the restoration of spaces. In 2023 we invested more than €10 million in environmental improvements in facilities and processes.

■ Atmospheric Emissions and Noise

To control atmospheric emissions, the most significant pollutant gas parameters are monitored in cement plants through internal controls and measurements and through accredited entities. 80% of our plants are equipped with continuous meters to constantly monitor the main gases (NOx, SOx and particulates)

With regard to the control of noise and particles from both processes and vehicle traffic, we carry out certain measures to prevent and mitigate the possible effects on the community in terms of dust emissions, noise and vibrations. We monitor and measure at those locations that are likely to generate the greatest impacts. We also switch off outdoor lighting at night to limit the light pollution that can affect certain natural environments.

Performance in 2023

Atmospheric emissions of the main pollutants are 1,270 g/tonne of clinker of nitrogen oxide (NOx), 58 g/tonne clinker of sulphur oxide (SOx) and 47 g/tonne of clinker of suspended particulate matter (PM).

BEST PRACTICE



To control and monitor emissions, in the cement business in Spain at the Sant Vicenç dels Horts factory, we have a continuous emissions measurement system through which the data is transmitted in real time to the Environmental Department of the local Authority to provide absolute transparency. Thanks to this analytical equipment for each gas, the reliability of the results is ensured and conduction in the kiln is optimally monitored. This year the number of continuously measured parameters has been extended to include mercury (Hg) emission.



*Recycling plant in
Barcelona (Spain)*

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■ Responsible water management

Water management is an important issue in both the medium and long term, as it is the most widely used natural resource globally. Being aware of the problems arising from the excessive consumption of water and its availability in some cases, we align ourselves with the most demanding sectoral guidelines to ensure the correct management of this resource. We foster optimal water consumption in our facilities, as well as the recirculation and use of recycled water in production.

This year, we conducted a water vulnerability analysis, taking into account different future climate scenarios and using widely accepted tools such as the World Resources Institute's Aqueduct water risk atlas. The results of this study have allowed us to establish priority areas for action with the aim of establishing action plans to ensure the availability of the resource in the future.

Also this year we started our water security reporting to the Carbon Disclosure Project (CDP) in order to improve our transparency on water security.

Reducing the water footprint of our processes and products is a priority challenge for our operations in the Catalonia region, where the availability of this resource is scarce. To achieve this, we have worked intensively on the implementation of disruptive methodologies to enhance the efficiency of our industrial processes, such as the implementation of Artificial Intelligence ("AI") tools that allow us to optimise consumption throughout the process.

Performance in 2023

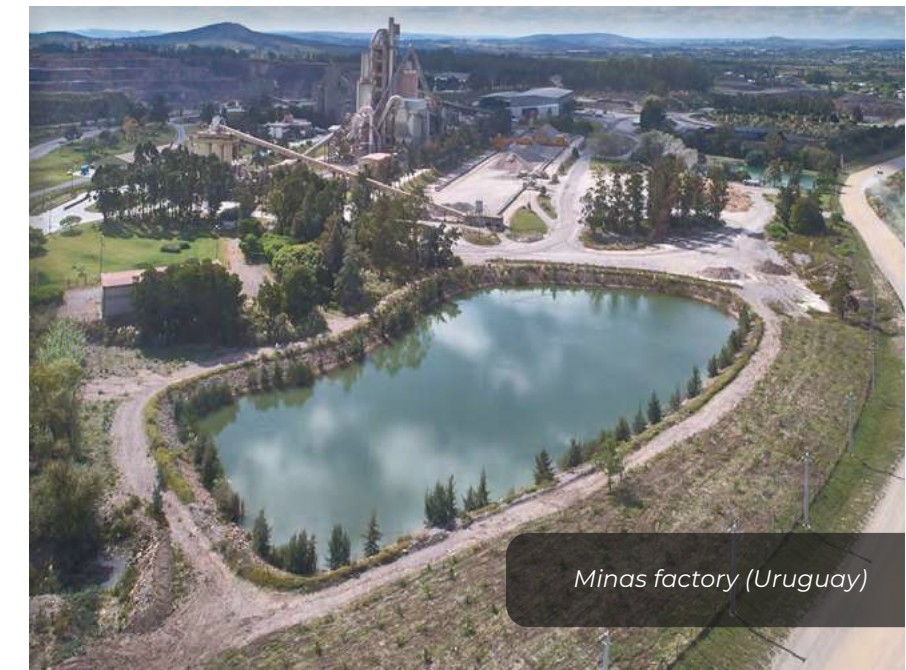
During the 2023 financial year, total water consumption was 3.6 million cubic metres. The distribution according to the source of the water is as follows:

- Water from underground sources
- Water from surface sources
- Supply company
- Reused water (fed back into the production process)

BEST PRACTICE

- In 2022 we undertook an ambitious project to implement Artificial Intelligence (AI) at the Sant Vicenç dels Horts plant, specifically in the raw cement milling process. This installation is one of the sub-processes with the highest consumption of electricity and water in the entire plant. The results of this project have been very positive since, together with other improvements in the production process, in 2023 we managed to reduce annual water consumption by 30%, which has meant releasing a volume of water resources of 18,760 m³.
- In the concrete plants, as an integral part of the environmental management system, we have physical-mechanical wastewater treatment systems and filter presses for the water from the production processes. This water comes mainly from the cleaning sub-processes of the mixers, installations and the hoppers of the production buildings and can thus be reused in a closed circuit.
- In Mexico, we have developed various water management plans to follow up on water saving and efficiency actions, such as water dosages and monitoring water consumption to minimise its use in the cement manufacturing process.
- In Tunisia, a pipeline has been built to transport rainwater accumulated in the quarry to the Kairowan cement factory, more than 5 km away. This preserves the groundwater reserves on which the plant feeds.

We incorporate 18% recycled water in our processes out of the total water consumption required.



Minas factory (Uruguay)

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■ Recovery and preservation of biodiversity

We consider the recovery and preservation of biodiversity as one of our main priorities, focusing our efforts on protecting flora and fauna. Along these lines, our businesses have made proposals that have been recognised in sectoral and/or sustainability forums. This type of initiative not only brings the local population closer to our company, but also stimulates reflection and commitment to the environment that surrounds us.

The main impacts arise from the built environment and the extraction of raw materials. Formulating and implementing effective Quarry Rehabilitation Plans and Biodiversity Management Plans offers significant enhancement opportunities to create improved, thriving and better connected habitats and have a net positive impact on biodiversity.



We implement biodiversity management plans with the aim of minimising impacts on the natural environment and ecosystems focusing on:

- Biodiversity recovery through restoration and reforestation programmes
- Monitoring of operational activities to ensure that they do not interfere with the biological cycles of species
- Quarry rehabilitation
- Environmental studies
- Awareness raising and education plans on the subject

BEST PRACTICE



- We participated in the “Uruguay Sustainability Expo”, with an innovative idea, through virtual reality, to show the public what the impact on some of the country’s most renowned landscapes could be if the hand of man and his impact on them is intensified.
- In Bolivia, we have moved specimens of the yacaré cayman from the lagoons of the Yacuses factory to natural areas that provide a safe habitat for this iconic species of the region to guarantee its preservation.
- In India, a nursery has been set up to provide the plants needed for the restoration of the quarry. The nursery currently serves the local community and this year an extension has been carried out for medicinal plants with more than 200 species for use by neighbouring localities.



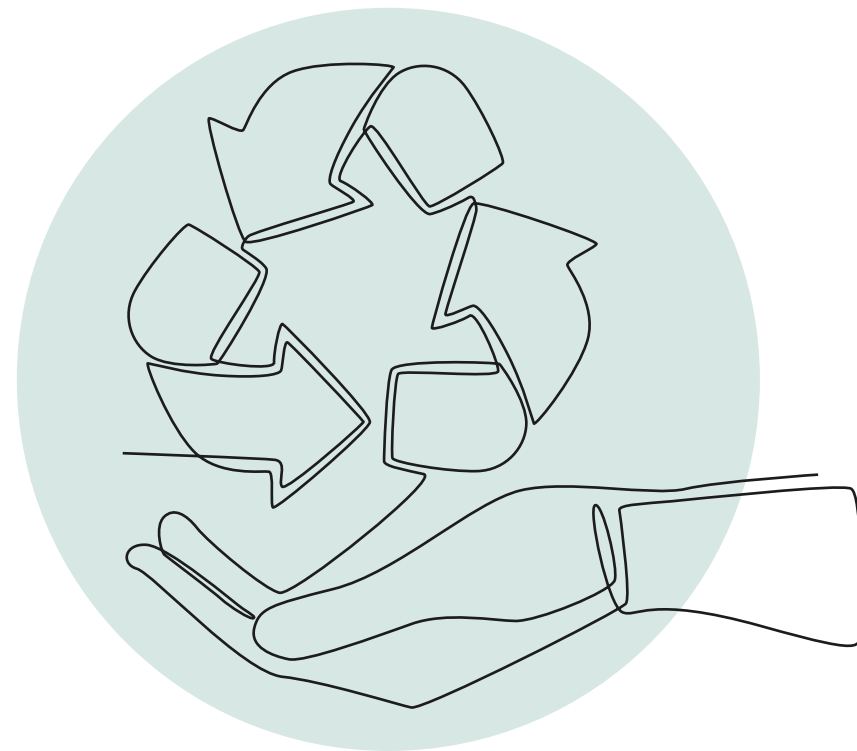
Urban elements:
modular benches in
Formentera (Spain)

4.2.5. | Circular Economy

The circular economy is consolidated as a main axis of our business, following the principle of efficiency and minimisation of consumption throughout the value chain.

As an industry, we have a fundamental role to play in fostering the transition to the circular economy mainly through the transformation of by-products from other industries. Our corporate strategy focuses on the use of alternative raw materials and fuels, water reuse, thermal recovery and recycling of aggregates and concrete, among other materials.

With our sights set on achieving an energy substitution rate of 40% and reducing the clinker factor to 68%, we identified the circular economy as the fourth lever of the 2030 Roadmap.



CIRCULAR ECONOMY

HOW WILL WE ACHIEVE THIS?

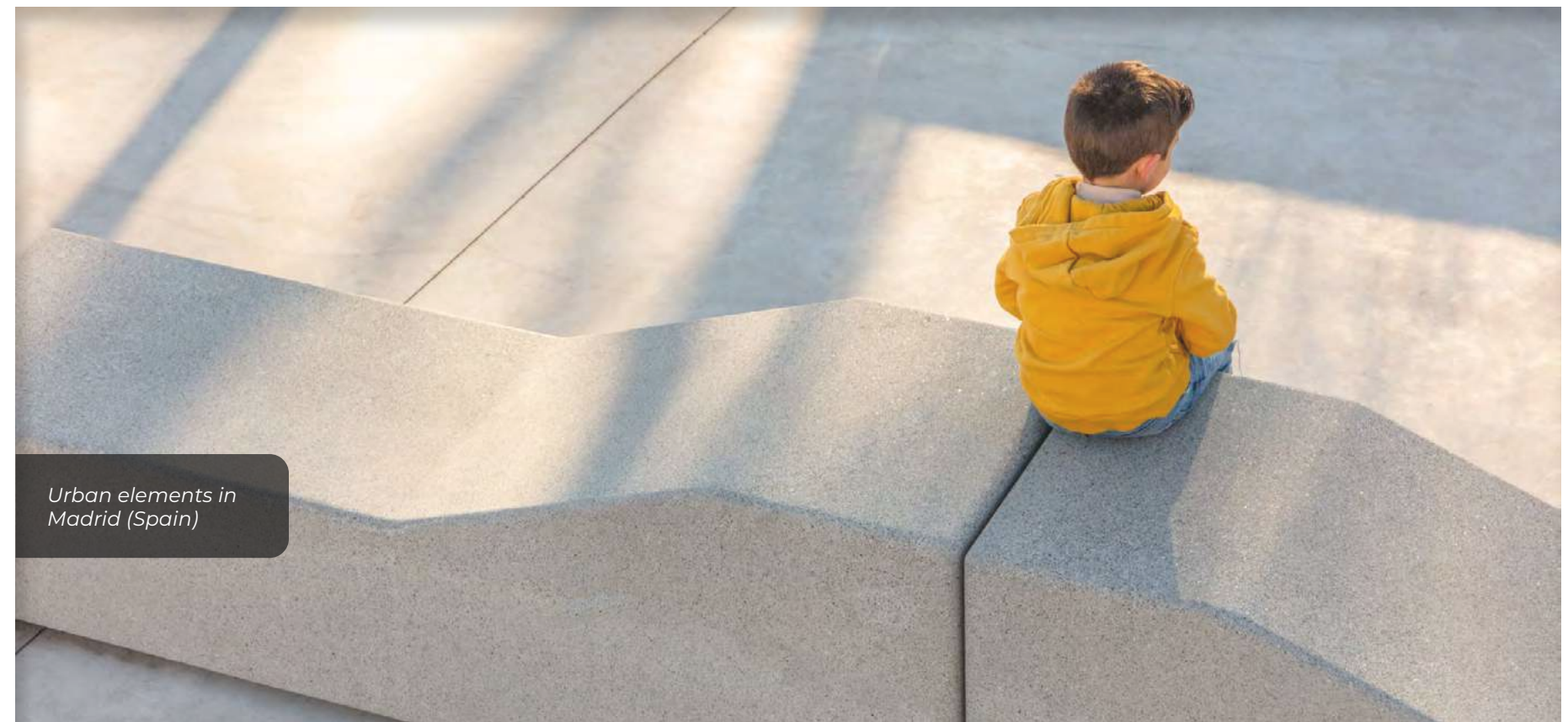
By focusing on:

- Prioritising alternative fuels
- Decreasing the clinker/cement factor and facilitating the use of new additions
- Boosting the waste heat recovery processes
- Reducing waste generation and promoting reuse and recycling
- Incorporating recycled materials into our products and processes

OBJECTIVES SET

- Achieve 40% energy replacement rate
- Reduction of the clinker/cement fraction by up to 68%

SDGs



Urban elements in Madrid (Spain)

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■ Circularity in our business model

The cement and concrete industry is at the heart of the circular economy, thanks to its capacity to use by-products from other industries as raw material or fuel and supplying a product that can be reused or recycled. With a view to moving closer to making great progress by 2030 and achieving the commitment to have carbon-neutral concrete by 2050, in our factories we implement the best available technologies in its factories that allow alternative fuels to be prioritised, promoting electricity from renewable sources and the full integration of the circular economy in the business model.

Aiming to achieve our 2050 targets, we boost the use of alternative fuels, the expansion of the renewable energy grid and the incorporation of reused materials in our production processes

■ Alternative Materials

In 2023, we celebrated the first year of opening the alternative raw materials plant (MPA), located in the municipality of Pallejà (Barcelona), achieving recovery figures of more than 75,000 tonnes of non-hazardous construction and demolition waste, as well as other non-hazardous industrial waste.

The plant has enabled the incorporation 12.7% of alternative raw materials in our cement production process in the last year. We also continue to work to reduce the carbon footprint of all our concrete and to ensure that it is all manufactured with recycled aggregate.

The manufacture of concrete with recycled aggregates brings major environmental benefits, such as reducing the amount of construction and demolition waste (CDW) that ends up in landfills as well as reducing the extraction of natural raw materials. However, the use of recycled aggregates in the manufacture of concrete presents a major technical challenge, as the characteristics of the aggregates can vary significantly. In our processes, we collect hardened concrete and other materials from CDW, which we then separate and crush to obtain quality aggregates of recycled origin, which meet all the technical requirements for the use of structural concrete and mortars in construction.

BEST PRACTICE



- In Spain we have successfully started the supply of material for the construction of the new Spotify Camp Nou, FC Barcelona's stadium. It is one of the largest projects currently under development worldwide, using recycled aggregates in 100% of the concrete supplied.
- The Sant Vicent dels Horts plant is promoting practices to reduce the consumption of natural raw materials (mainly limestone and clay). In the manufacture of raw cement, the consumption of alternative raw materials (MPAs, in its Spanish initials) from PROMSA's recovery plant has increased, as well as incorporating clay from the excavated earth recovery plant, as well as other alternative materials in smaller quantities (slag, iron flakes, etc.). As a result, these materials now account for 17% of the consumption of raw materials for the manufacture of Portland cement in Spain.
- The special mortars and thermal insulation systems business in Spain uses materials derived 100% from plant biomass, such as Propam Ecoetics® thermal insulation generated from plant waste from surpluses, garden clean-ups, branches or leaves, and waste from soya, corn, wheat, cereals, etc.

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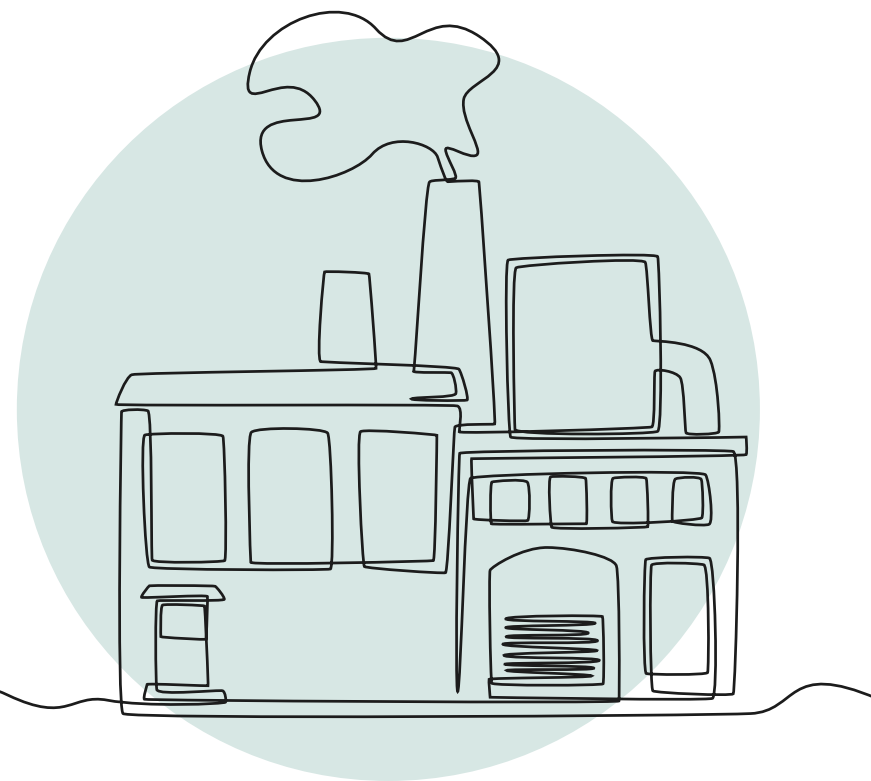
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Alternative Fuels and Energy Recovery

Our processes mainly use natural gas, diesel, oil, fuel oil, petroleum coke, coal and anthracite, gasoline and liquefied petroleum gas. True to our commitment to circularity and neutrality, we are committed to the use of fuels of renewable origin such as end-of-life tyres, glycerine or liquid industrial waste. Clean wood and sawdust, as well as agricultural residues, charcoal and other types of biomass are positioned as the main fuels of renewable origin in the processes.



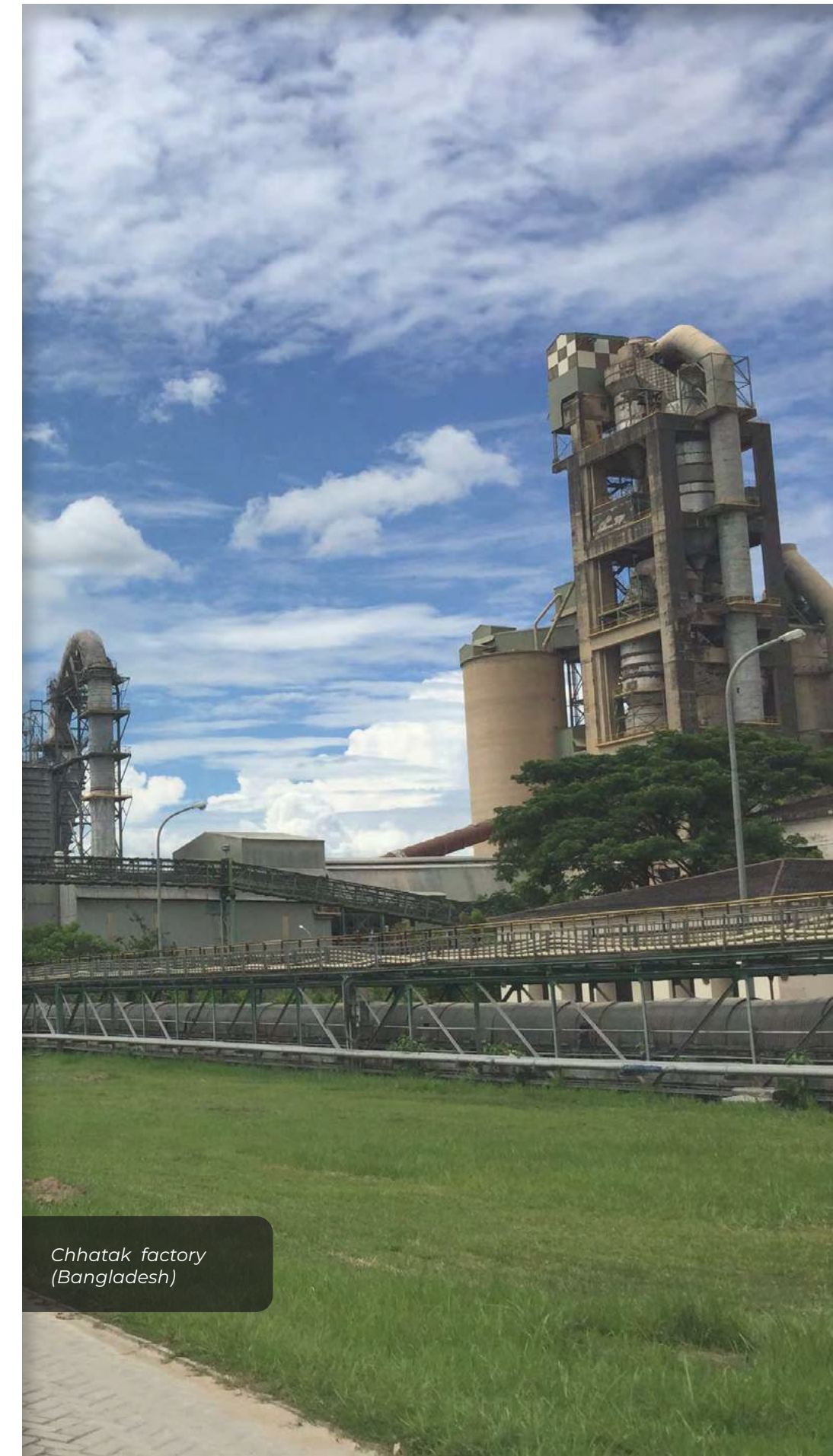
Our waste recovery business in Spain produces alternative fuels from the mechanical selection and treatment of non-hazardous industrial waste, which is revalorised thanks to its incorporation into the industrial cycle. The design of the facility incorporates high-tech machinery such as optical separators in order to separate recoverable waste from waste that cannot be converted into fuel.

This allows the Sant Vicenç dels Horts cement plant to replace more than 55% of traditional fuels with alternative fuels from plastic waste, tyres, wood and urban purification plant sludge.

BEST PRACTICE



- In Uruguay, we have collaborated with the Durán Cooperative to recover energy from non-recyclable waste by converting it into alternative fuels, thus replacing up to 35% of fossil fuels.
- In Mexico, we have launched several campaigns to promote the use of alternative fuels from waste and to raise staff awareness of how they should be disposed of. Furthermore, in 2023 the disposal of special handling waste (SHW) to third parties was reduced and it was used for co-processing.



Chhatak factory
(Bangladesh)

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■ Waste management

The main wastes from our activity come from non-hazardous waste, mixed industrial solid waste and other environmental wastes. To a lesser extent, hazardous waste such as waste oils and batteries are also generated.

For their correct management, we have a list of techniques that lay the foundations for the reusability and recyclability of the products, as well as for their highly durable design.

In line with the objectives set by the 2030 Roadmap, our subsidiaries implemented a number of circularity initiatives in 2023 that highlight the need to raise awareness of waste sorting as a daily practice.



Performance in 2023

We are currently at an energy substitution rate of 10.6%, prioritising the incorporation of alternative fuels in all our processes.

The incorporation of recycled materials continues to be one of the key elements in the innovation and diversification of our business. Thus, we have utilised more than 1 million tonnes of recycled materials.

BEST PRACTICE



- In Uruguay we have teamed up with the Department of Lavalleja to create Green Spots, centrally located and easily accessible places for residents to bring their household waste for sorting and recycling. This waste is then sent to different types of recycling and recovery systems, including energy recovery in the company's kiln.
- In Bangladesh, sustainable waste management in partnership with Geocycle and an honourable mention for the sustainable community development initiative won the SDG Brand Champion Awards 2023 in two categories: Affordable and Clean Energy and Sustainable Community Development, awarded by the Sustainability Brand Forum.
- In Argentina, we have implemented a quarry backfilling system, aimed at reusing the tailings and waste material to level the bas-reliefs caused by our activity. This process avoids creating piles or dumps on virgin land, minimising the visual impact on the landscape and recovering the possibility of using the affected surface.
- In Bolivia, we have created a specific technical commission called "Co-processing of waste in cement plants" with the objective of discussing the co-processing of waste, especially end-of-life tyres, in cement plants. The role of this commission will be to promote agreements, alliances and tools for the development of technical and operational management regulations for the use of waste through heat treatment.
- Although by the nature of our business model we do not have a great impact on food waste, in our efforts to contribute to the eradication thereof, we have established that at the Sant Vicenç dels Horts office in Barcelona, at the end of the day, employees can buy food from the canteen that has been left over that day, for a very low price.

4.2.6. Corporate Social Responsibility

Cementos Molins' purpose is "to foster the development of society and people's quality of life by creating innovative and sustainable solutions in the construction sector". We thus strive to create value in our environment and work to generate well-being and wealth throughout our value chain by caring for our workers, all our stakeholders and the development of the communities in which we operate, promoting the values of non-discrimination, transparency and fairness. With the goal of having formal community plans in place in 100% of our operations and reaching 23% of women in management positions, we placed corporate social responsibility as the fifth lever of the 2030 Roadmap.

In 2023 we allocated €1.7 million to social projects, foundations and non-profit organisations.

CORPORATE SOCIAL RESPONSIBILITY

HOW WILL WE ACHIEVE THIS?

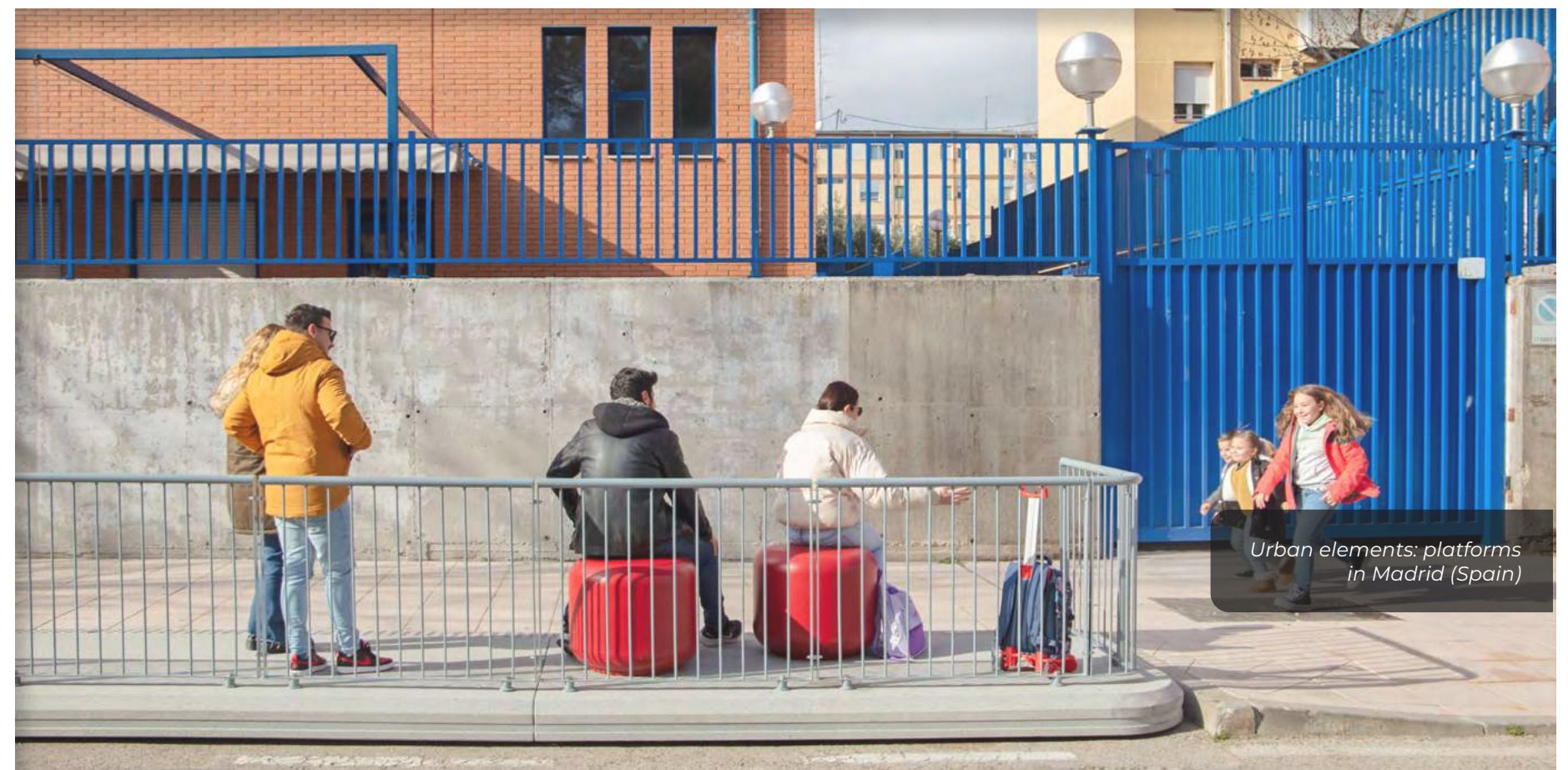
We will be focusing on:

- Corporate volunteer programmes for our employees and collaborators
- Measurements and action plans for employee satisfaction and engagement
- Partnerships with different social agents
- Purchases and procurement of local services

OBJECTIVES SET

- To have formal plans with the community for 100% of our operations
- To reach a figure of 23% of women in management positions

SDGs



Urban elements: platforms in Madrid (Spain)

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■ Commitment to sustainable development and CSR programme

In order to manage the objectives set out in the 2030 Roadmap, we are guided by our CSR programme. This programme sets out three priority areas on which we focus our relationships: community and people, the natural environment, and knowledge. In all three, we always keep the focus on promoting the development of society and people's quality of life.



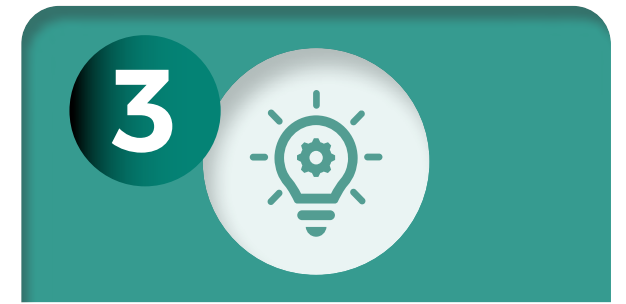
Generating levers that enable the structuring of the local communities where we operate in the social, demographic and economic spheres

SDGs



Active promotion of the conservation of the natural environment in the surround areas of our operations

SDGs



Collaboration in research and training leading to a global socio-economic development that is more sustainable and is based on quality and excellence

SDGs



Quarry in Garraf (Spain)

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■ Plans to contribute to the communities and people's well-being

In this area, we focus mainly on three axes:

- Education as a generator of opportunities,
- Fostering infrastructures that allow access to decent and affordable housing, and
- Socio-economic assistance for families affected by crises



BEST PRACTICE



- In education, we have scholarship programmes in practically all our locations, with the aim of giving access to training to people at risk of exclusion or to access higher education. We also issue school supplies for students in Mexico and Tunisia.
- In Mexico we have launched the Operators' School, with the aim of training cement mixer operators with high standards of competence and commitment to the organisation. The training lasts three months and allows the trainees to learn how to operate a turning unit from scratch, obtaining a certificate if they successfully pass all the theoretical and practical assessments. Furthermore, we offer these participants a job opportunity at one of Cementos Moctezuma's plants.
- In Bolivia, Unidad Mobil Infocal offers IT courses for teachers and the community. These courses cover training in computer operation, ICTs and robotics, and are focused on reinforcing knowledge and skills in these areas so that teachers can use technology more effectively in the classroom. Since the start of the Mobile Classroom programme, approximately 700 people have graduated from one of the courses offered.
- Along the same lines, in Bolivia, we have implemented a programme to train young and adolescent inmates in masonry skills. This work placement programme strives to strengthen the knowledge and skills of 57 young people and to certify them as construction workers in order to provide them with job opportunities in the future.
- In Spain, we have carried out courses for professional training in precast concrete operation and basic thermal insulation operations for people at risk of social exclusion.
- In Tunisia, we implemented the "Towards a digital school" programme, which has equipped classrooms in community schools with interactive whiteboards and provided tablets to pupils in these communities.
- In terms of infrastructure, we have helped to improve school facilities in Colombia, Tunisia and Spain, among other locations, and we have also improved basic infrastructure for community use in several countries.
- In terms of development aid, we have set up free medical and ophthalmology camps in Bangladesh for the communities around the Chattak plant. More than 250 people of all ages had consultations and treated free of charge in each of these camps.
- Also in Bangladesh, we inaugurated the rainwater harvesting facility, which will provide at least 50 families in the community surrounding the plant with safe drinking water.
- In Bolivia, we had already been carrying out development and technical support programmes for beekeeping and fish farming entrepreneurship for families in the community, who have received complementary support. In addition to these projects, the hydroponic crops project has enabled 20 families to harvest their first crop of hydroponic vegetables. In Colombia, we also carry out projects to support farming families through the planting of fruit trees (Tahitian lemons) and bee-keeping projects with melipona bees.

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Plans to contribute to the natural environment

We are committed to managing and carrying out our industrial activities sustainably, integrating environmental conservation into our daily operations with the aim of generating long-term benefits. To achieve this, we implement three main lines of action:



BEST PRACTICE



- We support numerous projects for the preservation of the natural environment as partners of the Nactiva platform, which aims to preserve the Natural Capital in the Mediterranean region. Within this framework, our investment in the MedForest360 multifunctional forest management project in the Collserola mountain range (Barcelona) stands out. In addition to restoring the natural environment, it generates new sustainable services from the appropriate use of the Mediterranean forest ecosystem.
- In Argentina, as part of the Landscape Remediation Plan, we are developing the “La Providencia” road, which has great scenic, social and natural value. This is an innovative integral project that combines the construction of a new landscape on a local scale with the recovery of elements of identity from the past, preserving the biodiversity and landscape value of the mountain ecosystem. As well as improving circulation and access to the roads for the local communities, this project enhances the tourist attraction of the site through the creation of a series of “postas” or informative stops on socio-cultural, geological and archaeological aspects.
- We continue to develop the “Trees and Biodiversity Day” initiative in various locations such as Spain, Mexico and Tunisia. In Spain, for example, primary school students from neighbouring towns are invited to visit the quarries of La Falconera and La Fou. In doing so, we convey to young people the importance of preserving biodiversity and sustainability. On this day, the students carry out different educational and recreational activities, including planting native trees in the quarry areas in the restoration process, in which the recovery of biodiversity with local flora and fauna is being encouraged.

Plans to contribute to knowledge

We are currently in a changing context in which science and innovation are the drivers of modern societies and economies. Cementos Molins seeks to promote these two factors as a lever for change towards a more advanced and sustainable society.

For this reason, we have established two focal points for action:

- Working with research centres on knowledge transfer. Through these centres we promote the activation of basic and applied science projects that collaborate with the companies’ research centres.
- Boosting the technological transformation of companies and jobs. In this way, we foster the advent of a smart and competitive industry that will enable us to meet the challenges ahead.

BEST PRACTICE



- In Argentina, we participate in the Palaeontological Project in Olavarría in collaboration with the Museum of Natural Sciences of La Plata, the National University of La Plata (UNLP) and the National University of the Centre of the Province of Buenos Aires (UNICEN). In this project, we are committed to protecting the archaeological and palaeontological heritage of the Olavarría mining district because of its historical volume and the economic product of exploited rock. The city and its surroundings have a very rich limestone subsoil, a primary component in the cement and lime industry, as well as granites, dolomites and clays.
- For the first time in Cementos Molins, in Spain and in Tunisia, we have held sustainability and innovation hackathons, in which groups of university students met managers from our company for several days to discuss the future of our industry and suggest possible solutions to the main challenges it faces.

4.3 PILLAR 3: PEOPLE

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Our People strategy links the company's purpose with people. Our team is a key part of the business, essential for generating value, which is why it is one of the essential pillars of our Strategic Plan.

From the company's governing bodies, a series of responsibilities are structured around the promotion of the culture of leadership and excellence in all businesses and geographies. Through lines of action and commitments focused on guaranteeing the company's competitiveness and our employees' personal development, we promote continuous training, active participation in decision-making, talent management and fostering gender equality in all our activities.



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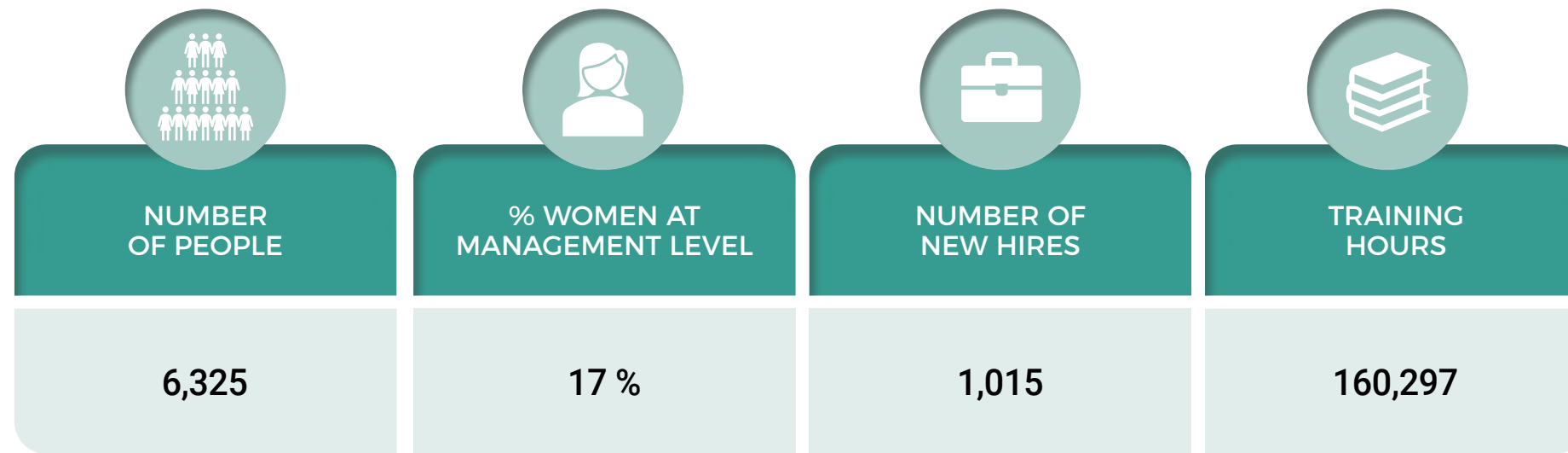
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At year-end 2023, the total workforce was 6,325, with a percentage of 12.4% women and 87.6% men. The average workforce was 6,295 people. Also, in 2023, 574 workers left the company, of whom 257 were due to voluntary redundancies, 254 due to termination of contract and 63 due to retirement.

Cementos Molins improves every day thanks to the personal and professional growth of our employees, and this is only possible in the egalitarian, formative and level environment that we build among all the people who are part of the team



4.3.1. Labour rights and social dialogue

The company supports and encourages communication with trade union organisations, guaranteeing freedom of membership and the right of workers to be represented in order to defend and protect their labour rights.

In compliance with the core provisions of the International Labour Organisation concerning respect for freedom of association and the right to collective bargaining, we implement the labour regulations applicable to each territory in all markets where we operate.

The collective agreements in force ensure working and employment conditions in relation to the minimum rights required by local law.

In 2023, the percentage of the total workforce covered by collective bargaining agreements reached 82%. The constitution of specific agreements or local unions depends on the regulations of each country. In this area, those companies in which this is not available conform to the most rigorous standards of the labour law of each country, ensuring that workers' rights are respected at all times.

In line with the guidelines of our Code of Ethics, we encourage communication and social dialogue with all our employees. To this end, we encourage the participation of workers' representatives in collective bargaining processes, informing them about issues that may affect them, as well as about the company's situation.

Effective and confidential channels are available to our employees to report any breaches or violations of their rights through mechanisms such as the Whistleblower Channel.

4.3.2. Transparency and communication with employees

In our commitment to a policy of transparency and equality within the workforce, we dedicate time and resources to enhance internal communication, with the aim of forging strong relationships and maintaining commitment to our team.

In addition, the ‘town halls’, meetings during which the CEO shares the results, projects and business news, have been reinforced. Most of the operations of all companies actively participate in these sessions where the focus is on our business trends, projects and team development oriented actions. In each of these meetings, the best practices of each of the companies in the 5 pillars of our strategy are presented: Sustainability, Growth, People, Innovation and Efficiency.

BEST PRACTICE



- **Breakfast with Management:** Meetings are held, normally on a quarterly basis, in which a small number of employees have breakfast with our CEO or with the managers of each business division, with a view to establishing a relaxed dialogue and discuss the purpose, business objectives and proposals for improvement in management.
- **Project Growth.** This project is part of the GBS (Global Business Solutions) business and involves all sales representatives, sales managers, sales and marketing managers. The objective, always aligned with the Challenge Project, is to define, co-create and implement a systematic business model.
- For the sixth consecutive year, we have been awarded first place in Colombia by the Merco Corporate Reputation Monitor, ranked among the most admired companies in the country for our leadership and commitment to the development of the cement industry.



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4.3.3. Talent development and training

In a competitive business environment, managing the effective training of our people is an essential element. For this reason, we focus our efforts on driving initiatives related to growth, learning and talent development to enhance the long-term competencies of our workforce.

The challenges set out in our Strategic Plan will only be met by fostering the development of people, as leaders, who are capable of leading the transformation. And at the same time, with talent management geared towards responding to the needs of the business, managing the change entailed by digitalisation, constant adaptation to new ways of working and corporate culture.

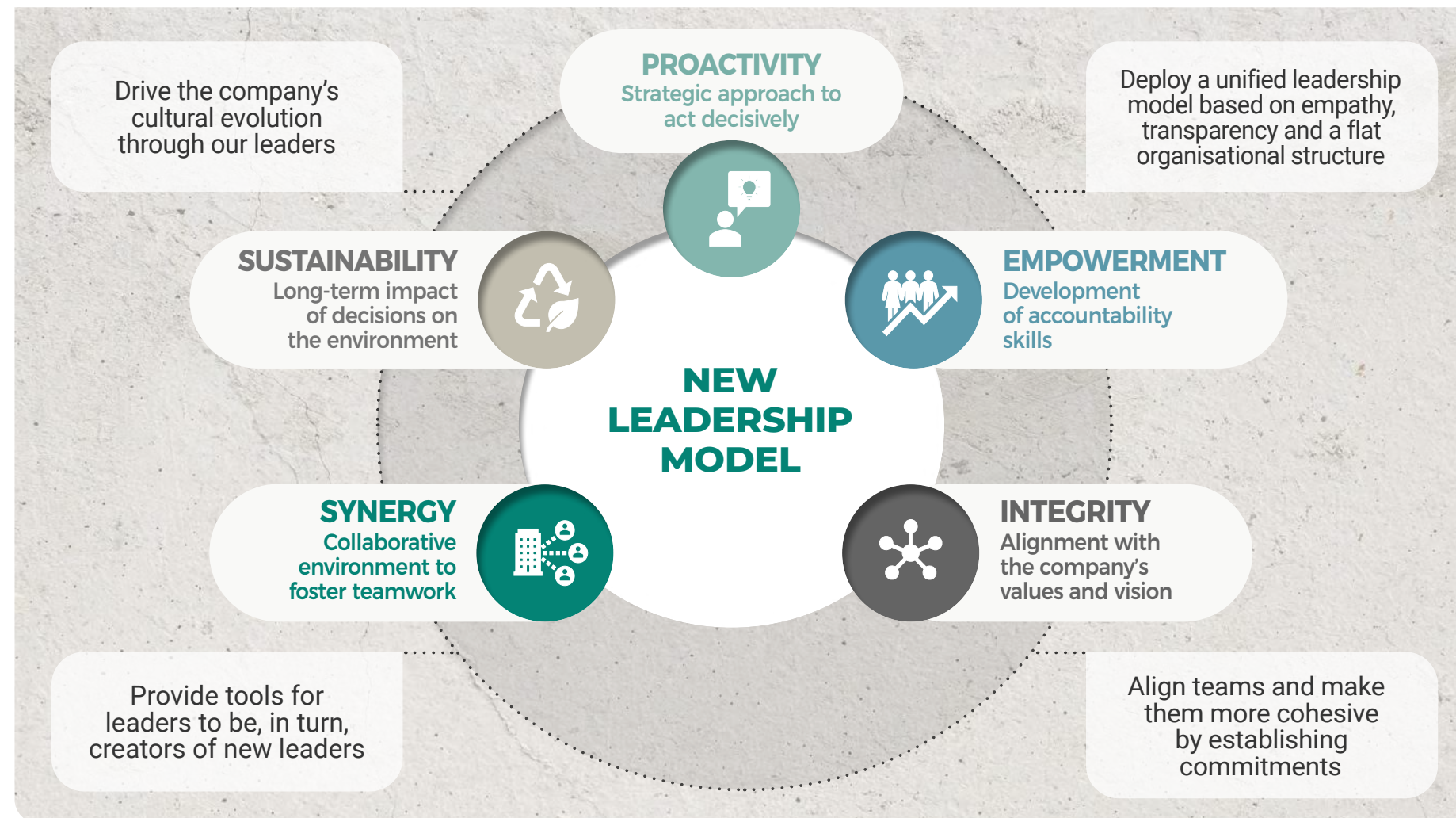
LEADING MINDS: With the slogan “Moving from Achievers to Transformers” the new leadership model fosters the empowerment of people to create change.

■ Training

We continue to foster the development of our professionals with the aim of growing by enabling our teams to grow. To do this, some of the tools we use are training, development plans, and performance assessments.

The training programmes offer various formats to facilitate access to training, such as online courses and external and in-house training, tailored to the different needs and availability of different groups.

This year, we delivered more than 160,000 hours of training, with an average of 35 hours per employee, enabling us to continue to operate competitively based on a leadership model in line with the company’s values and vision.



BEST PRACTICE



- **CHALLENGE Project:** During the 2023 financial year, we continued to implement actions under our key project CHALLENGE, comprising the Challenge and Change concepts. This project emphasises “the challenge of wanting to change”. It is a leadership model that allows collaboration between divisions and departments with the various cross-organisational projects as well as the improvement of teamwork skills and constructive conflict management. All this makes it possible to adapt successfully to a dynamic and constantly changing market.
- **YOU DO YOUR BIT!:** With the aim of reinforcing the company’s values among our teams, we have launched the project YOU DO YOUR BIT! focused on the culture of recognition and the promotion of proactivity and disruptive initiatives or innovation within our organisation.
- In Colombia, we have fostered the “Escuela Industrial Operativa” (Operational Industrial School) and “Escuela de Formación Comercial” (Sales and Marketing Training School) programmes to enhance technical knowledge and skills. Both follow a “learning by doing” methodology, which fosters sustainability and the creation of value for stakeholders.

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■ Performance appraisals

In order to promote the active search for opportunities and the development of our teams, we have a range of initiatives to promote internal mobility at all levels of the company, encouraging the filling of new vacancies with people from the team, thus offering them new challenges and professional growth.

International mobility plays a key role in creating diverse and competitive talent, as it allows our professionals to have a complete view of the business in different countries.

Our performance appraisal programme serves to identify the strengths and improvement needs of each employee. It is carried out through different tools and meetings with the line manager that allow for the assessment of the work done and the establishment of future individual action plans for further growth, including training and development. This year, more than 3,500 people received follow-up on their performance appraisal, or 56% of the workforce.

BEST PRACTICE

- **Talent Review:** On an annual basis, since 2016, we have carried out the corporate Talent Review process in all our operations with a view to:
 - a. Identifying the talent pool at all levels of the organisation
 - b. Contributing to a model of shared leadership
 - c. Building solid succession plans for critical positions
- **CHAMPIONS:** In Spain, the Leadership Empowerment - Champions Programme has been developed, which aims, for two years, to help middle managers and concrete and aggregates plant managers to increase their responsibility through proactivity. This programme also seeks to empower them, making them aware of their value and giving them the tools to demonstrate it.
- **DDD Process (Performance Dialogues):** In Argentina, we implemented this project whose objective is to encourage leaders to have conversations with their employees, with a compliance rate of 89% in 2023.

■ Leadership programmes

These programmes are aimed at groups identified as high performing and with great potential in order to actively promote internal talent and professional growth within the organisation.

BEST PRACTICE

- **Corporate Development Programme:** for the second consecutive year, in Argentina we have carried out this programme, aimed at talents who have reached positions of greater responsibility, focusing on self-development and leadership. Furthermore, we also work for the incorporation and development of new generations, promoting multiple initiatives in collaboration with schools and universities.



Urban elements: table and stool made from recycled concrete

4.3.4. Equality and work-life balance

The equal opportunities culture is established as a strategic principle of the corporate and human resources policy, which is present in all areas of our activity as part of the corporate values.

This commitment is consolidated in the equal opportunities and work-life balance policy, which sets out the general principles of action: respecting people's equality, fostering a culture of diversity, preventing any kind of discrimination in the workplace and favouring work-life balance for all.

Our policy applies to all of Cementos Molins' domestic companies and to its individually-controlled international companies. In those companies where control is not available or is shared, the Board of Directors is responsible for ensuring that the internal policy is aligned with the general guidelines of corporate policy.

Although ours is a traditionally male-dominated industry, we work to consolidate equal treatment and opportunities between women and men in the organisation and to eradicate any form of direct or indirect gender-based discrimination.

All companies in all countries are undertaking numerous initiatives to increase the number of women in the workforce by promoting a much more equitable and diverse vision and raising awareness of the real integration of women in the sector.

The implementation of Equality Plans is being rolled out from Spain to the rest of the subsidiaries and includes measures such as training programmes for the entire workforce in equality, diversity and inclusion, training in sexual and gender-based harassment, and inclusive language in communication and in the publication of job offers.

■ Equality Plan

We are firmly committed to putting in place and developing policies that integrate equal treatment and opportunities between women and men, without discriminating directly or indirectly on the basis of gender, as well as to the promotion and encouragement of measures to achieve real equality within our company. To this end, we establish equal opportunities as a strategic principle of our corporate and human resources policy.

We are fully committed to equality between men and women within our workforces, our gender equality plans, specific to each country, seek to eradicate gender-based discrimination

In each and every sphere, from recruitment to staff promotion, remuneration policy, training, communication, occupational health and work-life balance, among other factors, the company is committed to the principle of equal opportunities between women and men.

The equality plans of Spanish companies have been a very important challenge to set a two-fold objective: first, to address the real needs of workers with a global and comprehensive scope in order to consolidate equal treatment and opportunities between women and men in the organisation and, second, to eradicate any form of direct or indirect discrimination on the basis of gender.

The plan's equality initiatives translate into positive actions that develop the principle of equality, as well as establishing temporary measures that correct unbalanced situations as a result of discriminatory practices or social systems. The aim of these measures is to remove barriers and facilitate women's participation.

BEST PRACTICE



- In Argentina and Uruguay we have implemented a process of organisational diagnostic audits on equality and inclusion issues. This process seeks to analyse the company's situation in these countries in order to design a medium and long-term work plan that will allow us to move towards effective equality.
- In Colombia, we foster equality through training initiatives on harassment protocols within our Coexistence Committee.
- In Mexico, we continue to implement the Pink Helmet initiative; it is a hallmark of the company and iconic in the industry thanks to the effort to foster female talent and the essential role of women in the construction industry.

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■ Equal pay and fair compensation

The compensation model of each of the companies is based on fair remuneration that contributes to the employees' well-being and offers a competitive and attractive system, taking into account the economic situation of each country. Depending on each functional level, total compensation is composed of base salary, variable remuneration and a set of fringe benefits.

To ensure equal pay, compensation is monitored transparently, on the basis that there is no reason to pay differently for work of equal value, while ensuring competitiveness and attracting and retaining talent.

The Ratio of Remuneration of Women to Men Table in the Analytical Annex shows the calculation of the gender gap we use to measure this indicator and to be able to study its favourable evolution over time.

On the other hand, the compensation model is used as a lever to drive the Company's sustainability strategy, linking the variable remuneration of numerous groups (especially executives and managers) to the achievement of the objectives of our sustainability roadmap.

BEST PRACTICE



- Social benefits for employees in Spain:
 - Flexible remuneration programme
 - Canteen services in the Sant Vicenç dels Horts plant
 - Medical and nursing service at the offices in Sant Vicenç dels Horts (Barcelona)
 - Full medical examinations
 - Well-being Programme: Physiotherapy and mindfulness
 - Possibility of reduced working hours to care for children
 - Funding for education
- We have continued to promote the "Go Well-being!" project, focused on improving well-being and promoting healthy habits among employees in the financial, physical and social spheres. As part of this initiative, we took part in the 2023 Inter-Company Games, to strengthen the cohesion of our team, foster healthy habits and encourage exercise.
- We have a telemedicine service through a platform that provides free, flexible and accessible access from any mobile device to professional healthcare, video consultations, nutrition, psychology sessions and programmes to give up smoking, among others.



Urban elements: concrete benches in Madrid (Spain)

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■ Inclusion of people with disabilities

In line with our corporate values, the inclusion of people with disabilities is implemented through direct contracting and by contracting products or services from companies that generate employment for these groups.

In accordance with current Spanish legislation, our workforce in Spain has 24 people with disabilities, 1% of the workforce. We apply the necessary alternative measures by contracting special employment centres in order to exceed the hiring commitment of 2% of the workforce.

With a view to guaranteeing universal accessibility, our main building in Sant Vicenç dels Horts has two mechanical lifts to provide access between floors and facilitate the movement of people with reduced mobility.

BEST PRACTICE



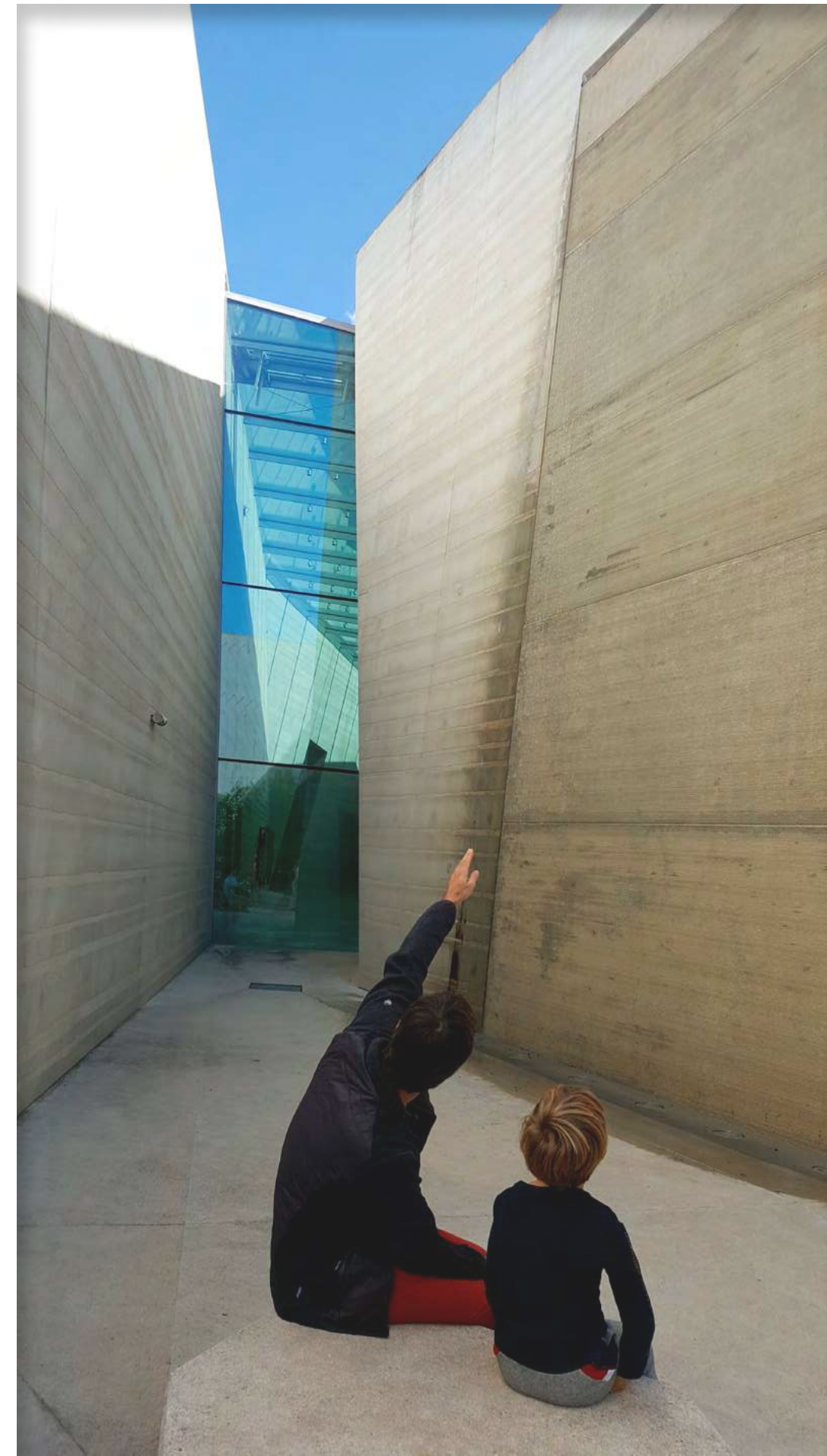
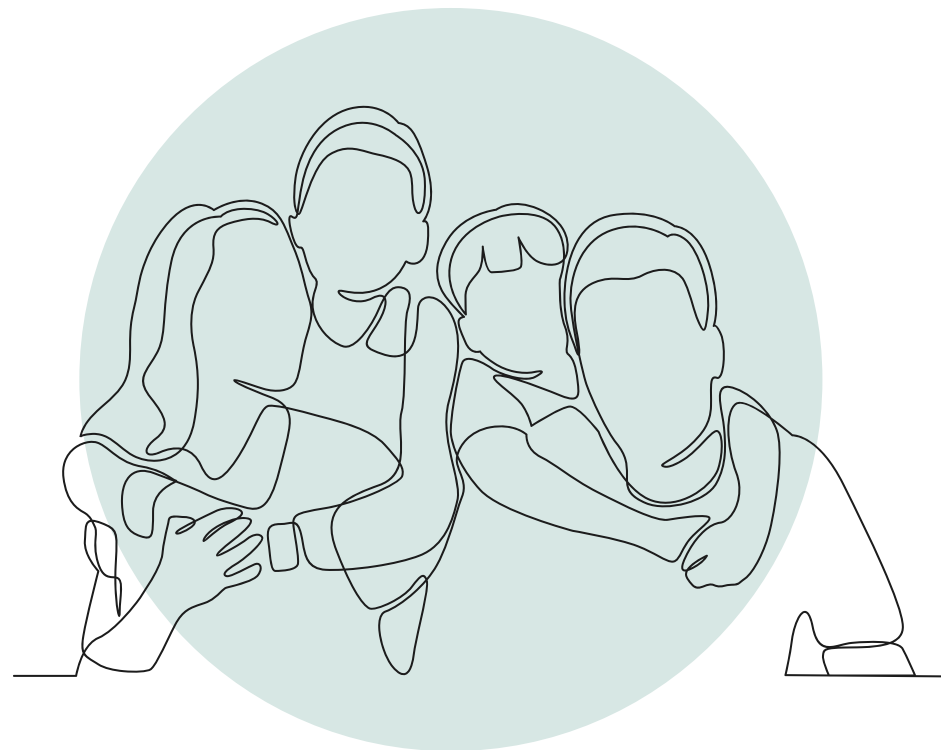
We work closely with various foundations whose purpose is to foster the inclusion of people with disabilities in the workplace:

- Collaboration agreement with the Aura Foundation for the improvement of people's lives and our adherence to the "Employment with support" programme to create jobs for people with disabilities. In this way, we are able to put all our professional and human skills to good use.
- Collaboration with the IRIS Foundation to carry out gardening work at the Sant Vicenç dels Horts plant (Barcelona).

■ Work-Life Balance

The work/life balance and organisation of working time is fundamental for our staff, with a view to striking a balance between work and personal life.

We have specific measures in place to promote a flexible, open and tolerant environment for the benefit of employees, with a focus on the right to digital disconnection. Flexibility and remote working have become widespread in all businesses. In those positions where the operation requires presence or 24/7 shift work, respect for working conditions and regulatory breaks are a constant maxim that seeks the best adaptation of people to the job. In the 2023 financial year, 200 people took parental leave, which was 89.5% of men and 10.5% of women respectively.



4.3.5.1 Human Rights

Our unwavering commitment to people is a priority in all the businesses and countries in which we operate and we are committed to respecting and promoting human rights throughout the value chain and making a positive impact on local communities

■ Due Diligence Model

Following our firm commitment to respect and foster the rights of people in all operations and regions in which we operate, we have redesigned the internal Due Diligence process with a two-fold objective:

- Identify and manage key human rights risks throughout the value chain.
- Identify opportunities for improvement in relation to our commitments to people's rights.

The results of this Due Diligence analysis have materialised in a review of the elements of the company's human rights strategy and regulatory framework:

- i. New catalogue of priority human rights risks and issues
- ii. New human rights due diligence policy
- iii. Accommodation of the human rights governance model
- iv. Defining of the complaint's mechanisms

■ Priority Issues

As part of the analysis conducted in 2023, we identified the groups and rights holders whose fundamental rights could be directly or indirectly impacted by the company's activities, as well as the risk factors most directly related to the processes of the value chain, in order to work on opportunities for improvement.

RIGHT HOLDERS	RISK FACTORS
OWN EMPLOYEES	<ul style="list-style-type: none"> ■ Acceptable working conditions ■ Health and safety ■ Right to form and join trade unions ■ Equal opportunities and treatment
VALUE CHAIN EMPLOYEES	<ul style="list-style-type: none"> ■ Acceptable working conditions ■ Elimination of child labour ■ Workers' health and safety ■ Right to form and join trade unions ■ Equal opportunities and treatment
LOCAL COMMUNITIES	<ul style="list-style-type: none"> ■ Natural resources and a healthy environment ■ Economic development ■ Community health and safety ■ Peaceful coexistence
INDIGENOUS COMMUNITIES	<ul style="list-style-type: none"> ■ Natural resources and a healthy environment ■ Economic development ■ Community health and safety ■ Peaceful coexistence ■ Lands and territories of indigenous communities
HUMAN RIGHTS DEFENDERS	<ul style="list-style-type: none"> ■ Equality under the law ■ Physical integrity
CLIENTS AND CONSUMERS	<ul style="list-style-type: none"> ■ AAAQ Products

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■ Human Rights Due Diligence Policy

The aim of the Human Rights Due Diligence policy is to set out the general principles of action with regard to respecting human rights with the aim of ensuring strict compliance and integrating them into the company's actions

We have updated our previous policy towards a new human rights due diligence policy aligned with the new expectations of the current and future European framework and aligned with the highest international standards.

This policy is integrated into the internal regulatory framework and is based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, as well as the conventions of the International Labour Organisation (ILO), and it clearly expresses the company's commitment to the values that these frameworks represent.

This policy applies to all Cementos Molins' individually controlled companies (subsidiaries) in this country and abroad. In domestic or international companies where control is not available or is shared (investee companies), the persons acting in them as representatives of Cementos Molins shall promote, as far as possible, the implementation of principles and guidelines consistent with those set out in this Policy.

It sets out our commitments to ensure respect for the rights of people in all operations in our value chain and in the environment of all relationships we have with our own employees, employees of partners, associates, suppliers and contractors, as well as the communities in which we operate.

CEMENTOS MOLINS' HUMAN RIGHTS DUE DILIGENCE POLICY COMMITMENTS

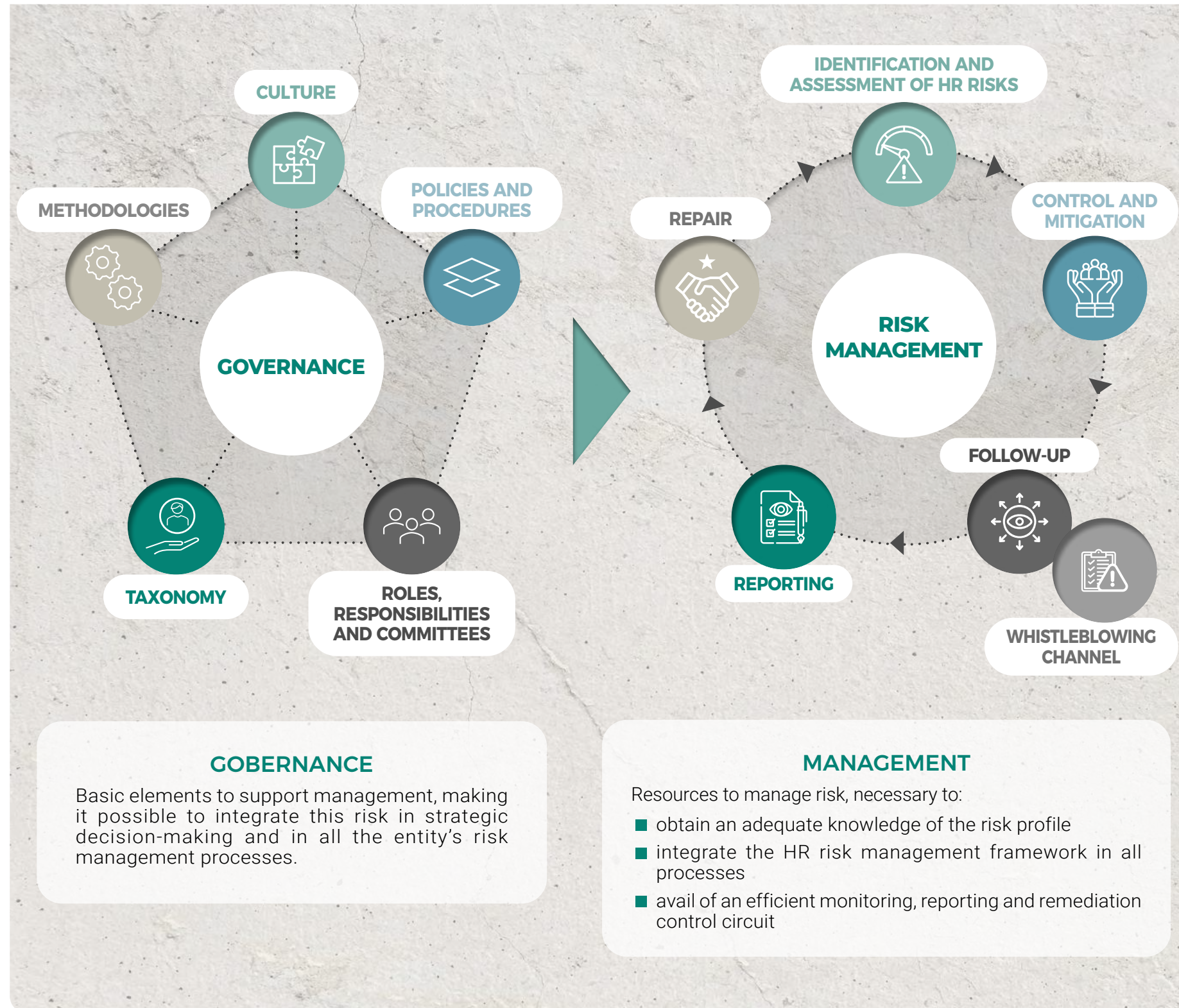
- Respect and promote Human Rights in all relations with stakeholders, as well as between the different cultures that exist within the company.
- Provide decent employment and promote a healthy environment for both its employees and third parties.
- Foster a respectful and collaborative working environment throughout the organisation with the aim of eliminating discrimination and harassment.
- Eliminate any actions that could lead to forced or child labour throughout the value chain.
- Respect the communities where it operates, including the recognised rights of indigenous peoples.
- Advocate and collaborate with suppliers and business partners to extend human rights commitments throughout the value chain.
- Monitor and control the impact of operations on Human Rights.
- Create a positive impact on the environment and the communities in which it operates, through plans to contribute to communities and people's well-being.
- Act in accordance with applicable human rights legislation in all its operations.
- Implement corrective actions as necessary in the event of non-compliance with the commitments set out in this policy.
- Take all possible measures to repair the damage that may have been inflicted on the parties concerned or to contribute to its remediation.

INTERNATIONAL HUMAN RIGHTS FRAME OF REFERENCE

- International Bill of Human Rights
- Declaration of the International Labour Organisation (ILO)
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- United Nations Global Compact
- Sustainability Due Diligence Directive (Draft)

INTERNAL REGULATORY FRAMEWORK RELATED TO HUMAN RIGHTS ISSUES

- Code of Ethics
- Supplier Code of Ethics
- Human Resources Framework Policy.
- Selection and hiring policy.
- Environmental policy.
- Occupational health and safety policy.
- Equal opportunities and work-life balance policy.
- Crime prevention and anti-fraud policy.
- Purchasing policy
- Stakeholder relations policy



Human Rights Governance Model

With a view to fully integrating respect for human rights throughout the company, a governance model has been defined which assigns roles and responsibilities, from the Board of Directors, the Management Committee to the operating units of each of the businesses. Approval and Supervision responsibilities are assigned to the highest governance body, while the execution and provision of the necessary resources for appropriate management is the responsibility of the Management Committee of the Company and of each of the Business Units.

Complaint mechanisms

As part of our due diligence process, we encourage the creation and maintenance of mechanisms to facilitate the security of enquiries, reporting or complaints by stakeholders. The complaints channel is open for the reporting of possible human rights violations and to guarantee the protection and absence of reprisals against complainants and, in the event that the facts are confirmed, to put in place the appropriate mechanisms to remediate any harm or damage caused. During this financial year, we have received no complaints of human rights violations.

Action Plan

To further advance our Human Rights Due Diligence commitments, we have launched a 2024-2026 roadmap that strives to complete the integration of key human rights issues into the company's value chain operations, management model and governance model.

4.4 PILLAR 4: INNOVATION AND DIGITALISATION

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Innovation in the building materials sector is a key element in achieving sustainable growth by finding efficient solutions that reduce our carbon footprint and improve the affordability of products. In an environment of technological transformation and increasing regulation, it is of utmost importance to streamline and digitalise industrial processes to remain at the forefront of the industry and reduce the impact on the entire value chain.

In 2022, we created a new innovation department which, together with the Sustainability Department and the Technical Department, focuses its objectives on seeking RDI solutions aimed at optimising the use of resources, reducing greenhouse gas emissions and analysing the viability of the most efficient technological solutions on the market. In this way we work holistically with:

- The business divisions, to focus on customers and the supply chain.
- The Corporate Technical Industrial Department, to coordinate the implementation of innovation initiatives in the manufacturing plants, according to their characteristics and needs.
- A number of technology centres, to analyse all those most innovative sustainability activities (carbon capture, storage and use, new materials other than conventional cements and concretes, etc.).
- Other companies in the industry and from other sectors, with common interests in any of the areas described above.

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En 2023, we are stepping up our efforts to modernise business processes. Este proceso de transformación digital está permitiendo a

la organización digitalizar los procesos de transformación que consisten en aplicar nuevas tecnologías digitales que mejoren la productividad y permitan modernizar los procesos de transformación digital. Este proceso de transformación digital está permitiendo a la organización digitalizar los procesos de transformación que consisten en aplicar nuevas tecnologías digitales que mejoren la productividad y permitan modernizar los procesos de transformación digital.

En 2023, we are stepping up our efforts to modernise business processes. Este proceso de transformación digital está permitiendo a la organización digitalizar los procesos de transformación que consisten en aplicar nuevas tecnologías digitales que mejoren la productividad y permitan modernizar los procesos de transformación digital.

We strive to ensure that our businesses are always at the forefront of the sector, applying RDI solutions aimed at optimising the use of resources and reducing our carbon footprint



Sant Vicenç dels Horts factory (Spain)

4.4.1. | Innovation

Innovation is an essential element in reducing CO₂ emissions in the sector, as it allows for increased kiln and energy efficiency, clinker replacement and the adoption of carbon capture technologies.

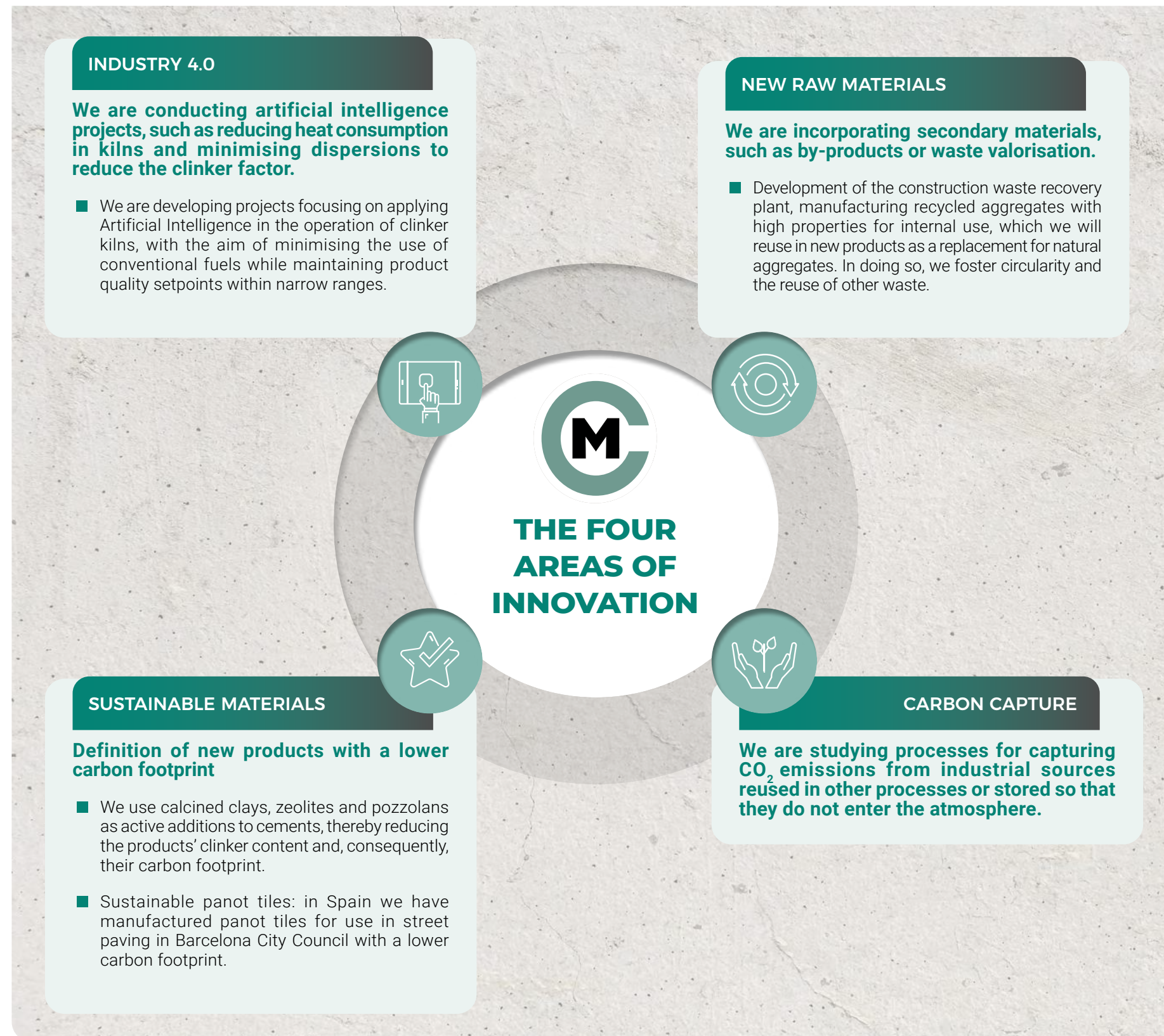
Our size and geographical presence requires the allocation of resources focused on innovation across the board, both in terms of materials and products, as well as new technologies. Therefore, our innovation department is responsible for determining the RDI pathways and initiatives for all our business lines, focusing the objectives on the decarbonisation of the industry by 2050.

We seek methodologies and conduct studies to reduce our GHG emissions throughout the entire value chain, as well as to replace fossil fuels with alternative fuel sources and incorporate secondary materials for the development of products with a lower environmental impact.

In this way we focus our efforts on:

1. Identifying new products with a lower carbon footprint
2. Converting secondary materials or by-products into reusable raw materials
3. Studying carbon sequestration processes.
4. Reducing thermal and water consumption by optimising the production process using artificial intelligence-based techniques.

Currently, in relation to these four areas, we continue to work on the development of the following projects:



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**WE COLLABORATE WITH STAKEHOLDERS
IN THE SEARCH FOR INNOVATIVE SOLUTIONS**



**GLOBAL CEMENT AND
CONCRETE ASSOCIATION**

We are members of both the **Global Cement and Concrete Association (GCCA)** and its Innovation arm **INNOVANDI**: the GCCA, an international organisation representing the cement and concrete industry worldwide, is dedicated to promoting sustainable practices in their production and use by setting out a roadmap towards carbon neutrality by 2050. At Cementos Molins, we actively participate in its working groups and are involved in INNOVANDI's main open innovation activities.



**VDZ
VEREIN DEUTSCHER ZEMENTWERKE**

We collaborate with European **technology institutions (VDZ - Verein Deutscher Zementwerke)** on detailed studies on CO₂ capture, use, transport and storage technologies, their evolution and expectations.



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INNOVATION PROJECTS DEVELOPED IN SPAIN

LAUNCH OF THE NEW PROHEAT TERM AND PROPAM IMPE FELX RADON MORTAR RANGE

As a result of our commitment to innovation applied to the search for new sustainable materials, in 2023 we developed and launched a range of mortars, PROHEAT TERM. It is a self-levelling mortar specially designed for high-efficiency and energy performance flooring, such as radiant floors or construction solutions where high thermal conductivity is required. Its formulation contains technological additives that make it an efficient and energy-efficient product, designed for the most sustainable building or industrial solutions. Its easy application, thanks to the pumping equipment and hoses, allows the process to be quick and clean, achieving high yields without generating waste on site. We have also developed a mortar that acts as a flexible waterproofing coating as a barrier against radon gas (PROPAM IMPE FLEX RADON)

ARTIFICIAL INTELLIGENCE TO OPTIMISE THE CLINKER MANUFACTURING PROCESS

We have successfully completed the project in which, through the use of Artificial Intelligence (AI), we optimised clinker production. In this process, we installed software that allows the use of historical data and mathematical algorithms (neural networks) to simulate the relationships of several control and operation variables of the kiln in order to arrive at an optimal thermal consumption value. This system reduces petroleum coke consumption by up to 2%, thereby reducing CO₂ emissions per tonne of clinker.

VERTICAL RAW CEMENT MILLING OPTIMISATION WITH ARTIFICIAL INTELLIGENCE

In 2023, we redesigned with AI the optimisation system of our vertical raw cement mill at the Sant Vicenç dels Horts plant in Spain, to save on process water consumption, obtaining a 7% reduction compared with consumption not optimised with mathematical algorithms. In addition, this tool allows us to further optimise the specific electricity consumption of the mill, with an improvement of 2%.

USE OF HIGH-SENSITIVITY CAMERAS AND RECOGNITION ALGORITHMS

Thanks to the use of highly sensitive cameras and algorithms for recognising people and defects in our machines, we have been able to improve the physical safety of our employees and our facilities.

USE OF NEW CEMENTS WITH LOWER CLINKER FACTOR

We have created two new types of sustainable cements with a lower clinker factor, thanks to the use of supplementary cementitious materials such as pozzolans. Reducing the clinker factor means using a higher proportion of alternative or substitute materials in cement production. This reduces the environmental impact of cement manufacture by reducing the carbon dioxide emissions associated with clinker production. In particular, a reduction in emissions of between 15% and 25% is achieved through the use of these new materials.

4.4.2.1 Digitalisation

Throughout 2023, our company maintained its firm commitment to digitalisation, consolidating it as one of the fundamental strategic pillars. This approach has allowed us to continue to simplify, automate and optimise our processes and activities. Digitalisation has not only made us more efficient and competitive, but it has also brought us even closer to our customers, providing them with new experiences and a personalised offering tailored to their needs. Furthermore, we have found that digitalisation not only drives our commercial success, but also contributes significantly to sustainability, reducing emissions by optimising our processes and reducing our environmental footprint.

To achieve these goals, we have continued to draw on a wide range of technologies that enable us to design and deliver innovative digital services. These developments are aligned with our 2020-23 Strategic Plan, where we identify a diverse set of digitalisation initiatives grouped into six key dimensions. Throughout 2023, we made significant progress in implementing these initiatives, which is reflected in the attached table detailing our key achievements and progress in digitalisation this year.

DIGITALISATION OF THE CUSTOMER EXPERIENCE	<p>The goal of digitalising the customer experience is to develop a holistic view of customer information and digitalise customer relationships to generate more value.</p> <p>Throughout 2023, we developed new CRM functionalities to enhance our customer experience, such as creating a personalised area where they can view updated information and commercial tools to provide value-added product information. We also implemented chatbots to speed up communication with customers and provide information on the status of orders, using geolocation systems for logistics.</p>
DIGITAL PLANT	<p>The aim of the digital plant is to optimise efficiency and connectivity in all phases of production through digital technologies.</p> <p>To this end, we have embarked on a data ecosystem re-engineering phase that will enable data-driven decision-making, the application of machine learning methods and process optimisation. Accordingly, we have developed tools to improve the automation of planning processes applied to manufacturing. In particular, we have developed software for the operation planning and electrical cost optimisation of raw cement mills and Portland cement mills. This allows for fast and efficient planning of milling hours, which saves an estimated 5% of the daily electricity bill, as well as freeing up technicians from performing low value-added tasks. In parallel, we have worked on a web-app management and analysis pilot to explore new calcium aluminate cement clinker recipes, and to optimise the use of bauxites.</p>
BACK-OFFICE DIGITALISATION	<p>The aim of digitalising back-office tasks is to improve operational efficiency and data management in administrative processes by reducing or eliminating manual involvement.</p> <p>This year we extended the mass automation of back-office processes using RPA (Robotic Process Automation) technology to new business divisions and countries, considerably reducing the need for our employees to perform repetitive manual tasks. We have almost 100 bots operating in Spain, Argentina and Tunisia. Furthermore, tools for the automation of analysis, approval and procurement processes have been extended to several countries, thereby reducing, simplifying and digitalising tasks.</p>
DIGITAL INFRASTRUCTURES	<p>The objective of this division is to facilitate agility, scalability and technological security to enhance growth, innovation and efficiency in the digital infrastructure.</p> <p>In 2023, we accelerated our cloud deployment of critical infrastructure and applications and strengthened our business continuity capabilities by activating digital communications based on low-orbit satellite networks that maximise performance and availability. Furthermore, investments have also been made in cyber security to mitigate the risks inherent in digital infrastructures.</p>
DATA MANAGEMENT	<p>This division strives to optimise decisions and processes by means of structured and reliable data analysis in business strategy.</p> <p>This year we created a division dedicated exclusively to Data, which connects business needs with technological solutions to generate a structured operational and governance model based on a new data culture. For this purpose we have drawn up a roadmap with priorities for the coming years. We have also continued to deploy our data exploitation and analysis platform (Minerva) in corporate departments and business divisions.</p>
ORGANISATION AND PEOPLE	<p>This department strives to generate a new agile and project-based way of working, empowering employees and workers with digital tools and methodologies.</p> <p>We have continued to develop digital tools to foster collaboration and communication between employees and maximise productivity. This aspect is complemented by training in digital skills, agile methodology and cybersecurity to ensure optimal and safe use.</p>

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In our continued commitment to innovation and digitalisation, the past year marked a significant milestone in our digital transformation strategy. We have set up a department dedicated exclusively to digitalisation, strengthening our ability to embrace the opportunities offered by the evolving digital world. Furthermore, we have added an experienced manager to lead this department, responsible for coordinating and enhancing our digital initiatives, which is a strategic step towards our digital transformation.

From this new digital centre of excellence, we have outlined a detailed multi-year roadmap, with a holistic approach that aligns closely with the company's strategic pillars. This roadmap not only identifies areas of opportunity for the implementation of innovative technology solutions, but also sets out the guidelines for their effective execution. A key aspect of our approach has been the inclusion of diverse perspectives in the process of developing this roadmap, encouraging the active participation of employees from all the businesses and countries in which we operate.



4.5 PILLAR 5: EFFICIENCY

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Efficiency is present in all our production processes and is the essential driving force to be a profitable, competitive and modern company. Greater efficiency allows us to adapt to a changing business environment and new market standards to pioneer more sustainable products and services.

The corporate Industrial Technical Department leads and manages the operational efficiency of all our businesses by monitoring operational parameters in collaboration with local teams, the cross-flow of best practices in this regard and the leadership of RDI investment proposals.

Through investment in research and development, we focus our efforts on leveraging resources to introduce new forms of technology that limit the impact on the environment. We thus implement a holistic production model that combines efficiency and sustainability. This model focuses on reducing the clinker factor, as well as reducing the thermal and electrical consumption of operations; modernising facilities and processes by making them more efficient and improving performance in raw material and energy consumption by reducing the clinker dosage in cement.

*Calucem factory
(Croatia)*

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- In Colombia, at the Alión plant, we started the Debottlenecking project, which increases clinker kiln production by more than 10%, equivalent to more than 150,000 tonnes of cement per year.
- In Bolivia, we have started the first phase of optimisation of the Yacuces plant, aimed at maximising production. Following a successful efficiency analysis, its production capacity has been increased by more than 10% from 2,000 to 2,360 tonnes per day.
- In Bangladesh, the precalciner has been upgraded to increase replacement with alternative fuels to 15%.
- In Uruguay, we have launched the MOLCEMIN project, which has involved the integration into a single production plant of all the industrial, mining and logistics facilities previously distributed between Montevideo and Minas. We now have a unified production line that achieves the best levels of efficiency and sustainability in the industry. Highlights of this project include a new high-efficiency vertical cement mill, a multi-cell silo and a modern, high-productivity bulk cement dispatcher. Moreover, in terms of sustainability, the initiative will be a milestone thanks to the significant reduction in electricity consumption and freight, as well as the relocation of industrial activity outside the urban centre of Montevideo, which has enabled the clinker/cement factor to be reduced by around 8%.
- In Bangladesh, we have launched the Geocycle project, a sustainable waste management service that aims to provide customers with a sustainable solution for waste materials to be reused and given a new life.
- In Croatia, a new environmental impact reduction project has been launched to benefit the health and well-being of local communities. Over 3 years, several actions will be implemented in equipment and technology to reduce dust and noise emissions and eliminate open storage.



Chhatak factory
(Bangladesh)

4.5.1. | Suppliers

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Recent years have seen sharp increases in energy prices, as well as complex supply chain disruptions, especially in international commodity markets. In 2023, the supply chain situation stabilised with energy, fuel and shipping prices moderating. However, in most of the countries in which we operate and/or buy, inflation levels remain high and we are focused on finding solutions to reduce costs.

All of the aforementioned challenges, which still affect the proper functioning of the supply chain, have led us to make strategic decisions in this area.

Our firm commitment to local suppliers and the establishment of long-term agreements allows us to be resilient to the negative impacts on the supply chain caused by the geopolitical situation. We are committed to energy self-consumption and the negotiation of renewable electricity contracts at fixed prices (PPAs) for electricity. With regard to fuels, we continue to expand the supply of alternative fuels.

In 2022, we fostered the Supply Chain Sustainability Project, which was launched and implemented in 2023. This is a corporate procurement project, whose main objective is to involve the supply chain in ESG issues.

This general commitment to sustainability has materialised in the updating and approval of a new procurement policy that incorporates new principles aligned with the company's strategy, especially with regard to corporate sustainability. It is about our suppliers, as our partners, helping us to comply with these principles:

- Include ESG criteria in the supply chain to avoid and mitigate negative impacts on people, the environment and the economy.
- Promoting our suppliers' human rights due diligence
- Engaging our suppliers in the fight against climate change
- Fostering equality, diversity, inclusion and non-discrimination
- Innovating collaboratively with our suppliers
- Digital transformation
- Financial risk management

Another major development in 2023 was the drafting of the Procurement Manual, which is the benchmark framework document to ensure compliance with the principles detailed in the procurement policy in all supplier purchasing processes.

Moreover, we have continued to deploy category management in our businesses as a basic tool to maximise efficiency. A good example of this is the implementation in Tunisia of an internal organisational change in the procurement department to improve the use of synergies as well as the change of the procurement model in our CAC business.

■ Supplier Code of Ethics

In 2021, we approved the Supplier Code of Ethics and in 2022 we extended it to all countries where we are present.

In 2023, we continued to ask our suppliers to sign up to our guidelines of conduct, such as respect for legality and ethical values; respect for human rights; non-discrimination; respect in the work environment; compliance with labour laws; fostering equal opportunities; fostering occupational health and safety; and respect for the environment.

The average supplier payment period is 56 days, which is a reduction in comparison with previous periods (see Note 23 of the consolidated annual accounts). This is a consequence of the improvement and automation of systems and processes, continuing to strive to adapt payment terms to our suppliers and bring them in line with the collection terms we obtain from our customers, to the days established by current regulations, which is 30 days unless agreed between the parties, when it can be increased to 60 days.

We are firmly committed to prioritising suppliers that meet ESG criteria, and we work to foster long-term business relationships by sourcing from local suppliers, with the aim of ensuring a sustainable supply chain

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4.5.2.1 Customers

The development of relations with the various stakeholders and the satisfaction and trust generated with them are key elements for us. These elements are reinforced by our commitment to the quality we offer to our customers, seeking continuous improvement of services and products.

■ The quality of our products

At Cementos Molins, we ensure the quality of our products in all regions through product quality policies and standards. Our priority is for our customers to be entirely satisfied, which is why we are committed to continuous improvement in all processes and products, attentive to all technological changes both in production and in products and their applications.

We combine this commitment to innovation and staying up to date with the implementation of controls in the Quality

Management System; this enables us to assess the degree of achievement of the objectives set on the basis of this policy, to monitor and improve the effectiveness of the system and to ensure that it is proactive in terms of prevention. We encourage the participation and involvement of all staff, as the only way to achieve our common goals, thus strengthening a clear commitment to quality in daily work at all levels of the organisation.

We have 91 facilities certified to the ISO 9001 standard and 74 to the ISO 14001 standard.

The implementation of the quality policies and standards guarantees that our customers can obtain our products when they need them, with the mandatory European safety marking (CE), according to the European Construction Products Directive, and the voluntary certified product quality marking (N) by AENOR.



BEST PRACTICE



- The cement business in Spain has achieved the Sustainable N marking for all its Portland cements. This new voluntary certified label includes the assessment of the sustainability of products in all their dimensions: performance, economic, environmental and social.
- The special mortars and thermal insulation systems business in Spain has obtained Environmental Product Declarations (EPD) for all nine mortar families with a scope of 95 products.
- This declaration provides objective information on the environmental impact of products throughout their life cycle, and is a useful instrument for the environmental improvement of products and production processes. Obtaining the EPD allows certification to ISO 14006 for the incorporation of Ecodesign in the company, as the LCA (life cycle analysis) is the basis for its implementation, being easily integrated with the quality (ISO 9001) and environmental (ISO 14001) management systems.
- The Environmental Product Declarations (EPD) have also been calculated for all the Portland cements (7) of the Sant Vicenç dels Horts factory, obtaining AENOR verification
- In Tunisia, white cement has both Tunisian and European CE certification and, since 2019, the ASTM standard that allows it to be exported to the United States.
- In Bolivia, in 2023 we maintained the Iborca certification, which ensures that products and services comply with the quality requirements defined in the Bolivian Technical Standard, international and technical regulations. Furthermore, we have obtained laboratory accreditation to ISO17025, based on the ISO 9000 series of quality standards.

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■ Dialogue with our stakeholders

For us it is of utmost importance to offer a quality and personalised service to our stakeholders, with a special focus on customers, through different communication mechanisms. In this regard, the stakeholder relations policy establishes the corporate website as the main channel of communication, through which we respond to all needs and requirements.

We also have communication channels for customers through they can address communications regarding product and service quality. These channels are normally accessible from the various corporate websites and customer portals of the individual companies and businesses.

Every two years, we measure our customers' level of satisfaction through surveys and evaluation systems conducted by each business with its customers.



BEST PRACTICE



- In Tunisia, a strategy of direct contact with customers has been implemented through 7 sales representatives and 2 agents located in Libya. The aim is to communicate in real time with customers, both by telephone and through a weekly visit. We have also implemented a CRM to manage the annual satisfaction surveys, and a contact email address has been set up to receive complaints. Measures were also taken to adjust product features to increase customer satisfaction and market position.
- In Argentina, the customer communication strategy has been based on social networks, both LinkedIn and Instagram, to bring the product closer to the end user. In addition, a comprehensive customer service system has been promoted, with telephone, mail, bot/WhatsApp and web-based support. With regard to order management, the e-cementos web channel has been opened to facilitate orders, queries, complaints, documentation and monitoring of volume developments.
- In Uruguay, in addition to using the e-cementos website to facilitate the ordering process, we have also used social networks and opened direct channels with the customer to promote proximity. For example, technical talks to publicise the products and our way of working and advertising in different mass and sector-specific media.
- In Spain, we are carrying out multiple initiatives to improve our image in the eyes of the customer. On the one hand, we are working on updating our brand image with new, sustainable packaging. We combine this updated image with an expanded presence on social networks such as LinkedIn, Instagram, YouTube and TikTok, generating a close customer relationship. We also carry out Customer Experience ratings by means of satisfaction surveys and measuring multiple indicators such as the overall experience with the product or how recommendable they consider it to be.
- Bolivia stands out for having implemented a strategic client strategy, with actions tailored to their needs. In 2023, we reviewed the complaints model and established effective complaint management models focused on improving the customer experience.
- In Colombia, we have improved our commercial service model by implementing the Customer Touch Point project, which we launched in 2022 and continued to work on in 2023. Through Customer Touch Point, we carry out detailed follow-up of our customers' requests, complaints and claims. Thanks to this initiative we identify their satisfaction from a holistic perspective throughout the life of the project, from the creation of the order to the final delivery. By applying the lessons learned from this tool, we have achieved a higher quality business service model, focusing on the issues that are critical to our customers.

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■ Privacy protection

Compliance with personal data protection regulations is one of the priorities of our organisation. Accordingly, we have a privacy policy which aims to define how we manage our stakeholders' personal data and how we administer the information provided by them.

The collection of personal identification, contact and professional data is carried out for the purpose of attending to our clients, responding to queries and issues raised through the web platform, sending newsletters, managing the relationship with shareholders and allowing the downloading of materials and exclusive content of the organisation.

The processing of this data is carried out with the utmost confidentiality and discretion, using all the technical and organisational resources at our disposal to prevent the loss, misuse, alteration, unauthorised access or copying of the information provided, all in accordance with the provisions of the General Data Protection Regulation (GDPR) and other applicable regulations. In addition, we have encryption, access controls and secure storage measures in place to ensure the security of the information.

Furthermore, a Data Protection Committee has been appointed with specific functions in this area and security protocols designed to identify and prevent potential security breaches have been implemented. In addition, specific training is provided during the onboarding process for new employees, including fundamental concepts of cybersecurity, phishing, ransomware, security and threats, and other aspects related to information security.



*Urban elements in Vila Olímpica
in Barcelona (Spain)*

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In 2016, we published our first sustainability report, in addition to our management and annual accounts reports. True to our commitment to transparency and best reporting practices, in 2023 we drew up our third Integrated Annual Report with the purpose of offering a more comprehensive vision of the Group, providing the most significant financial and non-financial information in accordance with the guidelines of the International Integrated Reporting Framework of the IIRC (International Integrated Reporting Council).

In this report we include, in general terms, the information for the financial year from 1 January 2023 to 31 December of the same year. The scope of the financial information is based on the proportional criterion in the method of integration of our investees. For this purpose, the final percentage interest held in each of them is applied, in order to adequately reflect the economic and financial management of the businesses in Cementos Molins. The non-financial information included in this management report covers 100% of the turnover and represents the main activities and Spanish and international subsidiaries/investees of Cementos Molins, as displayed in the table below:

MAIN ACTIVITY	COMPANIES INCLUDED
CEMENT	<p>Spain: Cementos Molins Industrial S.A.U (CMI) Argentina: Cementos Avellaneda, S.A. Mexico: Corporación Moctezuma S.A.B. de C.V., Cementos Portland Moctezuma, S.A. de C.V. Uruguay: Cementos Artigas, S.A. Bangladesh: LafargeHolcim Bangladesh LTD Tunisia: Société Tuniso Andalouse de Ciment Blanc, S.A. (SOTACIB), Sotacib Kairouan, S.A., Bolivia: Itacamba Cemento S.A. Colombia: Empresa Colombiana de Cementos SAS Croatia: Calucem D.O.O.</p>
CONCRETE AND AGGREGATE	<p>Spain: Promotora Mediterránea-2 S.A. (PROMSA), Promsa del Berguedà, S.L., Monso-Boneta, S.L., Promotora de Formigons, S.A., Montaspre Serveis Ambientals, S.L., Tècniques ambientals de muntanya, S.L., Granulated Rubber Project S.L. Argentina: Cementos Avellaneda, S.A. Mexico: Corporación Moctezuma S.A.B. de C.V., Cementos Portland Moctezuma, S.A. de C.V. Uruguay: Cementos Artigas, S.A. Bangladesh: Lafarge Umiam Mining Private LTD (India) Bolivia: GB Minerals and Aggregates, S.A. Colombia: Insumos y Agregados de Colombia SAS</p>
PREFABS	<p>Spain: Prefabricaciones y contratras S.A.U. (PRECON), Catprecon S.L.</p>
URBAN LANDSCAPING AND FAÇADES	<p>Spain: ESCOFET 1886 S.A.</p>
MORTARS AND OTHER MATERIALS	<p>Spain: Propamsa S.A.U., Promotora Mediterránea-2 S.A. (PROMSA), Montaspre Serveis Ambientals, S.L., Tècniques Ambientals de Muntanya, S.L., Granulated Rubber Project S.L. Argentina: Cementos Avellaneda, S.A. Uruguay: Cementos Artigas, S.A. Mexico: Corporación Moctezuma S.A.B. de C.V., Cementos Portland Moctezuma, S.A. de C.V.</p>
CORPORATION	<p>Spain: Cementos Molins, S.A., Cemolins Servicios Compartidos S.L.U., Molins Finance, S.A.</p>

For further information on the Group's subsidiaries, please refer to the Annual Accounts, available on its website (www.cemolins.es).

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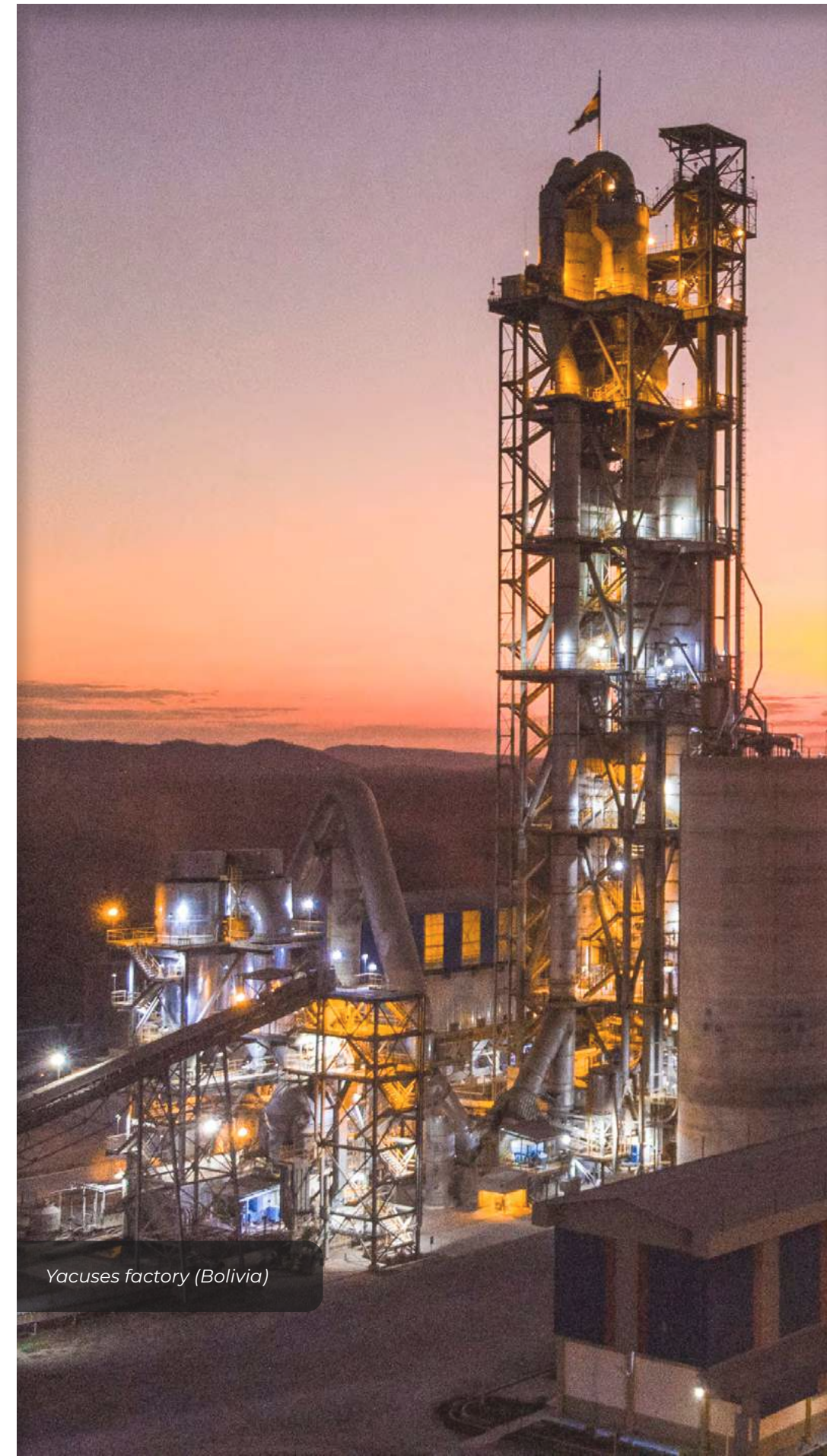
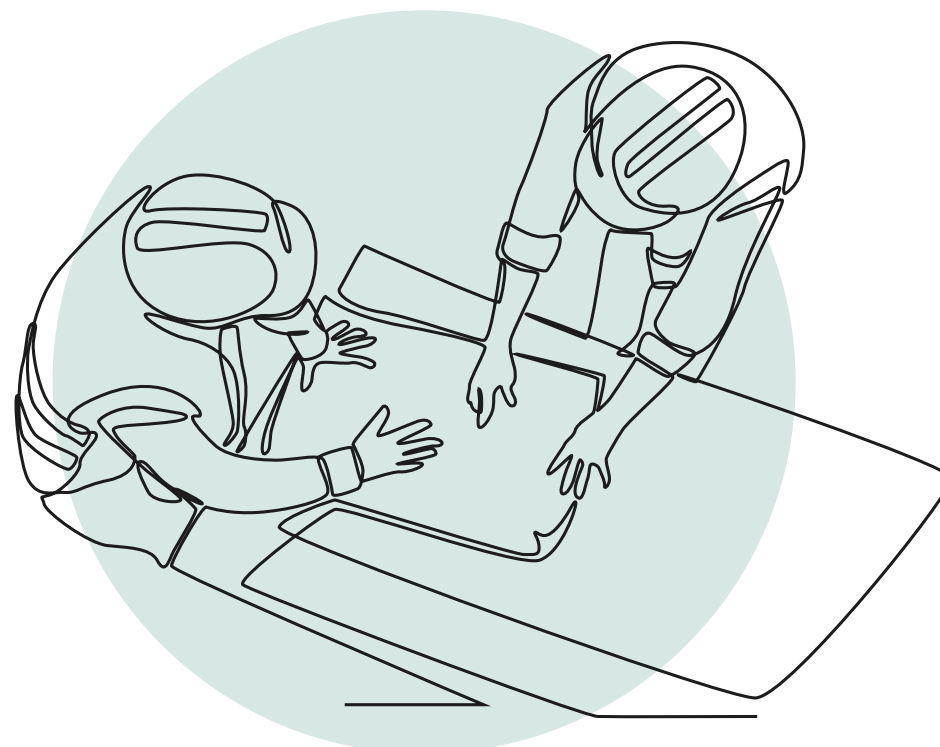
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5.2 INTERNATIONAL STANDARDS

This report has been drawn up in accordance with the following guidelines:

- a.** The International Integrated Reporting Framework of the IIRC (International Integrated Reporting Council), which sets out the guidelines and contents to be taken into account in the drawing up of integrated reports.
- b.** The recommendations of the GCCA (Global Cement and Concrete Association), setting out the material issues for the sector regarding which companies should report information.
- c.** A template management report in accordance with the Capital Companies Act.
- d.** Law on non-financial information 11/2018.
- e.** Sustainability Reporting Standards (SRS) framework of the Global Reporting Initiative (GRI) organisation for 2016 (except for the new standards published by the GRI).
- f.** United Nations Sustainable Development Goals.
- g.** Principles of the relationship with the Accountability stakeholders.

The quantitative performance indicators annex of the report specifies the pages and coverage of the requirements and indicators. In the event of any omission of indicators, the reason for the omission is explained. Cementos Molins decided to draw up its report in accordance with the essential compliance option, reporting at least one indicator of the aspects regarded as relevant for the company. The selection of the relevant aspects was carried out upon the basis of the results of the materiality analysis performed, as explained below.



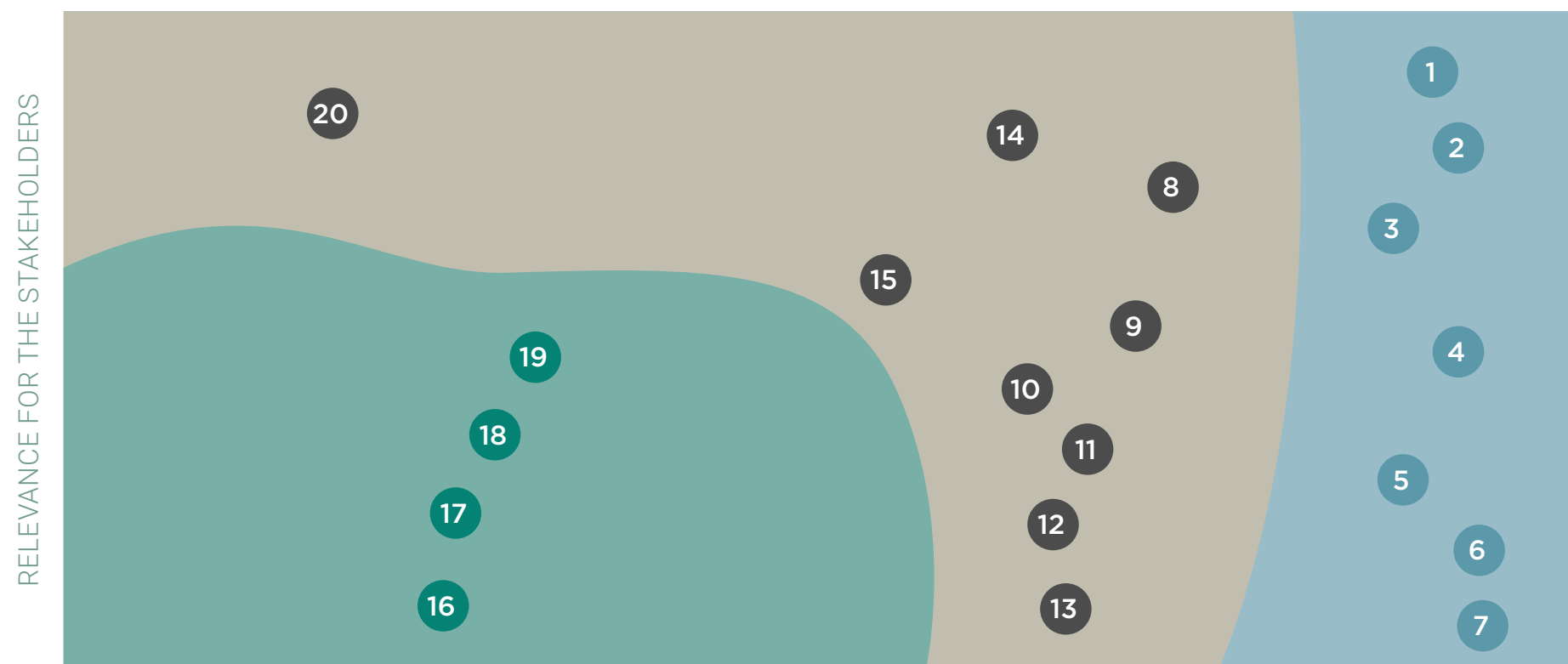
Yacuses factory (Bolivia)

5.3 MATERIALITY

In preparing this report, we have taken into account the identification and prioritisation of relevant sustainability issues, taking into account the concerns of stakeholders, the sector and the environment. Our revised materiality exercise allows us to align both our sustainability strategy with our stakeholders and to carry out this transparency exercise.

During the current year we have continued to be guided by the materiality matrix that was revised last year as we are working to anticipate the requirements of the new reporting regulations defined by the new Corporate Sustainability Reporting Directive (CSRD). Thus, during 2023 we worked on analysing the new disclosure requirements and put in place a robust process of Dual Materiality Analysis, which will cover both dimensions of analysis: impact materiality and financial materiality.

This analysis allows us, on the one hand, to assess from an inside-out perspective, the impacts caused by our activity directly related to operations, products and services, including business relationships in the value chain. On the other hand, from an outside-in perspective, it allows us to analyse whether the identified impacts trigger material financial effects, generating risks and opportunities not only within the company but also throughout our value chain.



RELEVANCE OF THE SUSTAINABILITY IMPACTS OF THE CEMENTOS MOLINS GROUP

- | | | |
|-----------------------------------|----------------------------------------------------------|----------------------------------------|
| 1. GHG emission | 8. Impacts on the community | 15. Creation of economic value |
| 2. Sustainable products | 9. Ethical behaviour and regulatory compliance | 16. Value chain resilience |
| 3. Natural resources | 10. Energy | 17. Human Rights |
| 4. Biodiversity and ecosystems | 11. Stakeholder participation | 18. Diversity and equal opportunities |
| 5. Occupational health and safety | 12. Restoration of natural areas | 19. Waste and wastewater |
| 6. Corporate governance | 13. Attractive workplace talent attraction and retention | 20. Environmental and social standards |
| 7. Training and development | 14. Atmospheric emissions (excl. GHG) | |

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5.4 TABLE OF CONTENTS REQUIRED BY LAW 11/2018

■ General areas

CONTENT OF LAW 11/2018 INF		RELEVANT GRI STANDARDS AND CONTENTS	REFERENCE (BOX) /RAPID RESPONSE
BUSINESS MODEL	<ul style="list-style-type: none"> ▪ Description of the business model: ▪ Business environment ▪ Organisation and structure ▪ Markets in which it operates ▪ Goals and strategies ▪ Main factors and trends that may affect its future development 	GRI 2-1 Organisational details GRI 2-2 Entities covered by sustainability reporting GRI 2-6 Activities, value chain and other business relationships GRI 2-9 Governance structure and composition GRI 2-23 Commitments and policies	2. A global and diversified value proposition 2.2 Our integrated business model 3.A responsible governance model 4.A strategy based on sustainable growth 4.2. Pillar 2: Sustainability Letter from the President and the Chief Executive Officer
POLICIES AND POLICY OUTCOMES	<ul style="list-style-type: none"> ▪ Description of the policies applied by the Group and the results of those policies, including relevant non-financial key performance indicators. 	GRI 2-23 Commitments and policies GRI 2-24 Inclusion of commitments and policies	Throughout the report 3. A responsible governance model
MAIN RISKS AND IMPACTS IDENTIFIED	<ul style="list-style-type: none"> ▪ Main risks related to these issues and related to the Group's activities, including, where relevant and proportionate, its business relationships, products or services that may have an adverse effect on these areas. 	GRI 3-3 Management of material issues	2.2 Our integrated business model 3.3 Risk management
ENVIRONMENTAL MANAGEMENT	<ul style="list-style-type: none"> ▪ Current and foreseeable effects of the company's activities ▪ Environmental assessment or certification procedures ▪ Resources dedicated to environmental risk prevention ▪ Application of the precautionary principle ▪ Provisions and guarantees for environmental risks 	GRI 3-3 Management of material issues Internal standard/GRI 201-2 Financial implications and other risks and opportunities of climate change (Accounting standard) GRI 2-23 Commitments and policies Law 26/2007 on Environmental Responsibility (if applicable)	4. A strategy based on sustainable growth 4.2.4 The environment and Nature Analytical Annex

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POLLUTION	<ul style="list-style-type: none"> Measures to prevent, reduce or remedy carbon emissions (also includes noise and light pollution) 	GRI 3-3 Management of material issues	4. A strategy based on sustainable growth 4.2.4 The environment and Nature Analytical Annex
CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT	<ul style="list-style-type: none"> Measures for prevention, recycling and reuse and other forms of waste recovery and disposal 	GRI 3-3 Management of material issues GRI 306-3 (2020) Waste generated	4. A strategy based on sustainable growth 4.2.4 The environment and Nature Analytical Annex
	<ul style="list-style-type: none"> Actions to combat food waste 	GRI 3-3 Management of material issues	4.2.5 Circular economy
SUSTAINABLE USE OF RESOURCES	<ul style="list-style-type: none"> Water consumption and the water supply in accordance with local constraints 	GRI 3-3 Management of material issues GRI 303-3 Water extraction	4.2.4 The environment and Nature Analytical Annex
	<ul style="list-style-type: none"> Consumption of raw materials 	GRI 3-3 Management of material issues GRI 301-1 Materials used by weight or volume	4.2.4 The environment and Nature Analytical Annex
	<ul style="list-style-type: none"> Direct and indirect energy consumption 	GRI 302-1 Energy consumption within the organisation	4.2.3 Climate change and Energy Analytical Annex
	<ul style="list-style-type: none"> Measures taken to improve energy efficiency 	GRI 3-3 Management of material issues	
<ul style="list-style-type: none"> Use of renewable energies 	GRI 302-1 Energy consumption within the organisation		
CLIMATE CHANGE	<ul style="list-style-type: none"> Important elements of generated greenhouse gas emissions 	GRI 305-1 Direct GHG emissions (Scope 1) GRI 305-2 Indirect GHG emissions associated with energy (Scope 2) If applicable: GRI 305-3 Other indirect GHG emissions (Scope 3)	4. A strategy based on sustainable growth 4.2.3 Climate change and Energy Analytical Annex
	<ul style="list-style-type: none"> Measures taken to adapt to the consequences of Climate Change 	GRI 3-3 Management of material issues	
	<ul style="list-style-type: none"> Voluntary reduction targets 	GRI 3-3 Management of material issues	
BIODIVERSITY PROTECTION	<ul style="list-style-type: none"> Measures taken to preserve or restore biodiversity 	GRI 3-3 Management of material issues	4.2.4 The environment and Nature 4.2.6 Corporate Social Responsibility
	<ul style="list-style-type: none"> Impacts caused by activities and operations in protected areas 		

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<p>TAXONOMY</p> <ul style="list-style-type: none"> Recommendations to be followed in terms of mitigating or adapting to climate change, while avoiding significant damage to the other four environmental objectives: sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention control and protection, and restoration of biodiversity and ecosystems. 	<p>GRI 305-1 Direct GHG emissions (scope 1) GRI 305-2 Indirect GHG emissions (scope 2) GRI 305-4 Intensity of GHG emissions GRI 102-15 Key impacts, risks and opportunities GRI 103-2 Management Approach (with a view to GRI 305) GRI 201-2 Financial implications and other risks and opportunities arising from climate change GRI 305-5 GHG emission reductions GRI 103-2 Management Approach (with a view to GRI 305) GRI 103-2 Management Approach (with a view to GRI 306) GRI 301-1 Materials used by weight or volume GRI 301-2 Recycled materials consumed 303-1 Interaction with water as a shared resource 303-2 Management of impacts related to water discharges 306-1 Waste generation and significant impacts related to waste 306-2 Management of significant waste-related impacts 306-3 Waste generated 306-4 Waste not sent for disposal 306-5 Waste sent for disposal 303-2 Management of impacts related to water discharges 303-3 Water extraction 303-4 Water discharges 303-5 Water consumption GRI 304-3 Protected or restored habitats GRI 304-1 Operations owned, leased or managed located in or adjacent to protected areas of great value for biodiversity outside protected areas GRI 304-2 Significant impacts of activities, products, and services on biodiversity GRI 304-4 IUCN Red List species and national conservation list species whose habitats occur in areas affected by operations</p>	<p>Appendix I: Sustainability taxonomy</p>

■ Social and personnel issues

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EMPLOYMENT	<ul style="list-style-type: none"> Total number and distribution of employees by gender, age, country and professional classification 	GRI 2-7 Employees GRI 405-1 Diversity in governing and employee bodies	4.3. Pillar 3: People Analytical Annex
	<ul style="list-style-type: none"> Total number and distribution of types of employment contracts 		
	<ul style="list-style-type: none"> Average annual number of permanent, temporary and part-time contracts by gender, age and professional classification 	GRI 2-7 Employees	
	<ul style="list-style-type: none"> Number of dismissals/layoffs by gender, age and professional classification 	GRI 401-1 new hires of employees	
	<ul style="list-style-type: none"> Pay gap 	Internal framework: the calculation has been made using the following formula: (Av. Salary Women - Av. Salary Men) / Av. Salary Men	Mentioned in the Annual Director Remuneration Report
	<ul style="list-style-type: none"> Average remuneration by gender, age and professional category 	Internal framework: Average remuneration (includes total remuneration for the year, fixed salary and all variable remuneration (per diem allowances, indemnities, payment to savings schemes, etc.) earned during the year.	
	<ul style="list-style-type: none"> Average director remuneration by gender 		
	<ul style="list-style-type: none"> Average remuneration of managers by gender 		
	<ul style="list-style-type: none"> Implementation of work digital disconnection policies 	GRI 3-3 Management of material issues	4.3.4 Equality and work-life balance
<ul style="list-style-type: none"> Employees with disabilities 	GRI 405-1 Diversity in governing and employee bodies	4.3. Pillar 3: People Analytical Annex	
WORK ORGANISATION	<ul style="list-style-type: none"> Organisation of working time 	GRI 3-3 Management of material issues	4.3.4 Equality and work-life balance
	<ul style="list-style-type: none"> Number of hours of absenteeism 	Internal framework: Absenteeism rate	Analytical Annex
	<ul style="list-style-type: none"> Measures designed to facilitate a work-life balance and encourage its both parents to take responsibility for exercising it 	GRI 3-3 Management of material issues	4.3.4 Equality and work-life balance

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HEALTH AND SAFETY	<ul style="list-style-type: none"> Health and safety conditions in the workplace 	GRI 403-1 Occupational health and safety management system	4. A strategy based on sustainable growth 4.2.2 Health and Safety Analytical Annex
	<ul style="list-style-type: none"> Accidents at work (frequency and severity), broken down by gender 	GRI 403-9 Work-related injuries Frequency rate= No. of accidents with sick leave x 1,000,000/ no. of hours worked (excluding in itinere accidents) Severity rate= No. of working days lost x 1,000,000/ no. of hours worked (excluding in itinere accidents)	
	<ul style="list-style-type: none"> Occupational illnesses (frequency and severity), broken down by gender 	GRI 403 Occupational health and safety	
RELATIONS BETWEEN THE MANAGEMENT AND THE WORKFORCE	<ul style="list-style-type: none"> Organisation of social dialogue 	GRI 3-3 Management of material issues	4.3. Pillar 3: People Analytical Annex
	<ul style="list-style-type: none"> Percentage of employees covered by a collective agreement by country 	GRI 2-30 Collective bargaining agreements	
	<ul style="list-style-type: none"> Balance of collective agreements, particularly in the field of occupational health and safety 	GRI 3-3 Management of material issues	
	<ul style="list-style-type: none"> Mechanisms and procedures that the company has in place to promote the involvement of workers in the management of the company in terms of information, consultation and participation 	GRI 2-29 Approaches to stakeholder engagement	
TRAINING	<ul style="list-style-type: none"> Policies implemented in the field of training 	GRI 404-2 Programmes to enhance employee skills and transition assistance Programmes.	4.3.3 Talent Development Analytical Annex
	<ul style="list-style-type: none"> Total number of training hours per professional category. 	Internal framework	
	<ul style="list-style-type: none"> Universal accessibility for people with disabilities 	GRI 3-3 Management of material issues	4.3. Pillar 3: People
EQUALITY	<ul style="list-style-type: none"> Measures taken to promote equal treatment and opportunities for women and men 	GRI 3-3 Management of material issues	3.2. Ethics and compliance 4.3.4. Equality and work-life balance
	<ul style="list-style-type: none"> Equality plans measures taken to promote employment, protocols against sexual and gender-based harassment 	GRI 3-3 Management of material issues GRI 2-23 Commitments and policies	
	<ul style="list-style-type: none"> Integration and universal accessibility for people with disabilities 	GRI 3-3 Management of material issues	
	<ul style="list-style-type: none"> Policy against all forms of discrimination and, as appropriate, diversity management 	GRI 3-3 Management of material issues GRI 2-23 Commitments and policies	

■ Human rights information

CONTENT OF LAW 11/2018 INF		RELEVANT GRI STANDARDS AND CONTENTS	REFERENCE (BOX) /RAPID RESPONSE
HUMAN RIGHTS	<ul style="list-style-type: none"> Implementation of human rights due diligence procedures 	GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 3-3 Management of material topics	3.2. Ethics and compliance 4.3.5 Human Rights
	<ul style="list-style-type: none"> Prevention of risks of human rights abuses and, as appropriate, measures to mitigate, manage and remediate any abuses committed 	GRI 3-3 Management of material issues GRI 2-23 Commitments and policies GRI 2-26 Mechanisms for seeking advice and raising concerns	
	<ul style="list-style-type: none"> Complaints about cases of human rights violations 	Internal framework: quantitative information on the number of complaints.	4.3.5 Human Rights
	<ul style="list-style-type: none"> Foster and enforce the provisions of the ILO core conventions relating to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced and compulsory labour and the effective abolition of child labour 	GRI 3-3 Management of material issues GRI 2-23 Commitments and policies	4.3.5 Human Rights

■ Information relating to the fight against corruption and bribery

CONTENT OF LAW 11/2018 INF		RELEVANT GRI STANDARDS AND CONTENTS	REFERENCE (BOX) /RAPID RESPONSE
CORRUPTION AND BRIBERY	<ul style="list-style-type: none"> Measures taken to prevent corruption and bribery 	GRI 2-25 Processes to remediate negative impacts GRI 2-23 Commitments and policies GRI 2-26 Mechanisms for seeking advice and raising concerns	3.2 Ethics and compliance
	<ul style="list-style-type: none"> Measures to combat money laundering 	GRI 2-25 Processes to remediate negative impacts GRI 2-23 Commitments and policies GRI 2-26 Mechanisms for seeking advice and raising concerns	
	<ul style="list-style-type: none"> Contributions to foundations and non-profit organisations 	GRI 201-1 Direct economic value generated and distributed	Analytical annex

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COMPANY COMMITMENTS TO SUSTAINABLE DEVELOPMENT	<ul style="list-style-type: none"> Impact of the company's activity on employment and local development 	GRI 3-3 Management of material issues	4.2.6. Corporate Social Responsibility
	<ul style="list-style-type: none"> Impact of the company's activity on local populations and the territory 	GRI 3-3 Management of material issues	
	<ul style="list-style-type: none"> Relations with local community actors and the forms of dialogue with them 	GRI 3-3 Management of material issues	2.2. A global and diversified value proposition 4.2.6. Corporate Social Responsibility 4.3. Pillar 3: People 4.5.1 Suppliers 4.5.2 Customers
	<ul style="list-style-type: none"> Association and sponsorship actions 	GRI 3-3 Management of material issues GRI 2-28 Membership in associations Internal framework: description of partnership or sponsorship actions.	3.2 Ethics and compliance 4 A strategy based on sustainable growth 4.1.2 Business development broken down by region
OUTSOURCING AND SUPPLIERS	<ul style="list-style-type: none"> The inclusion of social, gender equality and environmental issues in the procurement policy 	GRI 3-3 Management of material issues GRI 2-6 Activities, value chain and other business relationships GRI 2-24 Inclusion of commitments and policies	4.5.1 Suppliers 4.5.2 Customers
	<ul style="list-style-type: none"> Consideration of social and environmental responsibility in relations with suppliers and subcontractors 		
	<ul style="list-style-type: none"> Supervision and audit systems and their results 		Analytical annex
CONSUMERS	<ul style="list-style-type: none"> Consumer health and safety measures 	GRI 3-3 Management of material issues	4.5.2 Customers
	<ul style="list-style-type: none"> Complaint systems, complaints received and their resolution 	GRI 2-16 Communication of critical concerns GRI 2-25 Processes to remediate negative impacts Internal framework: information on complaints and opportunities for improvement	4.5.2 Customers Analytical annex
TAX INFORMATION	<ul style="list-style-type: none"> Profits obtained by country 	GRI 207-4 Country-by-country reporting	3.2.5. Fiscal transparency
	<ul style="list-style-type: none"> Taxes on profits paid 	GRI 207-4 Country-by-country reporting	
	<ul style="list-style-type: none"> Government grants received 	GRI 201-4 Financial assistance received from the Government	

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ANNEX I: SUSTAINABILITY TAXONOMY

Regulatory context

■ Current regulatory framework

In June 2020, the European Commission published the Taxonomy Regulation (EU) 2020/852 (hereafter TR)¹ in the Official Journal of the European Union, laying down the basis for the EU taxonomy and setting out the conditions that an economic activity must meet to be classified as environmentally sustainable:

- Substantially contribute to one or more of the six environmental goals (climate change mitigation, adaptation to climate change, sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems).
- Not to cause significant damage to any of the environmental objectives.
- Be carried out in accordance with minimum social safeguards.

The EU Taxonomy is thus consolidated as the key element of the European Green Pact, focused on establishing a strategy for sustainable economic growth and aimed at achieving climate neutrality by 2050. In particular, the Taxonomy framework is expected to contribute to establishing the conditions necessary to direct capital flows to sustainable activities, protecting investors from “greenwashing” and helping companies to plan the transition by providing precise and common language and definitions of the economic activities that can be regarded as environmentally sustainable.

The TR is complemented by Delegated Regulations, which specify the rules for the content and presentation of the information to be disclosed:

- Delegated Regulation (EU)2021/2139² (hereafter, Climate DR), states:
 - The technical criteria for climate targets that determine the conditions for an economic activity to make a substantial contribution to climate change mitigation or adaptation thereto³.
 - Requirements not to cause significant harm to other environmental objectives.

- Delegated Regulation (EU)2021/2178⁴ (hereinafter Disclosure DR), specifies the content and presentation of the information to be disclosed by companies subject to this regulation. Pursuant to Article 8 of the TR, non-financial companies to which the European taxonomy applies must disclose, taking into account the information specified in Annex I of the disclosure DR, the following:

- Eligibility percentage and alignment of the turnover.
- Eligibility percentage and alignment of investments in fixed assets (CapEx).
- Eligibility percentage and alignment of operational expenditure (OpEx).
- Information to accompany and detail of the key performance indicators (methodology and justification).

1 <https://eur-lex.EUROPE.eu/legal-content/ES/TXT/PDF/?uri=CELEX:32020R0852&from=EN>

2 Commission Delegated Regulation (EU) 2021/ of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and Council and establishing the technical selection criteria for determining the conditions under which an economic activity is deemed to make a substantial contribution to climate change mitigation or adaptation thereto and for determining whether that economic activity causes significant harm to any of the other environmental objectives (EUROPE.eu)

3 On 9 March 2022, the Commission adopted a Complementary Climate Act, including, under strict conditions, specific nuclear and gas activities in the list of economic activities covered by the EU Taxonomy.

4 Publications Office (EUROPE.eu)

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- Delegated Regulation (EU) 2023/2485⁵ amending Delegated Regulation (EU) 2021/2139, which sets forth the additional technical selection criteria for determining the conditions under which an economic activity is deemed to make a substantial contribution to climate change mitigation or adaptation thereto and for determining whether that economic activity causes significant harm to any of the other environmental objectives.

- Delegated Regulation (EU)2023/2486⁶ (hereafter, Environmental DR), sets out the taxonomic criteria for economic activities that contribute substantially to non-climate environmental objectives:

- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution monitoring and prevention
- Protection and restoration of biodiversity and ecosystems

These latest Regulations have been adopted by the European Commission in June 2023, together with a number of amendments to the Disclosure DR. These amendments provide for modifications to existing activities, new technical selection criteria for certain economic activities that had not yet been considered and changes in the disclosure of Taxonomy information, especially concerning the reporting tables.

The European Commission has also published a number of documents on the interpretation and implementation of certain legal provisions of the taxonomy, with the aim of reducing uncertainty arising from the current regulatory framework.

■ Developments concerning the financial year 2023

Reporting obligations for non-financial institutions will be extended in the coming years in line with the progressive implementation of the new Sustainability Reporting Directive (CSRD).

For FY22, non-financial companies reported the CapEx, OpEx and aligned revenue percentages insofar as they met specific criteria, along with the qualitative information required by the Disclosure DR. Accordingly, non-financial companies had to disclose information on the analysis of the activity description for the eligibility exercise and compliance with the technical criteria of the relevant delegated act for the alignment exercise.

With the approval of the Environmental DR and the amendments to the Climate DR and the Disclosure DR, non-financial companies must report from 1 January 2024 on the 2023 financial year:

- Eligibility and alignment of those activities included in the Climate DR.
- The eligibility of the new activities included in the DR Environment and in the amendments of the Climate DR.

Scope of the Taxonomy

The inclusion of the manufacturing sector in the EU taxonomy is due to its substantial contribution to climate change mitigation. It is the third-largest source of GHG emissions in the European Union, and in fact is responsible for approximately 17% of the Union’s emissions. However, it is a key industry for reducing emissions in other sectors through the production of products and technologies needed to achieve a low-carbon economy.

The taxonomy includes the manufacture of cement (NACE 23.51), which is classified under the transitional activity category. This classification identifies cement manufacturing as an economic activity that needs to evolve or be transformed as there is currently no technologically or economically viable low-carbon alternative. However, the activity is considered for its potential substantial contribution to climate change mitigation when it supports the transition to a climate neutral economy by phasing out GHG emissions.

Complementing this activity, Cementos Molins carries on other businesses whose products are also identified as eligible activities that contribute to climate change mitigation and the transition to a circular economy, as detailed below in the eligibility analysis section.

5 Commission Delegated Regulation (EU) 2023/ 2485 of 27 June 2023 supplementing Delegated Regulation (EU) 2021/2139 establishing the technical selection criteria for determining the conditions under which an economic activity is deemed to make a substantial contribution to climate change mitigation or adaptation thereto and for determining whether that economic activity causes significant harm to any of the other environmental objectives (EUROPE.eu)

6 Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical selection criteria for determining under which conditions an economic activity shall be deemed to make a substantial contribution to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and control of pollution, or to the protection and restoration of biodiversity and ecosystems, and for determining whether such economic activity does not cause significant harm to any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 as regards the disclosure of specific public information on such economic activities (EUROPE.eu)

Scope of the report

Following the Sustainability Roadmap and applying the Regulation, Cementos Molins has considered within the scope the activity of the companies belonging to the Group in accordance with the integration criteria followed in the consolidated annual accounts for the year.

Eligibility analysis

In accordance with current legislation, in the 2022 financial year, Cementos Molins disclosed information on the percentage of eligible activities⁷ of its revenues, investments in fixed assets and operating expenses.

For the 2023 financial year and in accordance with the new Regulations, we have revised our taxonomy analysis, concluding that the activities reported in 2022 concerning cement manufacturing (activity 3.7) and recovery of non-hazardous waste materials (activity 5.9) remain eligible. However, we have identified changes in certain activities reported in the previous year due to the incorporation of changes and new activities in the amendments to the Climate RD and Environment RD:

- In 2022, we reported activity 6.14 (Infrastructure for rail transport) contributing to climate change mitigation as eligible and aligned. This activity was changed by amendments published in June 2023, excluding the rail element of sleepers from the description. However, the new activity 3.19 (Manufacture of rail rolling stock components) of the same objective does include sleepers in its description as a device necessary to ensure the health and safety of passengers.

- In 2023, we included climate change mitigation activity 7.6 (Installation, maintenance and repair of renewable energy technologies), related to the installation of photovoltaic panels for self-consumption at the Sant Vicenç dels Horts factory in Spain.

- With reference to the new economic activities included in the Annexes of the Environmental DR, we have identified as eligible activities 2.7 (Sorting and recovery of non-hazardous waste materials) and 3.5 (Use of concrete in civil engineering) of the circular economy.

Eligible activities this year are as follows:

ACTIVITIES OF THE TAXONOMY	ENVIRONMENTAL GOAL	ELIGIBLE ACTIVITIES OF CEMENTOS MOLINS
3.7 CEMENT MANUFACTURE	Climate change mitigation	■ Cement and clinker manufacture.
3.19 MANUFACTURE OF RAILWAY ROLLING STOCK COMPONENTS	Climate change mitigation	■ Manufacture of products related to rail components. Specifically, manufacture of sleepers, rail track parts, metro and tramway tracks (PRECON).
7.6 INSTALLATION, MAINTENANCE AND REPAIR OF RENEWABLE ENERGY TECHNOLOGIES	Climate change mitigation	■ Installation of photovoltaic panels for self-consumption at the factory in Sant Vicenç dels Horts, Barcelona.
5.9 RECOVERY OF NON-HAZARDOUS WASTE MATERIALS	Climate change mitigation	■ Waste recovery, generating high-quality fuel for industry, which is thus re-incorporated into the production chain (PROMSA).
2.7 CLASSIFICATION AND RECOVERY OF NON-HAZARDOUS WASTE MATERIALS	Circular Economy	
3.5 USE OF CONCRETE IN CIVIL ENGINEERING	Circular Economy	■ Manufacture of architectural concrete structures and street furniture (PRECON).

⁷ An economic activity is considered eligible when it is detailed in the relevant Delegated Regulation

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Alignment analysis

At Cementos Molins, in 2022 we reported the percentage of aligned activities⁸ of our revenues, investments in fixed assets and operating expenses, as well as the qualitative information accompanying the detail of the key performance indicators for the Climate RD activities (climate change mitigation and climate change adaptation).

The working process for the alignment analysis has followed the same steps as in the previous exercise for activities that contribute substantially to the climate objectives:

1. Assessment of compliance with the technical criteria for substantial contribution to climate change mitigation.
2. Assessment of compliance with the criteria of causing no significant harm (DNSH) to any of the other environmental objectives.
3. Assessment of compliance with minimum social safeguards according to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on enterprises and human rights.

The activities we identified as aligned with the requirements of the taxonomy are as follows:

ACTIVITIES OF THE TAXONOMY	ENVIRONMENTAL GOAL	ALIGNED ACTIVITIES OF CEMENTOS MOLINS
3.7 CEMENT MANUFACTURE.	Climate change mitigation	<ul style="list-style-type: none"> ■ Manufacture of cement at the Sant Vicenç dels Horts factory, where GHG emissions are less than 0.722 tCO_{2e}/t clinker.
7.6 INSTALLATION, MAINTENANCE AND REPAIR OF RENEWABLE ENERGY TECHNOLOGIES	Climate change mitigation	<ul style="list-style-type: none"> ■ On-site installation of photovoltaic panels for self-consumption at the factory in Sant Vicenç dels Horts, Barcelona.
5.9 RECOVERY OF NON-HAZARDOUS WASTE MATERIALS.	Climate change mitigation	<ul style="list-style-type: none"> ■ Improvement of PROMSA's technology and waste recovery capacity by converting more than 50% weight of the treated non-hazardous waste collected separately into secondary raw materials suitable for the substitution of virgin materials in production processes.

As mentioned above, the amendments made to the Climate RD during the year have changed the eligibility and therefore the alignment of the reported climate change mitigation activity 6.14 (Infrastructure for rail transport) in 2022.

According to Article 5 of the Environmental RD, the reporting obligations for the 2023 financial year require non-financial companies to disclose only the proportion of eligible and non-eligible economic activities according to the taxonomy under the Environmental RD and the amended sections of the Climate RD, among which is the climate change mitigation activity 3.19 (Manufacture of railway rolling stock components). Thus, while the activity carried out by Cementos Molins has not changed, its classification in the Environmental RD has been amended, from activity 6.14 to the new activity 3.19.

Exceeding the disclosure requirements, but consistent with the activities of Cementos Molins, we have analysed the technical selection criteria (criteria of substantial contribution to climate change mitigation, "No significant harm" and minimum social safeguards) of the new activity 3.19 because they are in line with those already assessed during the 2022 financial year for activity 6.14 (Infrastructure for rail transport), concluding that we are compliant therewith and, therefore, aligned.

See the section "calculation methodology" for the additional results of activity 3.19 by KPI.

⁸ An economic activity is considered to be aligned when it meets the technical criteria of substantial contribution, does not cause significant harm, and meets the minimum social safeguards

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■ Substantial contribution to mitigating climate change caused by Cementos Molins' eligible activities

Activity 3.7: The substantial contribution of cement manufacturing requires not exceeding the emission limit set by the climate RD for clinker emissions (0.722 tCO₂e/t grey clinker) and cement (0.469 tCO₂e/t cement). After analysing the emissions generated in the manufacturing process at the various Cementos Molins factories, the one that complies with this limit is the Sant Vicenç dels Horts factory, located in Spain, for clinker production.

Activity 7.6: The installation, maintenance and repair of renewable energy technologies is a facilitating activity, as it directly allows other activities to make a substantial contribution to one or more of the environmental objectives. Compliance with the technical selection criteria established by the Climate RD is based on the fact that the activity itself consists of the individual measure of installing, maintaining or repairing solar photovoltaic systems and ancillary technical equipment that are assembled on site as technical building installations when installing solar panels at the factory in Sant Vicenç dels Horts, Barcelona.

Activity 5.9: One of the main products of Cementos Molins is the line of ecomaterials, which are based on recycling and waste recovery. With a view to meeting the substantial contribution technical criteria, Cementos Molins converts more than 50% of the weight of the treated non-hazardous waste collected separately into secondary raw materials suitable for the replacement of virgin materials in the production processes, thus complying with the climate RD for this activity.

■ No Significant Harm Criteria (DNSH)

Adaptation

The principle of not causing significant harm to climate change adaptation is common to all of Cementos Molins' eligible activities. Therefore, the company complies with the criteria set out in Appendix A of Annex I of the climate RD⁹ by carrying out a physical climate risk analysis that includes the most material risks for the company and covers its various activities and locations. Furthermore, this analysis considers different climate projections using the scenarios RCP 2.6, RCP 4.5 and RCP 8.5. Through this analysis, Cementos Molins has identified and consequently implemented a series of adaptation measures to manage the relevant risks and assess them according to their effectiveness in understanding risk mitigation (for more information see section 4.2.3).

Sustainable use and protection of water and marine resources

Cement manufacturing (climate change mitigation activity 3.7) must comply with requirements for sustainable use and protection of water and marine resources.

To this end, the company has environmental impact studies (including water impact assessments) and implements a water use management and protection plan for the affected water body. This is part of the global water management measures in Cementos Molins factories (for more information see section 4.2.4).

Transition to a circular economy

Although none of the three activities analysed must comply with this DNSH criterion, we carry out several actions and have implemented various measures in terms of the circular economy. In this regard, our main waste products come from non-hazardous mixed solid industrial waste, plant pruning and other domestic environmental waste and, to a lesser extent, from hazardous waste such as used oils and batteries derived from the manufacture of energy-efficient equipment for buildings and rail transport infrastructure.

Cementos Molins has a list of techniques that support the reuse of raw and secondary materials, as well as a design with a view to high durability and recyclability of the products. Furthermore, the company includes prioritisation and recycling methods, information on substances of concern throughout the life cycle of manufactured products and the measures implemented to offset this.

We monitor the amount of non-hazardous waste generated in the construction and demolition phase, specifying the material from which it is made in order to discern what type of waste it is, as well as the technique used and the percentage of waste sent for recycling and recovery (for more information see section 4.2.5).

⁹ Commission Delegated Regulation (EU) 2021/ of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and Council and establishing the technical selection criteria for determining the conditions under which an economic activity is deemed to make a substantial contribution to climate change mitigation or adaptation thereto and for determining whether that economic activity causes significant harm to any of the other environmental objectives (EUROPE.eu)

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Pollution prevention and control

At Cementos Molins, we have specific reports on the implementation of the Best Available Techniques (BATs) and compliance with the emission/discharge limits associated with them, complying with the DNSH required for cement manufacturing activity. The Sant Vicenç dels Horts factory, located within the European Union, complies with the best available techniques of European regulations.

For the remaining activities, including activity 3.7 itself, the criteria set out in Appendix C of Annex I to Delegated Regulation 2021/2139 must be met. In accordance with this criterion, Cementos Molins does not manufacture, market, sell or use substances, alone or in mixtures or in articles of the polluting substances listed in appendix C (for more information see section 4.2.4).

Protection and restoration of biodiversity and ecosystems

We have environmental impact studies and reports on mitigation and compensation measures adopted in affected terrestrial ecosystems, ensuring compliance with the principles of DNSH in this area. Specifically, we carry out environmental impact assessments (EIAs) to identify and assess the main effects that the activity may have on the environment. We also apply necessary mitigation and compensation measures (contained in the ESIA) to protect the environment. (for more information see section 4.2.4).

Minimum social safeguards

The minimum safeguards of the RT in Article 18 take into account an economic activity to be aligned with the Taxonomy when it also meets social and governance standards that ensure business conduct in line with responsible practices.

Following the recommendations set out in the final report published in October 2022 by the European Sustainable Finance Platform, at Cementos Molins we have established the appropriate mechanisms, policies and procedures in the areas of human rights, anti-corruption and bribery, responsible taxation and fair competition.

Our human rights governance model is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Our due diligence process is designed to identify, prevent, mitigate and remediate potential negative impacts of both corporate activity and decisions throughout the value chain. The human rights management model is underpinned by its public commitments to human rights with the Human Rights Due Diligence Policy as its cornerstone. There is no record of any complaints of human rights violations (for more information see section 4.3.5).

We also have the appropriate compliance programmes and internal controls in place to eradicate corruption and bribery, as well as the appropriate elements of tax risk management to ensure regulatory compliance. Furthermore, we foster awareness and sensitisation of employees on compliance with competition laws in the interest of ethical business management. Neither the company nor its directors have been convicted of corruption or been found guilty in any tax evasion proceedings or in matters related to the violation of competition laws (see section 3.2 for more information).

■ Calculation methodology

To calculate the for the KPIs of the taxonomy referred to above, the values of the accounting lines of each Group company have been used. In the case of companies whose taxonomy activity does not unequivocally match all of the activity carried out by the same, the value has been accessed through the information contained in the company's management accounts, in which the analytical and cost centre breakdowns can be identified. In this way it is possible to obtain the specific information related to the activity being analysed. The management data are subject to controls that come from the ICFR (Internal Control over Financial Reporting) systems. This, in turn, is the information used by the company to manage and direct its businesses.

To ensure that any double counting is avoided, several mechanisms have been put in place. On the one hand, compliance with the financial accounting standards from which the aforementioned management information and analytical data are derived. This ensures that figures associated with the same account are not consolidated into two indicators. Furthermore, no amount that has been allocated to an activity linked to climate change mitigation has been considered for activities linked to climate change adaptation and vice versa, if applicable. Finally, it has been verified that there are no associated intercompany eliminations between activities.

To calculate the indicators, the company identifies further alignment with the requirements of the taxonomy in its activities located within the framework of the European Commission. This is mainly due to the fact that compliance with the technical requirements mostly refers to the requirements of EU standards and decrees, which differ from the minimum legal requirements in other countries.

Below is a brief description of the items included in the calculation of each of the three KPIs:

INCN: Eligibility percentage and alignment of the turnover

To calculate eligibility, the total income derived from the eligible activities and businesses listed in the table in the previous section was divided by the total income of all Cementos Molins companies, i.e. the total INCN of the Cementos Molins Group. The proportion of eligible turnover in 2022 was 49.1% while in 2023 it was 45.7%.

The aligned turnover has been calculated by taking into account the revenues from the aligned activities described in the previous section for the numerator. For the denominator, the total INCN of Cementos Molins has been factored in, as per the definition in section 1.1.1. of Annex I of the disclosure DR. The proportion of aligned turnover was 1.9% in 2022 and 2.1% in 2023, resulting from the exclusion of those revenues that in the previous year were associated with activity 6.14 (currently 3.19), thus meeting the reporting obligations for 2023.

Furthermore, we have calculated the proportion of aligned turnover of activity 3.19, which was 3% in 2023. Therefore, the proportion of aligned revenues in 2023 integrating the percentage of activity 3.19 is 5.2%.

CapEx: Percentage of eligibility and alignment of investments in fixed assets

The proportion of eligible CapEx was calculated by identifying those investments directly related to the carrying out of the economic activities covered by the Delegated Regulations of the Taxonomy as the numerator and dividing this amount by the total CapEx of Cementos Molins as the denominator, understood as tangible fixed assets and intangible assets (excluding acquired goodwill) acquired and valuation of emission rights. The share of eligible investments in 2022 was 71.6% while in 2023 it was 45.7%. In 2023, the CapEx ratio changed compared with 2022 due to the complex economic context in Argentina (accelerating inflation and currency devaluation).

To calculate the aligned CapEx, we have identified in the numerator those investments included in accounting items that conform to the Taxonomy described in the section on alignment analysis. The denominator of the aligned CapEx is the total CapEx of Cementos Molins. The aligned investments in 2022 were 5.7% and in 2023 they were 6.4%.

Following on from the above, we have additionally calculated the aligned CapEx ratio of the new activity 3.19, which is 0.8% in 2023. Therefore, the aligned CapEx ratio in 2023 integrating the share of activity 3.19 would be 7.2%.

OpEx: Eligibility percentage and alignment of operational expenditure

For OpEx, the reported figures refer to non-capitalised direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the daily maintenance of property, plant and equipment assets by the company or a third party to whom activities are outsourced and which are necessary to ensure the continued effective operation of these assets. Eligible operational expenditure in 2022 was 43.1%, while in 2023 it was 46.9%.

The proportion of the aligned OpEx is those accounting items associated with maintenance expenses that conform to the Taxonomy as mentioned in the previous paragraph. In 2022, the aligned operating expenses were 3.6%, while in 2023 they were 3.9%. Following the same rationale as explained in the revenue KPI, the profit excludes the operating expenses associated with the former activity 6.14.

Derived from our further analysis of the new activity 3.19, 1.8% of the operating expenditure in 2023 was in line with the taxonomy. Therefore, the share of aligned OpEx in 2023 integrating the percentage of activity 3.19 would be 5.7%.

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Alignment with the Taxonomy by activity and environmental goal

The following pages show our eligibility and alignment results for the 2023 financial year. Their formats are consistent with the amendments made to the templates for key performance indicators for non-financial corporations in Annex V of Delegated Regulation (EU) 2023/2486 amending Annexes I, II, III, IV, V, VII, IX and X of Delegated Regulation (EU) 2021/2178. The absolute OpEx and CapEx figures presented below are based on specific definitions observed under Annex I of Delegated Regulation (EU) 2021/2178 and may therefore differ from those presented under the same heading in the company's financial statements.

Net Turnover	2023		SUBSTANTIAL CONTRIBUTION CRITERIA							CRITERIA FOR THE ABSENCE OF MATERIAL HARM							Proportion of turnover complying with taxonomy (A.1) or eligible according to taxonomy (A.2), 2022 (18)	Facilitating activity category (19)	Transition activity category (20)	
	Economic activities (1)	Codes (2)	Turnover (3)	Share of turnover, 2023 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				Minimum safeguards (17)
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																				
<i>A.1. Environmentally sustainable activities (conforming to the taxonomy)</i>																				
Cement Manufacture	3.7 CCM	19.4	2.0%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	S	1.8%		T
Recovery of non-hazardous waste materials	5.9 CCM	1.4	0.1%	S	N/EL	N/EL	N/EL	N***	N/EL	S	S	S	S	S	S	S	S	0.1%		
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	0.0	0.0%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	S	N/A	F	
<i>Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)</i>		20.9	2.1%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	S	S	S	S	S	S	S	S	1.9%*		
Of which: facilitators		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	S	S	S	S	S	S	S	S	N/A	F	
Of which: transitional		19.4	2.0%	2.0%						S	S	S	S	S	S	S	S	1.8%		T
<i>A.2 Eligible activities according to the taxonomy but not environmentally sustainable (activities that do not conform with the taxonomy)</i>																				
Manufacture of rail components	3.19 CCM**	29.6	3.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									N/A*		
Use of concrete in civil engineering	3.5 CE	26.4	2.7%	N/EL	N/EL	N/EL	N/EL	EL	N/EL									N/A		
Cement Manufacture	3.7 CCM	369.2	37.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									47.2%		
Recovery of non-hazardous waste materials	5.9 CCM/2.7 CE	0.0	0.0%	EL	N/EL	N/EL	N/EL	EL	N/EL									N/A		
<i>Turnover from taxonomy-eligible but not environmentally sustainable activities (activities that do not conform with the taxonomy) (A.2)</i>		425.2	43.5%	40.8%	0.0%	0.0%	0.0%	2.7%	0.0%									47.2%		
A. Turnover from eligible activities according to the taxonomy (A.1+A.2)		446.1	45.7%	43.0%	0.0%	0.0%	0.0%	2.7%	0.0%									49.1%		
B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																				
Turnover from activities not eligible according to the taxonomy		530.4	54.3%																	
TOTAL		976.5	100 %																	

*The proportion of turnover that conformed to the Taxonomy in 2022 was 3.3% when including revenues associated with activity 6.14 during the year. (1.4%) In the 2023 financial year, due to the modification of this activity by the new 3.19 and in compliance with the new reporting obligations, the proportion of its associated revenues is reported in section A.2, even though it conforms to the taxonomy.

**In the 2023 financial year, the former activity 6.14, for which Cementos Molins was eligible and aligned, became activity 3.19, which can only be reported as eligible under the 2023 reporting obligations, which is why we disclose it as an eligible but not aligned activity, even though it conforms to the taxonomy.

***The waste recovery activity carried out by PROMSA is eligible under the climate change mitigation (5.9 CCM) and circular economy (2.7 CE) objectives, where both descriptions are covered. Because all eligible turnover is aligned and, following the reporting obligations for 2023, the associated revenues are in line with the mitigation target.

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OpEx	2023			SUBSTANTIAL CONTRIBUTION CRITERIA						CRITERIA FOR THE ABSENCE OF MATERIAL HARM						Proportion of turnover complying with taxonomy (A.1) or eligible according to taxonomy (A.2), 2022 (18)	Facilitating activity category (19)	Transition activity category (20)		
	Codes (2)	Turnover (3)	Share of turnover, 2023 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				Minimum safeguards (17)	
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																				
<i>A.1. Environmentally sustainable activities (conforming to the taxonomy)</i>																				
Cement Manufacture	3.7 CCM	1.6	3.3%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	S	3.0%		T
Recovery of non-hazardous waste materials	5.9 CCM	0.3	0.6%	S	N/EL	N/EL	N/EL	N***	N/EL	S	S	S	S	S	S	S	S	0.6%		
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	0.0	0.0%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	S	N/A	F	
<i>OpEx of environmentally sustainable activities (conforming to the taxonomy) (A.1)</i>		1.9	3.9%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	S	S	S	S	S	S	S	S	3.6%*		
Of which: facilitators		– %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	S	S	S	S	S	S	S	S	N/A	F	
Of which: transitional		1.6	3.3%	3.3%						S	S	S	S	S	S	S	S	3.0%		T
<i>A.2 Eligible activities according to the taxonomy but not environmentally sustainable (activities that do not conform with the taxonomy)</i>																				
Manufacture of rail components	3.19 CCM**	0.9	1.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									N/A*		
Use of concrete in civil engineering	3.5 CE	3.1	6.3%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL									N/A		
Cement Manufacture	3.7 CCM	17.1	34.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									39.5%		
Recovery of non-hazardous waste materials	5.9 CCM/2.7 CE	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									N/A		
<i>OpEx of taxonomy-eligible but not environmentally sustainable activities (activities that do not comply with the taxonomy) (A.2)</i>		21.1	43.1%	36.8%	0.0%	0.0%	0.0%	6.3%	0.0%									39.5%		
A. OpEx of eligible activities according to the taxonomy (A.1+A.2)		23.0	46.9%	40.6%	0.0%	0.0%	0.0%	6.3%	0.0%									43.1%		
B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																				
OpEx of ineligible activities according to taxonomy		26.0	53.1%																	
TOTAL		49.0	100.0 %																	

*The proportion of Capex that was consistent with the Taxonomy in 2022 was 4.8% as the income associated with activity 6.14 (1.3%) was included during the year. In 2023, due to the modification of this activity by the new 3.19 and to comply with the new reporting obligations, the proportion of its associated revenues is reported in section A.2, although it complies with the taxonomy.

**In the 2023 financial year, the former activity 6.14, for which Cementos Molins was eligible and aligned, became activity 3.19, which can only be reported as eligible under the 2023 reporting obligations, which is why we disclose it as an eligible but not aligned activity, even though it conforms to the taxonomy.

***The waste recovery activity carried out by PROMSA is eligible under the climate change mitigation (5.9 CCM) and circular economy (2.7 CE) objectives, where both descriptions are covered. Because all eligible operational expenditures are aligned and, following the reporting obligations for 2023, the associated expenditures are in line with the mitigation target.

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CapEx	2023			SUBSTANTIAL CONTRIBUTION CRITERIA						CRITERIA FOR THE ABSENCE OF MATERIAL HARM						Proportion of turnover complying with taxonomy (A.1) or eligible according to taxonomy (A.2), 2022 (18)	Facilitating activity category (19)	Transition activity category (20)	
	Economic activities (1)	Codes (2)	Turnover (3)	Share of turnover, 2023 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular Economy (15)				Biodiversity (16)
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
<i>A.1. Environmentally sustainable activities (conforming to the taxonomy)</i>																			
Cement Manufacture	3.7 CCM	2.8	5.8%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	S	3.7%	T
Recovery of non-hazardous waste materials	5.9 CCM	0.1	0.2%	S	N/EL	N/EL	N/EL	N***	N/EL	S	S	S	S	S	S	S	S	2.0%	
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	0.2	0.4%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	S	N/A	F
<i>Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)</i>		3.1	6.4%	6.4%	0.0%	0.0%	0.0%	0.0%	0.0%	S	S	S	S	S	S	S	S	5.7%*	
Of which: facilitators		0.2	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	S	S	S	S	S	S	S	S	N/A	F
Of which: transitional		2.8	5.8%	5.8%						S	S	S	S	S	S	S	S	3.7%	T
<i>A.2 Eligible activities according to the taxonomy but not environmentally sustainable (activities that do not conform with the taxonomy)</i>																			
Manufacture of rail components	3.19 CCM**	0.4	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									N/A*	
Use of concrete in civil engineering	3.5 CE	1.0	2.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL									N/A	
Cement Manufacture	3.7 CCM	17.6	36.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									65.9%	
Recovery of non-hazardous waste materials	5.9 CCM/2.7 CE	0.0	0.0%	EL	N/EL	N/EL	N/EL	EL	N/EL									N/A	
<i>Turnover from taxonomy-eligible but not environmentally sustainable activities (activities that do not conform with the taxonomy) (A.2)</i>		19	39.3%	37.2%	0.0%	0.0%	0.0%	1.9%	0.0%									65.9%	
A. Turnover from eligible activities according to the taxonomy (A.1+A.2)		22.0	45.7%	43.6%	0.0%	0.0%	0.0%	2.1%	0.0%									71.6%	
B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
Turnover from activities not eligible according to the taxonomy		26.3	54.5%																
Total		48.4	100.0%																

*The proportion of Capex that was consistent with the Taxonomy in 2022 was 6% as the income associated with activity 6.14 (0.3%) was included during the year. In 2023, due to the modification of this activity by the new 3.19 and to comply with the new reporting obligations, the proportion of its associated revenues is reported in section A.2, although it complies with the taxonomy.
 **In the 2023 financial year, the former activity 6.14, for which Cementos Molins was eligible and aligned, became activity 3.19, which can only be reported as eligible under the 2023 reporting obligations, which is why we disclose it as an eligible but not aligned activity, even though it conforms to the taxonomy.
 ***The waste recovery activity carried out by PROMSA is eligible under the climate change mitigation (5.9 CCM) and circular economy (2.7 CE) objectives, where both descriptions are covered. Because all eligible investments are aligned and, following the reporting obligations for 2023, the associated investments are in line with the mitigation target.

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PROPORTION OF TURNOVER/TOTAL TURNOVER

	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	2.1%	43.0%
CCA	0.0%	0.0%
WTR	0.0%****	0.0%
CE	0.0%****	2.9%
PPC	0.0%****	0.0%
BIO	0.0%****	0.0%

PROPORTION OF TOTAL OPEX/OPEX

	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	3.9%	40.6%
CCA	0.0%	0.0%
WTR	0.0%****	0.0%
CE	0.0%****	6.9%
PPC	0.0%****	0.0%
BIO	0.0%****	0.0%

CAPEX/TOTAL CAPEX RATIO

	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	6.4%	43.6%
CCA	0.0%	0.0%
WTR	0.0%****	0.0%
CE	0.0%****	2.3%
PPC	0.0%****	0.0%
BIO	0.0%****	0.0%

****For the 2023 financial year, 0% is reported for the column "proportion of turnover/total turnover that conforms to the taxonomy by objective" because the alignment detail will be given for the financial year 2204, following the required reporting obligations.

Nuclear energy-related activities

The company conducts, finances or has exposures to research, development, demonstration and deployment of innovative power generation facilities that produce energy from nuclear processes with a minimum of fuel cycle waste.	NO
The company undertakes, finances or has exposures to the construction and safe operation of new nuclear facilities to produce electricity or process heat, including for district heating purposes or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.	NO
The company carries out, finances or has exposures to the safe operation of existing nuclear facilities that produce electricity or process heat, including for district heating purposes or industrial processes such as the production of hydrogen from nuclear energy, as well as their safety upgrades.	NO

Fossil gas-related activities

The company carries out, finances or has exposures to the construction or operation of electricity generation facilities that produce electricity from gaseous fossil fuels.	NO
The company carries out, finances or has exposures to the construction, renovation and operation of combined heat/cold and power generation facilities using gaseous fossil fuels.	NO
The company carries out, finances or has exposures to the construction, renovation and operation of heat generation facilities producing heat/cooling from gaseous fossil fuels.	NO

ANNEX II: ANALYTICAL DATA

Analytical annex

■ Management Report

Cementos Molins actively participates in the management of the companies that it integrates by the equity method, either jointly with another shareholder or by means of significant participation in their decision-making bodies.

In line with the guidelines and recommendations of the ESMA (European Securities and Markets Authority), the aim of which is to promote the usefulness and transparency of the alternative performance measures included in the regulated information or any other data submitted by listed companies, the information included in section 4.1.1 Financial performance is based on the application of the proportional basis criterion in the integration method of its investees.

For this purpose, the final percentage of participation held in each of them is applied.

Therefore, the following parameters are set out in the notes of the report as:

INCOME	Net turnover amount reported in the individual and consolidated financial statements of the various companies included within the consolidation perimeter, multiplied by the percentage of holding in each of them.
NON-RECURRING EXPENSES AND INCOME	Expenses and income mainly related to restructuring plans, expenses for the purchase, sale or merger of companies or assets, exceptional litigation or penalties, exceptional effects due to changes in accounting regulations, gains or losses of businesses considered for sale, and those due to force majeure, of the companies included in the consolidation perimeter, multiplied by the percentage holding in each of them.
RECURRING EBITDA	Operating profit before non-recurring expenses and income, amortisation, depreciation and profits/losses due to impairment and the sale of the assets of the various companies included within the consolidation perimeter, multiplied by the percentage holding in each of them.
EBITDA	Operating profit before amortisation, depreciation and profits/losses due to impairment and the sale of the assets of the various companies included within the consolidation perimeter, multiplied by the percentage holding in each of them.
EBIT	Net profit before financial profits/losses and taxes (operating profit) of the various companies included within the consolidation perimeter, multiplied by the percentage holding in each of them.
INVESTMENTS (CAPEX) IN GROWTH	Payments for significant investments (additions of fixed assets, tangible and intangible) to increase capacity through new factories or through extensions to existing industrial facilities, acquisitions of companies or assets, and carbon capture projects, of the various companies included in the consolidation perimeter, multiplied by the percentage holding in each of them.
CONTINUING INVESTMENTS (CAPEX)	Payments for investments (additions of fixed assets, tangible and intangible) to maintain the level of activity, to maintain or improve productivity, to improve efficiency, for legal, labour, environmental or safety requirements, i.e. those investments that are not growth investments, of the various companies included in the consolidation perimeter, multiplied by the percentage holding in each of them.
FREE CASH FLOW	Net cash flow from ordinary activities, consisting of cash generated by operations, (+/-) Change in working capital, (-) Continuity investments paid, (-) Financial expenses paid and (+) Financial income received, (-) Corporate taxes paid, of the companies included in the consolidation perimeter, multiplied by the percentage of the holding in each of them.
CASH CONVERSION RATE	Cash conversion cycle, which represents the relationship between free cash flow and EBITDA.
NET FINANCIAL DEBT	Financial debt (-), cash, temporary financial investments and long-term deposits of the various companies included within the perimeter of consolidation, multiplied by the percentage held in each of them. When there is a cash surplus, it is stated with a negative symbol
VOLUMES	Sold physical units of cement and concrete of the various companies included within the consolidation perimeter (without eliminating inside sales), multiplied by the percentage of the holding in each of them.
% COMPARABLE VARIATION / % LIKE-FOR-LIKE	Sets out the like-for-like change at constant exchange rates, with no hyperinflation effect in Argentina and Turkey (IAS 29) and an identical consolidation perimeter.

A reconciliation with the Group's financial statements in accordance with the International Financial Reporting Standards (EU-IFRS) is included below, applying the equity method for companies in which the Group has a 50% holding or less.

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Balance Sheet Reconciliation

€M	31/12/2023				31/12/2022			
	Proportional method	Adjustments Cos. accounted for via equality method	Adjustments Cos. accounted for via full consolidation method	EU-IFRS application	Proportional method	Adjustments Cos. accounted for via equality method	Adjustments Cos. accounted for via full consolidation method	EU-IFRS application
ASSETS								
INTANGIBLE FIXED ASSETS	265.1	(14.8)	0.3	250.6	235.4	(12.8)	0.5	223.1
TANGIBLE FIXED ASSETS	789.7	(346.5)	145.8	589.0	827.4	(318.5)	211.3	720.2
RIGHT-OF-USE ASSETS	21.7	(4.8)	1.6	18.5	18.0	(2.6)	1.1	16.5
FINANCIAL FIXED ASSETS	4.2	(2.1)	0.4	2.5	4.1	(1.1)	1.3	4.3
COMPANIES VALUED BY EQUITY METHOD	–	463.2	0.9	464.1	–	386.8	0.9	387.7
GOODWILL	130.3	(29.7)	(0.8)	99.8	132.2	(30.1)	(0.6)	101.5
OTHER NON-CURRENT ASSETS	50.0	(13.3)	0.6	37.3	43.9	(9.7)	1.1	35.3
NON-CURRENT ASSETS	1,261.0	52.0	148.8	1,461.8	1,261.0	12.0	215.6	1,488.6
STOCKS	163.9	(47.1)	26.2	143.0	195.0	(42.3)	37.3	190.0
TRADE DEBTORS AND OTHERS	270.8	(78.2)	18.5	211.1	250.0	(64.5)	34.8	220.3
SHORT-TERM FINANCIAL INVESTMENTS	10.4	(9.0)	1.5	2.9	25.4	(14.3)	1.2	12.3
CASH AND CASH EQUIVALENTS	281.1	(172.8)	6.0	114.3	181.0	(114.2)	6.5	73.3
CURRENT ASSETS	726.2	(307.1)	52.2	471.3	651.4	(235.3)	79.8	495.9
TOTAL ASSETS	1,987.1	(255.1)	201.0	1,933.0	1,912.4	(223.3)	295.4	1,984.5
NET EQUITY AND LIABILITIES								
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	1,104.3	–	–	1,104.3	1,022.5	–	–	1,022.5
MINORITY SHAREHOLDER EQUITY	–	(0.2)	105.0	104.8	–	(0.1)	147.3	147.2
TOTAL NET EQUITY	1,104.3	(0.2)	105.0	1,209.1	1,022.5	(0.1)	147.3	1,169.7
NON-CURRENT FINANCIAL LIABILITIES	243.9	(76.7)	17.1	184.3	313.5	(76.1)	32.1	269.5
OTHER NON-CURRENT LIABILITIES	175.8	(12.2)	27.8	191.4	169.8	(11.8)	41.4	199.4
NON-CURRENT LIABILITIES	419.7	(88.9)	44.9	375.7	483.3	(87.9)	73.5	468.9
CURRENT FINANCIAL LIABILITIES	31.2	(12.7)	8.4	26.9	38.5	(10.7)	13.3	41.1
OTHER CURRENT LIABILITIES	431.9	(153.3)	42.7	321.3	368.1	(124.6)	61.3	304.8
CURRENT LIABILITIES	463.1	(166.0)	51.1	348.2	406.6	(135.3)	74.6	345.9
TOTAL NET EQUITY AND LIABILITIES	1,987.1	(255.1)	201.0	1,933.0	1,912.4	(223.3)	295.4	1,984.5

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Income Statement Reconciliation

€M	12M 2023				12M 2022			
	Proportional method	Adjustments Cos. accounted for via equality method	Adjustments Cos. accounted for via full consolidation method	EU-IFRS application	Proportional method	Adjustments Cos. accounted for via equality method	Adjustments Cos. accounted for via full consolidation method	EU-IFRS application
INCOME	1,349.2	(551.2)	178.6	976.6	1,268.4	(453.4)	257.1	1,072.1
Provisions	(385.6)	102.6	(56.1)	(339.2)	(365.8)	91.0	(86.0)	(360.7)
Labour costs	(194.9)	36.7	(22.2)	(180.4)	(181.9)	32.4	(27.8)	(177.3)
Other operating costs	(504.3)	204.5	(52.7)	(352.5)	(496.7)	178.4	(80.0)	(398.3)
EBITDA	336.9	(207.6)	48.2	177.5	276.4	(152.5)	64.4	188.3
Amortisations	(75.5)	26.8	(13.1)	(61.8)	(77.0)	25.5	(18.4)	(69.9)
Results impairment/sales assets	(4.4)	(0.1)	0.1	(4.4)	2.3	(2.4)	0.3	0.2
OPERATING PROFIT (LOSS)	257.0	(180.9)	35.2	111.3	201.7	(129.4)	46.3	118.6
Financial result	(33.0)	4.7	(11.1)	(39.4)	(26.9)	5.8	(8.0)	(29.1)
Result company equity method	–	128.7	–	128.7	–	89.1	–	89.1
PRE-TAX PROFIT	224.0	(47.5)	24.1	200.6	174.9	(34.5)	38.3	178.7
Taxes	(72.6)	47.6	(11.2)	(36.2)	(62.8)	34.5	(24.7)	(53.0)
Minority interest	–	–	(13.0)	(13.0)	–	–	(13.7)	(13.7)
NET CONSOLIDATED PROFIT (LOSS)	151.4	–	–	151.4	112.0	–	–	112.0

Reconciliation of net financial debt

€M	31/12/2023				31/12/2022			
	Proportional method	Adjustments Cos. accounted for via equality method	Adjustments Cos. accounted for via full consolidation method	EU-IFRS application	Proportional method	Adjustments Cos. accounted for via equality method	Adjustments Cos. accounted for via full consolidation method	EU-IFRS application
FINANCIAL LIABILITIES	275.1	(89.3)	25.5	211.3	351.3	(87.0)	45.4	309.8
Current Financial Liabilities	31.2	(12.6)	8.4	27.0	37.8	(10.7)	13.4	40.5
Non-Current Financial Liabilities	243.9	(76.7)	17.1	184.3	313.5	(76.1)	32.1	269.5
LONG-TERM DEPOSITS	–	–	–	–	–	–	–	–
LONG-TERM LOANS TO GROUP COMPANIES	(0.2)	–	0.2	–	(0.2)	–	0.2	–
SHORT-TERM FINANCIAL INVESTMENTS	(10.5)	9.0	(1.4)	(2.9)	(25.4)	14.3	(1.2)	(12.3)
CASH AND CASH EQUIVALENTS	(281.1)	172.8	(6.0)	(114.3)	(181.0)	114.2	(6.5)	(73.3)
NET FINANCIAL DEBT	-16.7	92.5	18.3	94.1	144.6	41.7	38.1	224.3

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Analytical annex - Taxes

■ Taxes

€M	PRE-TAX PROFIT (€M)		LOCAL TAXES PAID (€M)		GOVERNMENT GRANTS RECEIVED (€M)	
	2023	2022	2023	2022	2023	2022
ARGENTINA	44.6	66.8	13.9	37.2	–	–
BANGLADESH	76.5	65.1	15.4	9.9	–	–
BOLIVIA	4.1	3.9	1.0	–	–	–
MEXICO	452.5	291.0	114.8	90.7	–	1.0
TUNISIA	9.7	1.7	1.9	0.5	0.2	0.3
URUGUAY	6.2	3.4	–	0.2	0.1	0.1
COLOMBIA	17.9	14.3	5.2	3.6	–	–
SPAIN	142.0	92.6	6.6	2.2	0.6	–
CROATIA	(9.6)	(1.4)	–	1.3	1.2	0.4

The pre-tax profit in Spain includes €83 million of dividends received from investees abroad (€77 million in 2022) which have been taxed when generated in the relevant country.

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■ Total CO₂ emissions (Scope 1) from the activity of cement production

	2023	2022
EUROPE	940,751	982,467
MEXICO	4,504,255	4,172,357
SOUTH AMERICA	3,443,374	3,451,006
ASIA AND NORTH AFRICA	2,164,362	2,164,257
TOTAL	11,052,742	10,770,087

Data in teq CO₂

■ Indirect emissions (Scope 2) caused by electricity

	2023	2022
EUROPE	21,369	23,665
MEXICO	266,739	239,774
SOUTH AMERICA	154,665	159,306
ASIA AND NORTH AFRICA	120,115	122,119
TOTAL	562,888	544,864

Data in teq CO₂

■ Total fuel consumption

	2023
EUROPE	4,917,901
MEXICO	18,437,462
SOUTH AMERICA	15,993,206
ASIA AND NORTH AFRICA	9,505,771
TOTAL	48,854,340

Data in GJ

■ Fuel consumption by type of source

	FUEL FROM ALTERNATIVE SOURCES		FUEL FROM NON-RENEWABLE SOURCES		FUEL FROM NON-RENEWABLE SOURCES (TRANSPORT)		FUEL FROM RENEWABLE SOURCES	
	2023	2022	2023	2022	2023	2022	2023	2022
EUROPE	1,533,032	1,539,511	2,639,653	2,809,124	295,314	441,801	449,902	461,641
MEXICO	536,923	334,141	17,626,116	16,137,762	274,183	289,279	240	39
SOUTH AMERICA	779,879	485,143	13,743,111	13,710,961	416,465	486,666	1,053,751	1,480,914
ASIA AND NORTH AFRICA	11,408	—	8,557,983	8,528,087	128,737	114,925	807,643	585,516
TOTAL	2,861,242	2,358,795	42,566,863	41,185,934	1,114,699	1,332,671	2,311,536	2,528,110

Data in GJ

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■ Total electricity consumption

	2023	2022
EUROPE	163,616	164,072
MEXICO	613,193	566,841
SOUTH AMERICA	578,522	549,400
ASIA AND NORTH AFRICA	384,030	366,052
TOTAL	1,739,361	1,646,365

Data in MWh

■ Renewable Energy Consumption

	KWH RENEWABLE ENERGY PURCHASED FROM ABROAD (TRADER)		KWH RENEWABLE ENERGY DEDICATED FACILITIES		RENEWABLE ENERGY CONSUMED	
	2023	2022	2023	2022	2023	2022
EUROPE	80,599	75,736	—	—	80,599	75,736
MEXICO	85,234	115,136	—	—	85,234	115,136
SOUTH AMERICA	197,910	185,876	29,823	—	222,475	181,630
ASIA AND NORTH AFRICA	—	—	—	—	—	—
TOTAL	363,743	376,748	29,823	—	388,308	372,502

Data in MWh

■ Total consumption of materials

	2023	2022
EUROPE	7,086,883	7,206,537
MEXICO	12,520,495	11,459,273
SOUTH AMERICA	11,920,202	10,144,650
ASIA AND NORTH AFRICA	7,003,201	6,415,345
TOTAL	38,530,781	35,225,805

Data in tonnes

■ Consumption of recycled materials

	2023	2022
EUROPE	523,849	169,624
MEXICO	30,316	20,273
SOUTH AMERICA	159,494	95,933
ASIA AND NORTH AFRICA	320,009	95,081
TOTAL	1,033,668	380,911

Data in tonnes

■ Consumption of materials by type

	PACKAGING		MATERIALS CONSUMED		RECYCLED MATERIALS CONSUMED		NON-NATURAL MATERIALS CONSUMED		NATURAL RAW MATERIALS	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<i>EUROPE</i>	1,592	1,683	3,233	13,096	523,849	169,624	768,990	1,173,989	5,789,219	5,848,143
<i>MEXICO</i>	17,596	16,426	20,141	16,226	30,316	20,273	294,786	250,372	12,157,657	11,155,976
<i>SOUTH AMERICA</i>	8,403	23,829	21,458	16,799	159,494	95,933	340,857	242,871	11,389,990	9,765,219
<i>ASIA AND NORTH AFRICA</i>	10,584	10,343	354	—	320,009	95,081	96,980	314,605	6,575,273	5,995,317
TOTAL	38,175	52,281	45,186	46,121	1,033,668	380,911	1,501,613	1,981,837	35,912,139	32,764,655

Data in tonnes

■ Water consumption by source

	QUANTITY OF WATER REUSED		CONSUMPTION OF WATER SUPPLIED BY A UTILITY COMPANY		CONSUMPTION OF WATER FROM UNDERGROUND SOURCES		CONSUMPTION OF WATER FROM SURFACE SOURCES	
	2023	2022	2023	2022	2023	2022	2023	2022
<i>EUROPE</i>	99,747	75,232	120,829	124,147	293,020	336,615	38,830	43,919
<i>MEXICO</i>	93,066	95,537	7,233	8,572	1,013,726	1,042,580	—	—
<i>SOUTH AMERICA</i>	443,188	154,591	29,526	55,202	181,031	245,753	658,743	532,625
<i>ASIA AND NORTH AFRICA</i>	9,991	9,987	2,170	1,854	357,050	365,698	238,402	461,143
TOTAL	645,992	335,347	159,758	189,775	1,844,827	1,990,646	935,975	1,037,687

Data in m³

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■ Waste generated (total)

	2023	2022
EUROPE	248,849,974	90,850,487
MEXICO	41,920,739	44,950,993
SOUTH AMERICA	25,581,297	21,925,135
ASIA AND NORTH AFRICA	945,554	1,432,407
TOTAL	317,297,564	159,159,022

Data in tonnes

■ HAZARDOUS waste

	2023	2022
EUROPE	222	290
MEXICO	79	99
SOUTH AMERICA	395	374
ASIA AND NORTH AFRICA	37	65
TOTAL	733	828

Data in tonnes

■ NON-HAZARDOUS waste

	2023	2022
EUROPE	248,628	90,561
MEXICO	41,842	44,852
SOUTH AMERICA	25,185	21,551
ASIA AND NORTH AFRICA	909	1,367
TOTAL	316,564	158,331

Data in tonnes

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HAZARDOUS waste by treatment method

	ON-SITE STORAGE		INCINERATION (MASS COMBUSTION)		DEEP WELL INJECTION		OTHERS		RECYCLING		RECOVERY (INCLUDING ENERGY)		REUSE		EVAPORATION, PHYSICAL-CHEMICAL AND BIOLOGICAL TREATMENT		LANDFILL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
EUROPE	0	0	2	0	0	0	3	33	41	53	48	14	16	12	69	60	148	118
MEXICO	2	1	9	10	0	0	5	0	5	6	58	82	0	0	0	0	0	1
SOUTH AMERICA	2	1	9	12	0	0	11	7	6	9	252	162	30	38	0	0	87	143
ASIA AND NORTH AFRICA	5	0	0	0	0	0	0	0	10	16	0	0	11	21	0	0	0	0
TOTAL	9	2	20	22	0	0	19	40	62	84	358	258	57	71	69	60	235	262

Data in tonnes

NON HAZARDOUS WASTE by treatment method

	ON-SITE STORAGE		COMPOSTING		DESTROYED BY THIRD PARTIES		INCINERATION (MASS COMBUSTION)		DEEP WELL INJECTION		OTHERS		RECYCLING		RECOVERY (INCLUDING ENERGY)		REUSE		LANDFILL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
EUROPE	19,390	16,735	0	0	0	0	0	0	0	0	7,410	3,640	12,322	49,365	175,308	538	9,973	8,224	24,059	15,703
MEXICO	0	10	111	95	0	0	0	0	0	0	38,501	41,644	1,296	1,226	183	151	285	178	1,465	1,400
SOUTH AMERICA	9	0	41	27	17	51	0	0	0	0	3,627	2,333	784	640	406	335	19,577	17,467	724	698
ASIA AND NORTH AFRICA	42	41	0	0	0	0	0	0	0	0	0	0	846	1,151	2	143	0	0	23	23
TOTAL	19,441	16,786	152	122	17	51	0	0	0	0	49,538	47,617	15,248	52,382	175,899	1,167	29,835	25,869	26,271	17,824

Data in tonnes

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Wastewater generation

	2023	2022
EUROPE	34,733	53,703
MEXICO	88,170	89,051
SOUTH AMERICA	165,616	88,507
ASIA AND NORTH AFRICA	9,841	10,415
TOTAL	298,360	241,676

Data in m³

Air quality - Emissions

	NOX		PARTICLES		SOX	
	2023	2022	2023	2022	2023	2022
EUROPE	1,290,907	1,339,092	4,939	24,109	277,838	312,275
MEXICO	6,786,903	6,591,462	267,326	125,273	16,071	170,827
SOUTH AMERICA	7,601,677	7,579,755	326,442	354,121	51,180	35,122
ASIA AND NORTH AFRICA	2,878,145	2,540,457	88,883	211,898	508,510	712,213
TOTAL	18,557,632	18,050,766	687,590	715,401	853,599	1,230,437

Data in Kg

Environmental expenditure

	2023	2022
EUROPE	1,497	2,566
MEXICO	869	1,025
SOUTH AMERICA	1,120	1,167
ASIA AND NORTH AFRICA	624	395
TOTAL	4,110	5,153

Data in thousands of euros

Environmental investments

	2023	2022
EUROPE	1,132	1,512
MEXICO	7,711	977
SOUTH AMERICA	952	732
ASIA AND NORTH AFRICA	318	245
TOTAL	10,113	3,466

Data in thousands of euros

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■ Number of ISO 14001 certified facilities

	2023	2022
EUROPE	17	17
MEXICO	31	30
SOUTH AMERICA	21	21
ASIA AND NORTH AFRICA	5	5
TOTAL	74	73

■ Size of protected/restored natural habitats

	2023	2022
EUROPE	3	8
MEXICO	253	10
SOUTH AMERICA	1,071	1,072
ASIA AND NORTH AFRICA	24	23
TOTAL	1,351	1,113

Data in hectares

■ Noise measurements

	2023	2022
EUROPE	3	2
MEXICO	33	26
SOUTH AMERICA	150	177
ASIA AND NORTH AFRICA	3	2
TOTAL	189	207

Number of measurements carried out

Analytical Annex - People

■ Staff by professional category and gender

2023	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
ARGENTINA	32	123	123	19	446	5	19	38	13	1
BANGLADESH	9	120	206	0	317	0	8	16	0	1
BOLIVIA	10	4	0	40	101	1	5	0	28	7
COLOMBIA	3	4	0	69	70	1	1	0	34	16
CROATIA	2	14	24	5	111	1	6	12	6	0
SPAIN	41	202	327	75	1,369	13	38	112	121	72
MEXICO	13	46	0	484	595	2	10	0	132	21
TUNISIA	14	32	198	55	76	3	3	14	4	2
URUGUAY	6	38	40	1	78	1	7	7	3	0
TOTAL	130	583	918	748	3,163	27	97	199	341	120

Data as at 31 December

2022	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
ARGENTINA	29	122	123	18	457	6	18	34	14	0
BANGLADESH	7	125	207	0	316	0	7	17	0	1
BOLIVIA	10	21	0	36	106	0	6	0	29	7
COLOMBIA	4	6	0	75	65	1	2	0	41	15
CROATIA	4	21	25	10	97	1	8	10	9	1
SPAIN	47	191	251	125	1,356	10	34	105	102	94
MEXICO	13	44	0	463	556	2	11	0	128	8
TUNISIA	16	35	210	55	80	3	3	10	4	2
URUGUAY	7	45	37	4	85	1	5	7	4	0
TOTAL	137	610	853	786	3,118	24	94	183	331	128

Data as at 31 December

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■ Staff by professional category and gender

2023	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	43	216	351	80	1,480	14	44	124	127	72
MEXICO	13	46	0	484	595	2	10	0	132	21
SOUTH AMERICA	51	169	163	129	695	8	32	45	78	24
ASIA AND NORTH AFRICA	23	152	404	55	393	3	11	30	4	3
TOTAL	130	583	918	748	3,163	27	97	199	341	120

Data as at 31 December

2022	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	51	212	276	135	1,453	11	42	115	111	95
MEXICO	13	44	0	463	556	2	11	0	128	8
SOUTH AMERICA	50	194	160	133	713	8	31	41	88	22
ASIA AND NORTH AFRICA	23	160	417	55	396	3	10	27	4	3
TOTAL	137	610	853	786	3,118	24	94	183	331	128

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■ Staff by age group and gender

	UP TO 30 YEARS				FROM 31 TO 50 YEARS				OVER 50 YEARS			
	2023		2022		2023		2022		2023		2022	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
ARGENTINA	91	14	99	10	482	49	479	50	169	13	171	12
BANGLADESH	44	5	31	3	493	20	525	22	115	0	99	0
BOLIVIA	39	16	32	12	97	24	119	28	19	1	22	2
COLOMBIA	51	21	54	21	84	29	83	35	11	2	13	3
CROATIA	15	3	13	2	89	12	93	17	52	10	51	10
SPAIN	174	45	180	49	1,063	228	1,075	222	777	83	714	74
MEXICO	217	36	201	31	727	116	691	101	194	13	184	17
TUNISIA	29	1	15	0	282	21	318	18	64	4	63	4
URUGUAY	5	4	9	3	97	8	104	8	61	6	65	6
TOTAL	665	145	634	131	3,414	507	3,487	501	1,462	132	1,382	128

Data as at 31 December

■ Staff by professional category

2022	MANAGEMENT POSITIONS		MIDDLE MANAGEMENT		SPECIALISTS		EMPLOYEES		OPERATIVES	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
EUROPE	57	62	260	254	475	390	206	247	1,552	1,548
MEXICO	15	15	56	55	0	0	616	591	616	564
SOUTH AMERICA	59	58	202	225	207	201	208	221	719	735
ASIA AND NORTH AFRICA	26	26	163	170	434	444	59	59	396	399
TOTAL	157	161	681	704	1,116	1,035	1,089	1,118	3,283	3,246

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Average workforce by contract, professional category, age group and gender

	Range	2023				Total 2023	2022				Total 2022
		TEMPORARY CONTRACT		PERMANENT CONTRACT			TEMPORARY CONTRACT		PERMANENT CONTRACT		
		Men	Women	Men	Women		Men	Women	Men	Women	
MANAGEMENT POSITIONS	Up to 30 years	0	0	0	0	0	0	0	0	0	0
	From 31 to 50 years	0	0	62	18	80	0	0	65	15	80
	Over 50 years	0	0	68	9	77	0	0	72	9	81
MIDDLE MANAGEMENT	Up to 30 years	0	1	28	8	37	0	1	6	1	8
	From 31 to 50 years	2	0	336	64	402	0	0	395	67	462
	Over 50 years	0	0	218	24	242	1	0	207	25	233
SPECIALISTS	Up to 30 years	4	4	88	29	125	7	4	83	28	122
	From 31 to 50 years	2	2	617	137	758	5	3	579	129	716
	Over 50 years	1	0	206	26	233	2	1	176	17	196
EMPLOYEES	Up to 30 years	4	3	97	67	171	6	7	95	54	162
	From 31 to 50 years	3	3	498	214	718	3	2	522	213	740
	Over 50 years	3	1	142	53	199	2	0	158	56	216
OPERATIVES	Up to 30 years	55	3	390	29	477	90	14	348	21	473
	From 31 to 50 years	113	4	1,782	65	1,964	159	14	1,759	59	1,991
	Over 50 years	22	2	801	18	843	54	1	710	19	784
TOTAL		209	23	5,333	761	6,326	329	47	5,175	713	6,264

Average headcount data

Workforce by contract, region, and gender

	2023				Total 2023	2022				Total 2022
	TEMPORARY CONTRACT		PERMANENT CONTRACT			TEMPORARY CONTRACT		PERMANENT CONTRACT		
	Men	Women	Men	Women		Men	Women	Men	Women	
EUROPE	181	18	1,989	362	2,550	297	35	1,830	339	2,501
MEXICO	0	0	1,138	165	1,303	0	0	1,076	149	1,225
SOUTH AMERICA	25	4	1,182	184	1,395	24	10	1,226	180	1,440
ASIA AND NORTH AFRICA	3	1	1,024	50	1,078	8	2	1,043	45	1,098
TOTAL	209	23	5,333	761	6,326	329	47	5,175	713	6,264

Average headcount data

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■ Indirect staffing by gender

	2023		2022	
	Men	Women	Men	Women
EUROPE	736	15	584	20
MEXICO	0	0	0	0
SOUTH AMERICA	1,011	115	1,152	116
ASIA AND NORTH AFRICA	2,495	60	2,205	66
TOTAL	4,242	190	3,941	202

Data as at 31 December

■ Full-time staff by gender

	2023		2022	
	Men	Women	Men	Women
EUROPE	2,143	349	2,058	316
MEXICO	1,138	165	1,076	149
SOUTH AMERICA	1,205	188	1,249	189
ASIA AND NORTH AFRICA	1,027	51	1,049	49
TOTAL	5,513	753	5,432	703

Data as at 31 December

■ Part-time staff by gender

	2023		2022	
	Men	Women	Men	Women
EUROPE	67	48	43	49
MEXICO	0	0	0	0
SOUTH AMERICA	1	1	1	1
ASIA AND NORTH AFRICA	0	0	0	0
TOTAL	68	49	44	50

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■ Persons covered by a collective agreement by country

	2023	2022
ARGENTINA	462	457
BANGLADESH	228	227
BOLIVIA	0	0
COLOMBIA	84	77
CROATIA	179	186
SPAIN	2,426	2,280
MEXICO	1,303	1,225
TUNISIA	401	418
URUGUAY	179	195
TOTAL	5,262	5,065

Data as at 31 December

■ Percentage of people covered by a collective agreement

	2023	2022
EUROPE	100 %	100 %
MEXICO	100 %	100 %
SOUTH AMERICA	52 %	52 %
ASIA AND NORTH AFRICA	58 %	58 %
TOTAL	82 %	82 %

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■ Average remuneration by professional category and gender (I)

	MANAGEMENT POSITIONS				MIDDLE MANAGEMENT				SPECIALISTS			
	MEN		WOMEN		MEN		WOMEN		MEN		WOMEN	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<i>EUROPE</i>	187	177	120	94	65	60	56	53	42	41	34	33
<i>MEXICO</i>	219	189	159	112	76	62	71	60	0	0	0	0
<i>SOUTH AMERICA</i>	223	191	150	133	75	66	72	61	56	50	50	46
<i>ASIA AND NORTH AFRICA</i>	78	82	54	56	24	26	20	24	10	8	9	8
TOTAL	185	167	124	104	58	53	59	53	30	27	34	32

Data in thousands of Euros

■ Average remuneration by professional category and gender (II)

	EMPLOYEES				OPERATIVES			
	MEN		WOMEN		MEN		WOMEN	
	2023	2022	2023	2022	2023	2022	2023	2022
<i>EUROPE</i>	30	30	26	27	27	26	21	21
<i>MEXICO</i>	24	21	22	19	10	8	7	6
<i>SOUTH AMERICA</i>	29	24	28	21	33	29	14	9
<i>ASIA AND NORTH AFRICA</i>	10	2	9	3	7	6	6	2
TOTAL	25	21	25	22	22	20	17	17

Data in thousands of Euros

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■ Average remuneration by age and gender

	UP TO 30 YEARS		FROM 31 TO 50 YEARS		OVER 50 YEARS	
	2023		2023		2023	
	Men	Women	Men	Women	Men	Women
EUROPE	24	22	38	35	40	37
MEXICO	16	11	27	20	36	35
SOUTH AMERICA	21	15	40	36	74	76
ASIA AND NORTH AFRICA	3	7	8	7	11	2
TOTAL	18	16	29	30	42	42

Data in thousands of Euros

■ Ratio of women's remuneration in relation to men's

	2023	2022
EUROPE	94.2 %	90.3 %
MEXICO	118.7 %	125.3 %
SOUTH AMERICA	145.1 %	170.4 %
ASIA AND NORTH AFRICA	76.5 %	80.4 %
TOTAL	152.6 %	172.1 %

*In order to calculate the gender pay gap, the ratio between the average gross salary of men and the average gross salary of women has been calculated

■ Starting vs. local minimum wage

	StartingMinWage				LocalMinWage			
	MEN		WOMEN		MEN		WOMEN	
	2023	2022	2023	2022	2023	2022	2023	2022
EUROPE	18,076	14,192	19,018	15,515	13,318	11,688	13,318	11,652
MEXICO	16,771	14,896	16,771	14,896	10,849	8,218	10,849	8,218
SOUTH AMERICA	8,814	11,106	14,295	15,198	4,813	4,499	4,813	4,499
ASIA AND NORTH AFRICA	5,497	2,940	5,917	2,981	1,536	932	1,536	932
TOTAL	11,817	11,670	13,737	13,321	7,964	8,105	7,964	8,085

Data in Euros

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■ Total number of new hires by country

	2023	2022
EUROPE	684	720
MEXICO	189	107
SOUTH AMERICA	89	154
ASIA AND NORTH AFRICA	53	105
TOTAL	1,015	1,086

■ New hires by country, professional category and gender (I)

	MANAGEMENT POSITIONS				MIDDLE MANAGEMENT				SPECIALISTS			
	MEN		WOMEN		MEN		WOMEN		MEN		WOMEN	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
EUROPE	6	3	1	2	30	23	3	4	55	41	23	20
MEXICO	2	1	0	0	2	2	0	1	0	0	0	0
SOUTH AMERICA	3	2	0	1	14	8	3	5	18	16	10	9
ASIA AND NORTH AFRICA	4	2	0	0	10	18	1	2	23	50	8	12
TOTAL	15	8	1	3	56	51	7	12	96	107	41	41

■ New hires by country, professional category and gender (II)

	EMPLOYEES				OPERATIVES			
	MEN		WOMEN		MEN		WOMEN	
	2023	2022	2023	2022	2023	2022	2023	2022
EUROPE	10	23	31	16	500	551	25	37
MEXICO	56	52	25	15	91	36	13	0
SOUTH AMERICA	7	26	8	22	23	60	3	5
ASIA AND NORTH AFRICA	0	1	0	0	7	20	0	0
TOTAL	73	102	64	53	621	667	41	42

■ Number of dismissals by country, professional category and gender (I)

		MANAGEMENT POSITIONS				MIDDLE MANAGEMENT				SPECIALISTS			
		MEN		WOMEN		MEN		WOMEN		MEN		WOMEN	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
EUROPE	Up to 30 years	0	0	0	0	0	0	0	0	0	1	0	0
	From 31 to 50 years	1	0	0	0	0	3	0	0	1	2	2	0
	Over 50 years	0	0	0	0	1	1	0	0	5	3	0	0
MEXICO	Up to 30 years	0	0	0	0	0	0	0	0	0	0	0	0
	From 31 to 50 years	0	0	0	0	0	3	0	0	0	0	0	0
	Over 50 years	1	0	0	0	0	0	1	0	0	0	0	0
SOUTH AMERICA	Up to 30 years	0	0	0	0	1	0	0	0	0	2	0	0
	From 31 to 50 years	0	0	0	0	3	3	3	0	3	1	0	1
	Over 50 years	1	0	0	0	4	1	0	0	1	0	0	0
ASIA AND NORTH AFRICA	Up to 30 years	0	0	0	0	0	0	0	0	0	0	0	1
	From 31 to 50 years	1	0	0	0	2	6	0	0	11	6	1	1
	Over 50 years	1	0	0	0	1	0	0	0	1	0	0	0
TOTAL		5	0	0	0	12	17	4	0	22	15	3	3

■ Number of dismissals by country, professional category and gender (II)

		EMPLOYEES				OPERATIVES			
		MEN		WOMEN		MEN		WOMEN	
		2023	2022	2023	2022	2023	2022	2023	2022
EUROPE	Up to 30 years	0	0	0	0	9	14	0	1
	From 31 to 50 years	0	1	1	0	23	32	1	3
	Over 50 years	1	1	0	1	18	15	2	1
MEXICO	Up to 30 years	2	9	0	1	7	9	0	0
	From 31 to 50 years	9	38	8	14	14	49	0	7
	Over 50 years	3	11	2	3	2	8	0	1
SOUTH AMERICA	Up to 30 years	0	1	0	2	2	1	1	1
	From 31 to 50 years	4	4	3	2	3	10	4	0
	Over 50 years	2	1	1	1	3	2	0	0
ASIA AND NORTH AFRICA	Up to 30 years	0	0	0	0	0	0	0	0
	From 31 to 50 years	0	0	0	0	2	0	0	0
	Over 50 years	0	0	0	0	0	0	0	0
TOTAL		21	66	15	24	83	140	8	14

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■ People receiving social benefits by country

	2023	2022
EUROPE	2,605	2,465
MEXICO	1,303	1,225
SOUTH AMERICA	1,405	1,440
ASIA AND NORTH AFRICA	2,338	2,361
TOTAL	7,651	7,491

■ Disabled people in the workforce

	2023	2022
EUROPE	27	30
MEXICO	0	0
SOUTH AMERICA	0	0
ASIA AND NORTH AFRICA	3	1
TOTAL	30	31

■ Number of people who have taken parental leave by professional category and gender (2023 total)

	2023										TOTAL GENERAL
	MANAGEMENT POSITIONS		MIDDLE MANAGEMENT		SPECIALISTS		EMPLOYEES		OPERATIVES		
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	
EUROPE	1	1	6	2	7	2	3	1	58	2	83
MEXICO	0	0	0	1	0	0	7	7	21	1	37
SOUTH AMERICA	0	0	1	0	1	1	1	1	21	1	27
ASIA AND NORTH AFRICA	0	0	9	0	24	1	2	0	17	0	53
TOTAL	1	1	16	3	32	4	13	9	117	4	200

■ Number of people who have taken parental leave by professional category and gender (2022 total)

	2022										TOTAL GENERAL
	MANAGEMENT POSITIONS		MIDDLE MANAGEMENT		SPECIALISTS		EMPLOYEES		OPERATIVES		
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	
EUROPE	0	0	6	0	7	4	3	1	65	2	88
MEXICO	0	0	0	0	0	0	4	6	8	0	18
SOUTH AMERICA	0	0	2	5	1	2	3	0	12	1	26
ASIA AND NORTH AFRICA	0	0	4	0	9	2	0	0	9	0	24
TOTAL	0	0	12	5	17	8	10	7	94	3	156

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■ Rate of return of people who have taken parental leave

	MEN		WOMEN	
	2023	2022	2023	2022
EUROPE	100 %	100 %	100 %	100 %
MEXICO	100 %	100 %	100 %	100 %
SOUTH AMERICA	100 %	100 %	100 %	100 %
ASIA AND NORTH AFRICA	100 %	100 %	100 %	100 %
TOTAL	100 %	100 %	100 %	100 %

■ Number of people subject to performance assessments

2023

	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	41	155	121	13	107	13	42	71	36	0
MEXICO	13	46	0	484	0	2	10	0	132	0
SOUTH AMERICA	46	169	133	133	581	8	28	37	83	20
ASIA AND NORTH AFRICA	17	143	372	55	382	3	10	24	4	3
TOTAL	117	513	626	685	1,070	26	90	132	255	23

2022

	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	45	153	87	9	92	10	37	48	34	0
MEXICO	13	44	0	467	0	2	11	0	127	0
SOUTH AMERICA	46	158	141	123	572	5	23	34	82	21
ASIA AND NORTH AFRICA	21	142	381	55	386	3	8	19	4	3
TOTAL	125	497	609	654	1,050	20	79	101	247	24

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■ Total number of hours of training by professional category and gender

	2023									
	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	923	5,940	7,669	2,424	17,670	610	1,287	3,581	3,791	600
MEXICO	252	1,590	0	18,981	21,331	157	375	0	4,816	3,222
SOUTH AMERICA	1,875	7,677	7,510	867	14,191	480	1,731	2,367	927	887
ASIA AND NORTH AFRICA	832	4,154	10,016	520	10,008	156	227	506	74	73
TOTAL	3,882	19,361	25,195	22,792	63,200	1,403	3,620	6,454	9,608	4,782

	2022									
	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	2,880	10,117	4,339	1,013	12,071	734	2,518	3,090	1,475	411
MEXICO	73	1,186	0	12,556	15,792	42	453	0	3,177	94
SOUTH AMERICA	3,172	5,946	4,996	2,596	20,425	410	1,508	2,121	1,266	1,622
ASIA AND NORTH AFRICA	492	13,446	24,175	330	6,583	12	765	2,017	0	18
TOTAL	6,617	30,695	33,510	16,495	54,871	1,198	5,244	7,228	5,918	2,145

■ Number of people who have received training by professional category and gender

2023

	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	43	198	244	83	1,083	11	35	98	117	66
MEXICO	12	42	0	516	601	2	10	0	145	21
SOUTH AMERICA	43	186	187	104	790	6	31	60	181	40
ASIA AND NORTH AFRICA	20	146	375	25	348	3	10	25	4	3
TOTAL	118	572	806	728	2,822	22	86	183	447	130

2022

	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	44	175	137	78	955	9	27	55	43	41
MEXICO	12	51	0	555	612	2	13	0	157	13
SOUTH AMERICA	48	202	187	136	608	7	30	52	97	33
ASIA AND NORTH AFRICA	13	150	324	17	350	1	10	22	0	1
TOTAL	117	578	648	786	2,525	19	80	129	297	88

■ Average number of hours of training by region, professional category and gender

2023

	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	27	34	26	39	18	47	32	31	32	11
MEXICO	23	47	0	55	58	92	53	0	49	160
SOUTH AMERICA	42	56	56	10	28	71	63	64	16	46
ASIA AND NORTH AFRICA	42	38	34	11	37	52	29	24	38	44
TOTAL	35	42	35	43	30	58	44	38	35	45

2022

	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	57	52	19	11	16	68	63	28	15	7
MEXICO	10	34	0	40	53	42	48	0	34	21
SOUTH AMERICA	72	42	38	36	45	60	55	60	20	122
ASIA AND NORTH AFRICA	26	97	66	8	30	4	91	90	0	13
TOTAL	53	59	46	32	31	55	62	45	23	28

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■ Hours of training in ethics and corruption prevention

2023

	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	106	221	410	73	5	34	71	129	165	0
MEXICO	31	390	0	1,301	664	1	84	0	407	10
SOUTH AMERICA	45	107	93	4	245	33	31	54	6	0
ASIA AND NORTH AFRICA	29	289	669	16	693	0	18	39	6	2
TOTAL	211	1,007	1,172	1,394	1,607	68	204	222	584	12

2022

	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	16	65	79	28	48	17	58	94	89	0
MEXICO	47	94	0	1,016	1,100	2	45	0	269	18
SOUTH AMERICA	238	419	101	71	14	58	69	39	58	4
ASIA AND NORTH AFRICA	12	72	0	0	0	0	0	0	0	0
TOTAL	313	650	180	1,115	1,162	77	172	133	416	22

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■ Hours of training in Health and Safety

2023

	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	150	1,152	888	614	9,674	0	37	191	63	226
MEXICO	14	191	0	6,551	12,466	26	66	0	1,276	131
SOUTH AMERICA	220	1,757	1,521	408	5,102	52	300	452	319	220
ASIA AND NORTH AFRICA	104	1,274	3,054	60	3,712	0	75	185	72	57
TOTAL	488	4,374	5,463	7,633	30,954	78	478	828	1,730	634

2022

	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	22	777	726	512	10,822	0	109	74	74	242
MEXICO	10	230	0	4,791	12,513	40	34	0	843	56
SOUTH AMERICA	203	1,827	978	2,117	11,548	15	141	314	426	1,068
ASIA AND NORTH AFRICA	101	1,979	3,407	102	5,124	0	149	404	0	21
TOTAL	336	4,813	5,111	7,522	40,007	55	433	792	1,343	1,387

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■ Total number of hours lost due to absenteeism

2023

	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	91	6,168	17,608	8,967	314,831	577	4,146	13,082	6,505	19,457
MEXICO	0	56	0	6,728	33,880	0	672	0	6,856	1,168
SOUTH AMERICA	758	361	40	9,212	14,057	26	294	0	4,103	1,522
ASIA AND NORTH AFRICA	0	0	4,440	6,624	7,128	0	0	0	288	0
TOTAL	849	6,585	22,088	31,531	369,896	603	5,112	13,082	17,752	22,147

2022

	MEN					WOMEN				
	Management Positions	Middle Management	Specialists	Employees	Operatives	Management Positions	Middle Management	Specialists	Employees	Operatives
EUROPE	64	7,664	21,608	20,592	358,872	0	344	11,160	5,208	18,120
MEXICO	0	0	0	7,136	33,168	0	0	0	5,760	3,120
SOUTH AMERICA	336	776	24	9,072	10,913	136	1,560	0	4,016	2,587
ASIA AND NORTH AFRICA	0	152	528	4,040	216	0	0	352	0	0
TOTAL	400	8,592	22,160	40,840	403,169	136	1,904	11,512	14,984	23,827

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Analytical Annex - Health and Safety

■ Workforce covered by a health and safety committee

	2023			2022		
	Direct workers	Indirect workers	Total	Direct workers	Indirect workers	Total
EUROPE	2,198	120	2,318	2,157	163	2,320
MEXICO	1,251	1,353	2,604	1,253	1,210	2,463
SOUTH AMERICA	1,324	1,594	2,918	1,375	1,122	2,497
ASIA AND NORTH AFRICA	493	326	819	517	326	843
TOTAL	5,266	3,393	8,659	5,302	2,821	8,123

■ Percentage of the workforce covered by a health and safety committee

	% of the Direct Workforce Covered
EUROPE	100.0 %
MEXICO	100.0 %
SOUTH AMERICA	51.6 %
ASIA AND NORTH AFRICA	59.9 %
TOTAL	82.6 %

■ Total number of direct occupational accidents by gender

	2023			2022		
	Men	Women	Total	Men	Women	Total
EUROPE	226	16	242	226	12	238
MEXICO	28	2	30	23	0	23
SOUTH AMERICA	3	0	3	23	0	23
ASIA AND NORTH AFRICA	1	0	1	2	0	2
TOTAL	258	18	276	274	12	286

■ Total number of indirect occupational accidents by gender

	2023			2022		
	Men	Women	Total	Men	Women	Total
EUROPE	24	0	24	26	0	26
MEXICO	11	2	13	28	6	34
SOUTH AMERICA	10	0	10	36	0	36
ASIA AND NORTH AFRICA	0	1	1	2	0	2
TOTAL	45	3	48	92	6	98

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■ Accident rates - direct workers

	INCIDENCE RATE		CUMULATIVE FREQUENCY RATE		CUMULATIVE SEVERITY RATE	
	2023	2022	2023	2022	2023	2022
EUROPE	27.85	26.80	15.67	15.45	2.12	0.95
MEXICO	1.53	4.08	0.62	1.57	0.11	0.22
SOUTH AMERICA	1.43	0.69	0.62	0.33	0.03	0.04
ASIA AND NORTH AFRICA	2.78	0.91	0.84	0.41	0.30	0.34
TOTAL	12.33	11.81	5.76	5.70	0.81	0.45

Total number of hours worked in 2023: Direct: 13,360,282 hours Indirect: 15,253,510 hours

■ Days lost - direct workers

	2023	2022
EUROPE	3,666	4,375
MEXICO	356	755
SOUTH AMERICA	61	131
ASIA AND NORTH AFRICA	718	830
TOTAL	4,801	6,091

■ Total number of high severity accidents - direct and indirect workers

	DIRECT WORKERS				INDIRECT WORKERS			
	2023		2022		2023		2022	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
EUROPE	1	0	1	0	0	0	1	0
MEXICO	1	0	2	0	2	0	0	0
SOUTH AMERICA	1	0	0	0	0	0	0	0
ASIA AND NORTH AFRICA	0	0	0	0	0	0	0	0
TOTAL	3	0	3	0	2	0	1	0

■ Ratio of recordable accidents, high severity accidents and fatalities (direct)

	RECORDABLE ACCIDENT RATIO		HIGH-SEVERITY ACCIDENT RATIO		DEATH RATIO	
	2023	2022	2023	2022	2023	2022
EUROPE	0.29	0.28	0.00	0.00	0.01	0.00
MEXICO	0.07	0.22	0.03	0.09	0.00	0.00
SOUTH AMERICA	0.67	0.04	0.33	0.00	0.00	0.00
ASIA AND NORTH AFRICA	0.40	0.50	0.00	0.00	0.00	0.50
TOTAL	0.28	0.26	0.01	0.01	0.00	0.00

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■ Ratio of recordable accidents, high severity accidents and fatalities (indirect)

	RECORDABLE ACCIDENT RATIO		HIGH-SEVERITY ACCIDENT RATIO		DEATH RATIO	
	2023	2022	2023	2022	2023	2022
EUROPE	0.58	0.38	0.00	0.04	0.00	0.04
MEXICO	0.15	0.00	0.15	0.00	0.00	0.00
SOUTH AMERICA	0.60	0.19	0.00	0.00	0.00	0.00
ASIA AND NORTH AFRICA	0.00	0.20	0.00	0.00	0.10	0.00
TOTAL	0.46	0.19	0.04	0.01	0.04	0.01

■ Number of accidents causing loss of days

	2023			2022		
	Direct workers	Indirect workers	Total	Direct workers	Indirect workers	Total
EUROPE	71	14	85	67	10	77
MEXICO	2	2	4	5	0	5
SOUTH AMERICA	2	6	8	1	7	8
ASIA AND NORTH AFRICA	2	0	2	1	2	3
TOTAL	77	22	99	74	19	93

Analytical Annex - Activity

■ Number of ISO 9001-certified facilities

	2023	2022
EUROPE	28	29
MEXICO	30	34
SOUTH AMERICA	27	30
ASIA AND NORTH AFRICA	6	6
TOTAL	91	99

■ Number of products certified upon the basis of quality and safety standards

	2023	2022
EUROPE	187	183
MEXICO	9	2
SOUTH AMERICA	14	15
ASIA AND NORTH AFRICA	6	10
TOTAL	216	210

■ Products subject to specific labelling and information requirements

	2023	2022
EUROPE	270	282
MEXICO	3	3
SOUTH AMERICA	30	26
ASIA AND NORTH AFRICA	4	8
TOTAL	307	319

■ Penalties related to product quality and safety received

	2023	2022
EUROPE	0	0
MEXICO	0	0
SOUTH AMERICA	0	11
ASIA AND NORTH AFRICA	0	0
TOTAL	0	11

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■ Number of complaints received in relation to product quality

	2023	2022
EUROPE	210	432
MEXICO	21	27
SOUTH AMERICA	355	457
ASIA AND NORTH AFRICA	3	7
TOTAL	589	923

■ Number of complaints dealt with in relation to product quality

	2023	2022
EUROPE	210	307
MEXICO	19	25
SOUTH AMERICA	193	456
ASIA AND NORTH AFRICA	0	4
TOTAL	422	792

■ Main suppliers

	2023	2022
EUROPE	417	558
MEXICO	674	641
SOUTH AMERICA	305	233
ASIA AND NORTH AFRICA	353	390
TOTAL	1,749	1,822

■ Percentage of local procurement

	2023	2022
EUROPE	83.7 %	83.2 %
MEXICO	84.8 %	86.1 %
SOUTH AMERICA	88.1 %	86.0 %
ASIA AND NORTH AFRICA	42.5 %	49.6 %
TOTAL	79.1 %	78.1 %

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■ Total purchase

	2023	2022
EUROPE	409	516
MEXICO	592	668
SOUTH AMERICA	510	363
ASIA AND NORTH AFRICA	200	228
TOTAL	1,711	1,775

Figures in millions of Euros

■ Number of suppliers assessed in accordance with environmental, social and good governance factors

	2023	2022
EUROPE	211	54
MEXICO	not available	not available
SOUTH AMERICA	422	377
ASIA AND NORTH AFRICA	139	173
TOTAL	772	604

■ Number of suppliers that have adhered to the organisation's code of ethics

	2023	2022
EUROPE	609	476
MEXICO	440	466
SOUTH AMERICA	982	412
ASIA AND NORTH AFRICA	1,207	1,356
TOTAL	3,238	2,710

■ Volume of purchases made from suppliers evaluated according to environmental, social and good governance aspects

	2023	2022
EUROPE	121	170
MEXICO	not available	not available
SOUTH AMERICA	172	191
ASIA AND NORTH AFRICA	59	62
TOTAL	352	423

Figures in millions of Euros

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■ Percentage of purchases from evaluated suppliers

	2023	2022
EUROPE	29.6 %	33.0 %
MEXICO	—	—
SOUTH AMERICA	33.8 %	52.5 %
ASIA AND NORTH AFRICA	29.4 %	27.4 %
TOTAL	28.0 %	34.5 %

■ Distribution of the contributions made to social projects

	2023	2022
EUROPE	511	667
MEXICO	360	not available
SOUTH AMERICA	566	258
ASIA AND NORTH AFRICA	247	342
TOTAL	1,684	1,267

Datos en miles de Euros

■ Number of centres at which formal action plans with the local community have been carried out

	2023	2022
EUROPE	23	8
MEXICO	not available	not available
SOUTH AMERICA	19	18
ASIA AND NORTH AFRICA	13	13
TOTAL	55	39

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