Universal Registration Document

Including the Annual Financial Report

2021

VICAT

Build together, live together

The annual financial report data are clearly identified in the table of contents via the AFR pictogram.

Universal Registration Document

INCLUDING THE ANNUAL FINANCIAL REPORT

The annual financial report included in the Universal Registration Document is a translation of the official version of the annual financial report which has been prepared in French, in format ESEF (European Single Electronic Format) and is available on the issuer's website.

Present in 12 countries, the Vicat Group develops a high-performance offering of mineral and bio-based construction materials and services that meet the needs of the construction industry. Everywhere that its cement plants, aggregates quarries, concrete batching plants, and plants are located, Vicat endeavors to produce locally and develop the regions and employment. For many years, the Group has been committed to the ecological transition by reducing the carbon footprint of all of its activities and by deploying a circular economy model.

In the context of a global economic recovery, accompanied by sharp inflation in the second half of the year due to logistics chain disruption and the emergence of the Omicron variant, the Group's record performance in 2021 testifies to the relevance and solidity of its business model and particularly its focus on local supply sources. Sales growth was high in all of the Group's markets, notably accelerating in Asia, Africa and the Mediterranean region despite difficult macroeconomic conditions in Turkey and Egypt.

Based on a sound financial position and strong cash flow generation, enabling the Group to control its debt levels, Vicat is stepping up its targets for profitable and sustainable growth, resolutely focused on lowering the carbon intensity of its business lines.

Interview with Guy Sidos,

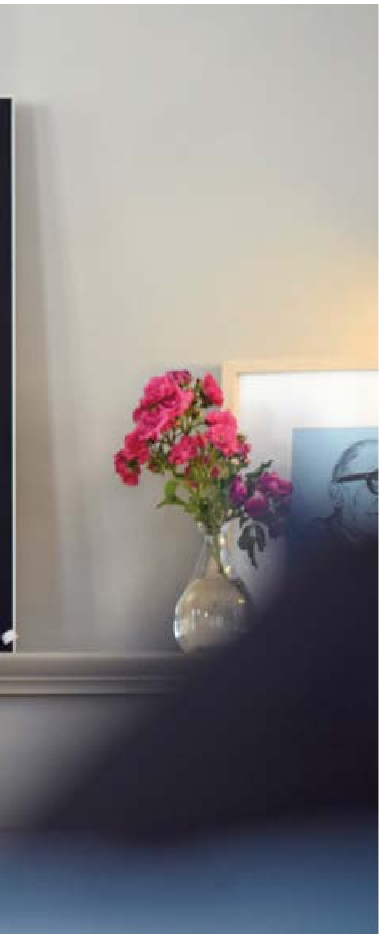
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

How did the Group tackle this second year of the health crisis?

GUY SIDOS — Our first priority was to protect the health of our employees. We achieved this by providing special facilities and equipment as well as maintaining strict protocol. Thanks to the commitment of each of us, and despite a turbulent outside world, Vicat continues to move forward, with strong results. Once again, our strategy is a testament to our resilience and the effectiveness of our business model, built as close as possible to our territories and local markets. Although the crisis brought with it dramatic consequences, our company is still very much alive, human centered, built on solid roots and we are confident in our ability to adapt through inventiveness, hard work and team spirit. On its sound foundations, built over more than two centuries, the Group is looking to the future with confidence and is doing everything in its power to achieve the objective of carbon neutrality across its value chain by 2050. To achieve this, we are focusing on innovation.

What progress has Vicat made in its strategy to adapt its business to climate change challenges?

G.S. — Faced with the climate emergency, the transition to a more sustainable world is essential. As an industrial company, our responsibility is to minimize the carbon impact of all our activities and to preserve natural resources by driving forward the circular economy. For several years, the Group has made every effort to quickly replace imported carbon-based fossil fuels used in the Cement manufacturing process with recovered regional energy waste, such as tires, oils and wood recovered from landfill sites and Refuse Derived Fuels (RDF). For example, in June 2021 Vicat created a joint venture with Paprec, a French group specializing in waste management and recovery. The project, known as ALT*ère*NATIVE, will kick-start operations from 2023 in Martigues in a SRF production plant, intended to replace fossil fuels in Vicat's cement plants. This is just the first of many milestones! We are ramping up our investments; specifically at our Montalieu-Vercieu site. Designed to eliminate the use of fossil fuels in the manufacture of cement, the Meteor project, which won the call for projects to decarbonize industry as part of the French government's plan "France Relance", will make it possible to increase the use of recycled waste from the region, with the aim of saving an additional 35,000 metric tons of carbon equivalents on the site equivalent to 5% of the cement plant's emissions.



“We assume our responsibilities as an industrial company in tackling the climate emergency!” GUY SIDOS

Parallel to this, the Group is committed to the modernization and transformation of all its sites in twelve countries. From Ragland, Alabama, to Kazakhstan, India, Africa, Brazil and France, our facilities are equipped with the latest fossil fuel substitution technologies or raw materials. For example, at Xeuilley, in France, we are investing in new production facilities for activated clay to be used as partial replacements for clinker to manufacture low-carbn cements and reduce the plant's CO_2 emissions by 48,500 tons each year. Through these strategic developments, we are able to reduce our carbon footprint, starting today.

What other levers is the Group working on?

G.S. —— Part of our DNA for more than two hundred years and since the invention of artificial cement by Louis Vicat, innovation serves our ambitious disruptive technologies at several stages of the value chain, notably with carbon capture and recovery in cement manufacturing. For example, Hynamics, an EDF Subsidiary specialized in hydrogen production supports us with our Hynovi project to create the first synthetic methanol production solution. Other examples include our collaborations with AlgoSource Technologies, TotalEnergies and the University of Nantes, and our experiments at the Montalieu-Vercieu plant with spirulina culture. This project, know as ‘Cimentalgue’ harnesses CO_2 captured from the chimney, as well as the waste heat captured from kiln to produce low-carbon microalgae (without offsetting), the success of 3D printing on concrete, the development of concrete including wood aggregates, and right through to low-carbon transport of raw materials and products. For these strategic projects, we have chosen to work with leading industrial partners.

Will innovation once again be the driving force in 2022 ?

G.S. —— Our strength in innovation will level up our industrial processes, our operating methods and our products, which are all industrial and commercial opportunities.
At Vicat, our team is characterized by practical risk takers, combined with our collective ambition to guarantee long-term investment in the building blocks of our success, chiefly our teams, facilities and operating ecosystems. Internally, 2022 will see us accelerate our digital transition with the deployment of VicaTogether and the introduction of Group-wide collaboration tools. Today, digitalization of processes and services is a strength that enables us to be more competitive, to improve the customer experience and to modernize organizations. ●

The Group is looking to the future with confidence, channeling all of our energy into achieving carbon neutrality.

A strategy that reflects the fast-changing construction materials market

The Vicat Group focuses on its core business, Cement, in which it has historical expertise, and is expanding into the Ready-mixed Concrete & Aggregates markets by vertical integration, in order to secure its access to the cement consumption markets.

It also benefits from synergies with complementary activities, in certain markets, to consolidate its range of products and services and to strengthen its regional positioning (for example the Precast Concrete business in Switzerland or Transport in France). It favors controlled development in its various businesses. The Group aims to achieve a balanced combination of dynamic internal growth, supported by industrial investment to meet market needs, a selective external growth policy to address new markets with attractive growth potential or accelerate its vertical integration, and the harmonious development of its sites with respect for the environment, with the short- and medium-term target of decarbonizing its activities, but also safety for its employees, inclusion and value creation for all stakeholders.

Group values

The values that drive the Group's leadership and management are based on five major principles that have been key of its success.

LOCAL PRESENCE

This illustrates the priority given by the Group to the local aspect with the implementation of "producing local to build local".

PARTNERSHIP COMMITMENT

This affirms the desire to build business relationships or collaborations in the regions, with all stakeholders, in a long-term approach.

RESPONSIBLE SUSTAINABILITY

It reflects the Group's commitment to integrate the impact of its actions on the environment and the quality of life of the people living in the regions where it operates. This is true not only for the latter but also for Group employees. The Covid-19 crisis has profoundly changed the way people work with widespread work-from-home for positions where this is possible in 2020 in 2021.

SHARED PASSION

This guarantees the commitment of employees to serve their customers.

TECHNICAL EXPERTISE

The Vicat Group's construction materials, which are designed, manufactured and used, require a high level of technical expertise to guarantee their quality. The Group is developing this expertise primarily through its research and development laboratories based mainly at the Louis Vicat Technical Center in L'Isle d'Abeau. The Sigma Béton subsidiary has also developed a technical training center which provides training to both the Group's customers and Vicat employees.

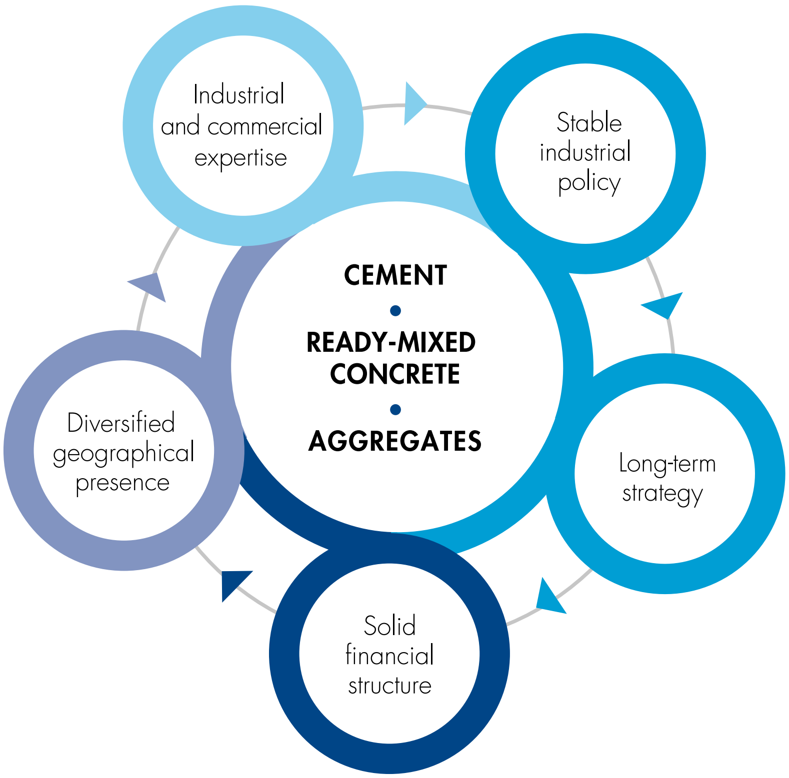
The Group's strengths

Over the years, the Group has developed recognized expertise in its main businesses, with a multi-location approach which has led it to build strong regional positions and balance the distribution of its activities.

The Group's main strengths can be summarized as follows:

- **industrial and commercial expertise** in the Group's core businesses;
- **a stable industrial policy** prioritizing long-term control and management of geological reserves as well as maintaining a modern, high-performance industrial base;
- **long-term strategy**, assured by a family shareholding and management structure, since the family has managed the Company for over 160 years and boasts extensive experience of the businesses;
- **a solid financial structure** with levels of profitability enabling the Group as in the past, to finance its growth targets from its own resources, thereby favoring the creation of value for shareholders;
- **diversified geographic presence** with strong regional positions;

These strengths allow the Group to vigorously respond to competitive pressure in certain of its markets and to position itself effectively on sustainably growing markets by rapidly increasing its industrial production capacities, or through acquisitions. The Company combines high operating margins and active management of the environmental aspects of its operations.



Development strategy by business

CEMENT

Cement is the Group's main business, forming the base of its development and profitability. Growth in this business rests on three pillars:

- dynamic internal growth;
- external growth targeting markets with high development potential;
- and the construction of greenfield plants.The Group's production facilities are described in section 1.1.1.3 of this Universal Registration Document.

INTERNAL GROWTH SUSTAINED BY INDUSTRIAL INVESTMENT

In the markets where it operates, the Group deliberately sustains its industrial investment, with the following objectives:

- first, modernizing its production facilities to improve the efficiency and economic performance of its factories and thus to have the industrial capacity to respond to intense competition;
- second, increasing its production capacity to support the development of its markets and to consolidate or increase its positions as a regional leader, like the construction of the new Ragland kiln (US), due to come onstream in 2022.

The Group intends to take advantage of its strong market positions, the quality of its production facilities and its strict cost controls to maximise cash flow, reduce debt and to be in a position to carry out further external growth transactions.

The Group also wants to continue the industrial development of its businesses in general, and of its Cement business in particular, while also actively managing environmental aspects.

EXTERNAL GROWTH

Targeted acquisitions in new high-potential markets

The Group's strategy is to penetrate new markets via the Cement business, in a highly selective manner. Accordingly, in pursuing external growth, the Group aims to satisfy all the following criteria:

- location near a significant market with attractive growth potential;
- long-term control and management of geological reserves (target of 100 years for cement) and securing of operating licenses;
- net contribution by the project to the Group's results in the short term.

The Group's record of growth over the past 40 years illustrates the success of this strategy. The Brazil acquisition project completed in 2019 was based on these criteria.

CONSTRUCTION OF GREENFIELDS

The Group may also seize opportunities to enter new developing markets by building new factories on greenfield sites. Such projects are examined very selectively and must comply with the Group's previously-mentioned external growth criteria.
In this respect, the Group brought onstream the Jambyl Cement factory at the Mynaral site in Kazakhstan in April 2011 and the Kalburgi factory in the Indian state of Karnataka at the end of 2012.

READY-MIXED CONCRETE (BPE)

The Group is expanding in Ready-mixed Concrete in order to reinforce its Cement manufacturing business. This development strategy is proceeding according to the maturity of the relevant markets and their integration in the Group's concrete production.
The aim is to create a network around cement factories and close to its consumption markets, whether by constructing industrial sites or facilities or by acquiring existing producers.
The Group's target in investing in this business is vertical integration while prioritizing the flexibility and mobility of its production facilities and ensuring the profitability of the business.
The Group's development in France, Switzerland, Turkey, the United States and Brazil illustrates this strategy.
In other markets such as India, Egypt and Senegal, the Group's strategy is to monitor trends in these markets in order to develop its activities once demand for ready-mixed concrete is sufficiently high.

AGGREGATES

The Group's presence in the Aggregates business is intended to provide a total offer to its customers' demand for construction materials and to secure the aggregates resources necessary to develop the Ready-mixed Concrete activity.
Development in this business relies on industrial acquisitions and investments intended to increase the capacity of existing installations and to open new quarries and installations.

Investments in this business take into account the following criteria:

- proximity to the end-markets and to the Group's concrete batching plants;
- control and management of major geological reserves (target of more than 30 years);
- profitability specific to this business.

This development plan has been implemented successfully in France, Switzerland, Turkey, India, Senegal and Brazil.

Geographic development strategy

The Group operates in 12 countries. It generates 34% of its consolidated revenue in France, 13% in Europe (excluding France), 15% in the United States, and 38% in emerging markets (India, Kazakhstan, Egypt, Mali, Mauritania, Senegal, Turkey and Brazil).
The Group's strategy is to combine investments in developed countries, which generate more regular cash flows, with investments in emerging markets offering significant growth opportunities in the longer term, but which remain subject to more significant market fluctuations, and thereby contribute to diversifying its geographic exposure.
In this context, the Group is particularly interested in development projects in emerging countries.
In the markets where it operates, the Group aims to develop strong regional positions around its industrial Cement production facilities, while also consolidating those positions through its Ready-mixed Concrete & Aggregates businesses.

Where the Group has entered a market through acquisition of a local producer, it offers its financial strength and its industrial and commercial expertise to optimize the economic performance of the acquired entity while capitalizing on the local identity of the acquired brands.

Vicat would like the industrial development of its operations to be actively managed.

The Group's Sustainability Targets

The Group has set itself working targets for the coming years:

CLIMATE TARGETS:

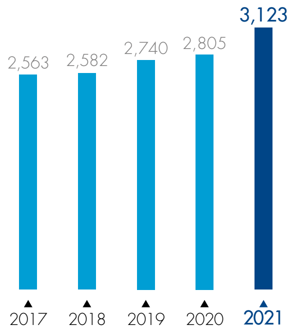
- Contribute to the carbon neutrality of the entire value chain, a goal for 2050
- By 2030:
  1. Reduce the Group's emissions to 540kg CO_2 net/t cement eq. and to 430 kg CO_2 net/t cement eq. for the Europe zone.
  2. Reach 40% of alternative fuels at the Group level, including 100% of alternative fuels in artificial cement manufacturing plants in Europe.
  3. Achieve a level of clinker content in cement of 75%.
  4. Deliver a ratio of self-produced renewable power of 20% of the Group's total power consumption.

CSR TARGETS:

1. Produce locally by favoring virtuous circular economy solutions at the service of sustainable cities.
2. Preserve the wealth of ecosystems encountered on production sites by implementing biodiversity management plans, developing products that help welcome biodiversity and optimizing forest management to increase carbon storage.
3. Strengthen the monitoring of Group targets by following new indicators in the fields of water, air quality, product management and innovation, and customer relations.
4. Achieve zero accidents.
5. Increase the proportion of women in the overall workforce and in managerial positions.
6. Promote responsible procurement and build sustainable and balanced relationships with our suppliers.

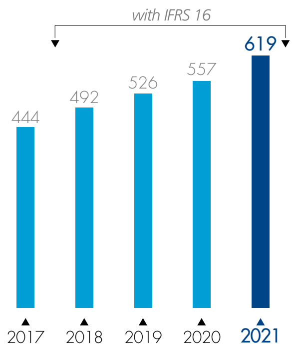
Financial indicators

Consolidated revenue
(in millions of euros)



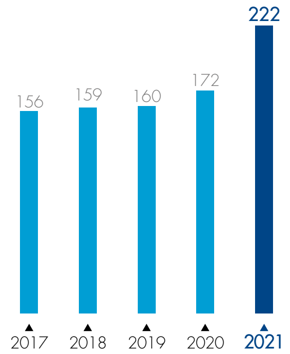
Consolidated revenue for 2021 was €3,123 million, up +11.3% on a reported basis and +16.2% at constant consolidation scope and exchange rates compared with 2020.

EBITDA(1)(2)
(in millions of euros)



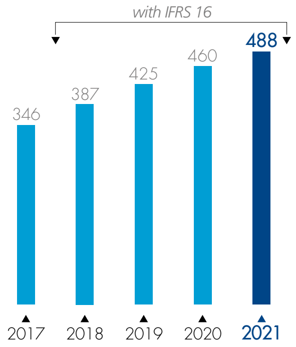
Group consolidated EBITDA, at €619 million, was up +11.1% compared with 2020 and +14.5% at constant consolidation scope and exchange rates.

Consolidated net income(2)
(in millions of euros)



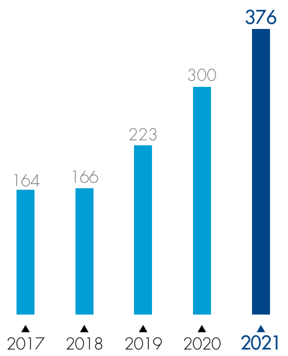
Consolidated net income was €222 million, up +29.1% and +31.8% at constant consolidation scope and exchange rates.

Cash flows from operations(2)
(in millions of euros)



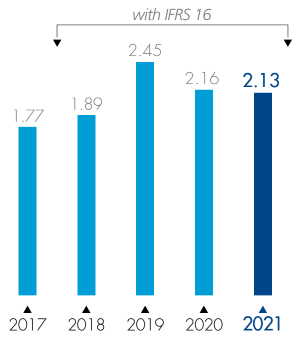
Operating cash flow amounted to €488 million, generating free cash flow of €63 million in 2021.

Net industrial investments disbursed
(in millions of euros)



Industrial investments disbursed amounted to €376 million in 2021.

Net debt/EBITDA(2)
(%)



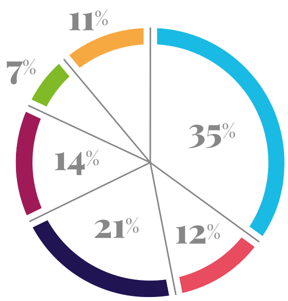
Leverage(3) is 2.13 times EBITDA at December 31, 2021, compared with 2.16 at the end of 2020.

(1) EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): gross operating income plus other ordinary income and expenses.
(2) 2018 figures restated following the adoption of IFRS 16.
(3) Leverage is a financial ratio used to determine the ability to repay debt and corresponds to the ratio of net debt to EBITDA.

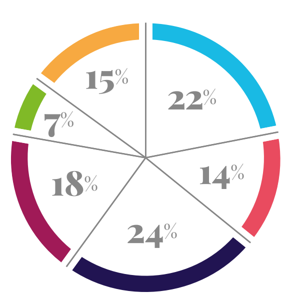
Breakdown
by geographical area

- France
- Europe
- Americas
- Asia
- Mediterranean
- Africa

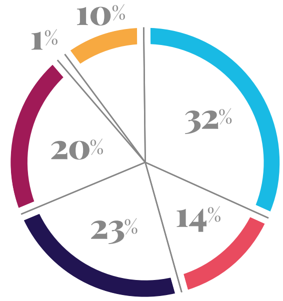
Operating revenue
(%)

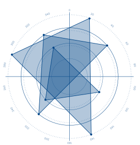


Net capital employed
(%)



EBITDA
(%)

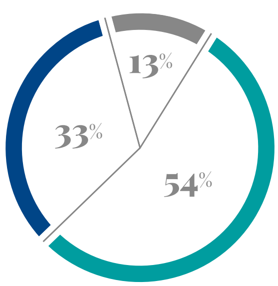




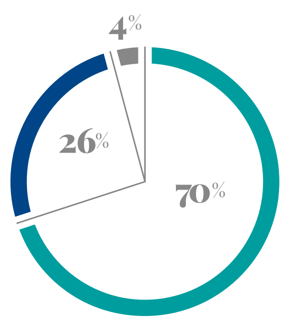
Breakdown
by business segment

- Cement
- Concrete & Aggregates
- Other Products and Services

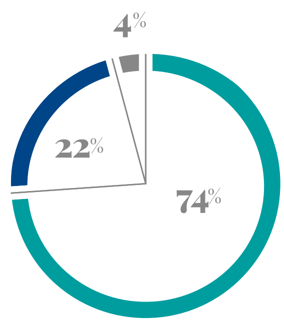
Operating revenue
(%)



Net capital employed
(%)



EBITDA
(%)

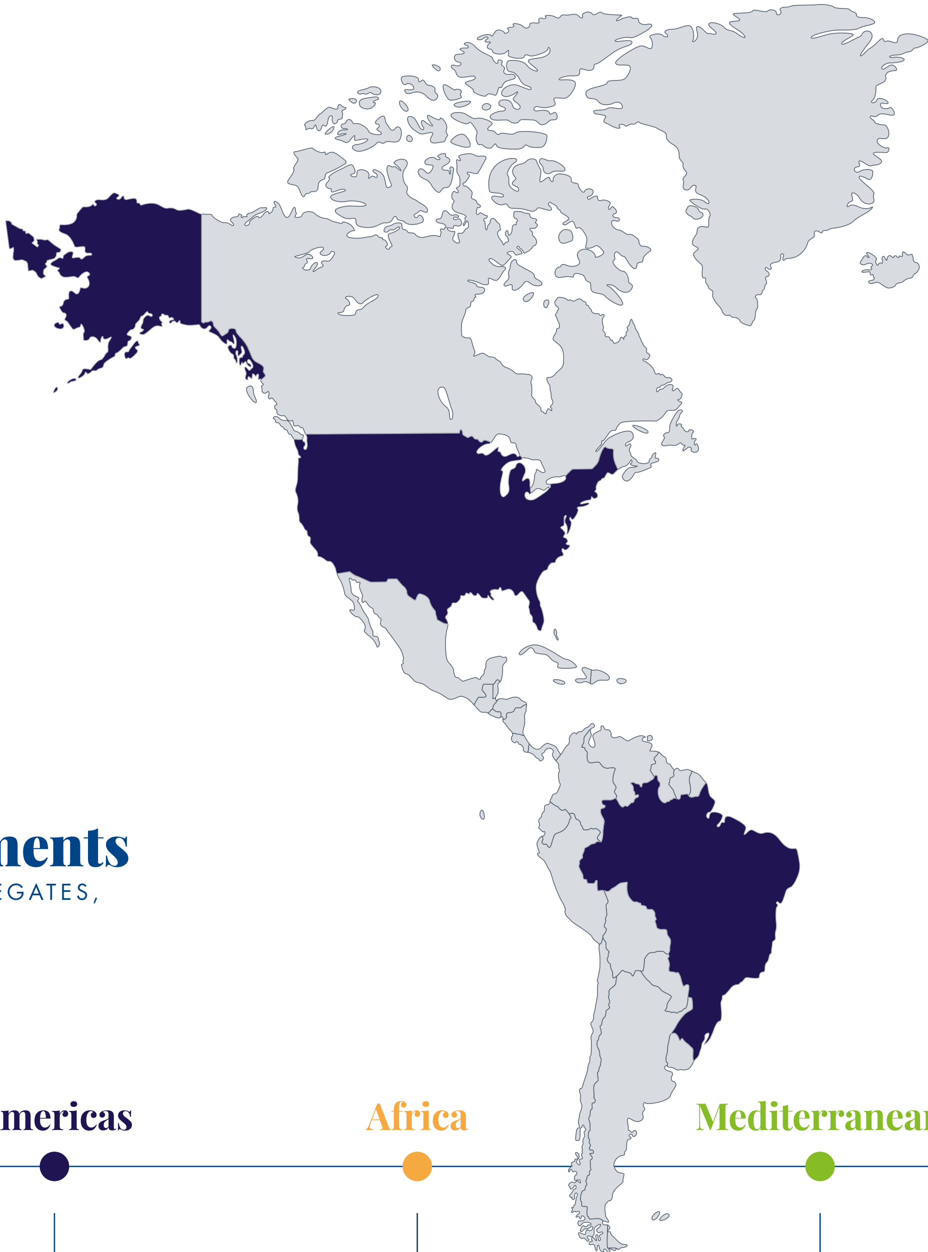


Vicat in the world

€3, 123 M
REVENUE

9,515
EMPLOYEES

3 business segments
CEMENT, CONCRETE & AGGREGATES, OTHER PRODUCTS & SERVICES



CEMENT PLANT

CONCRETE BATCHING PLANT

AGGREGATES QUARRY

Americas

USA
Cement plant **2** Concrete batching plant **44**
Capacity **2.6 Mt of cement**

BRAZIL
Cement plant **1** Concrete batching plant **12** Aggregates quarry **2**
Capacity **3.2 Mt of cement**

Africa

MAURITANIA
Concrete batching plant **1**
1 grinding plant
Capacity **0.5 Mt of cement**

SENEGAL
Cement plant **1** Aggregates quarry **2**
Capacity **3.4 Mt of cement**

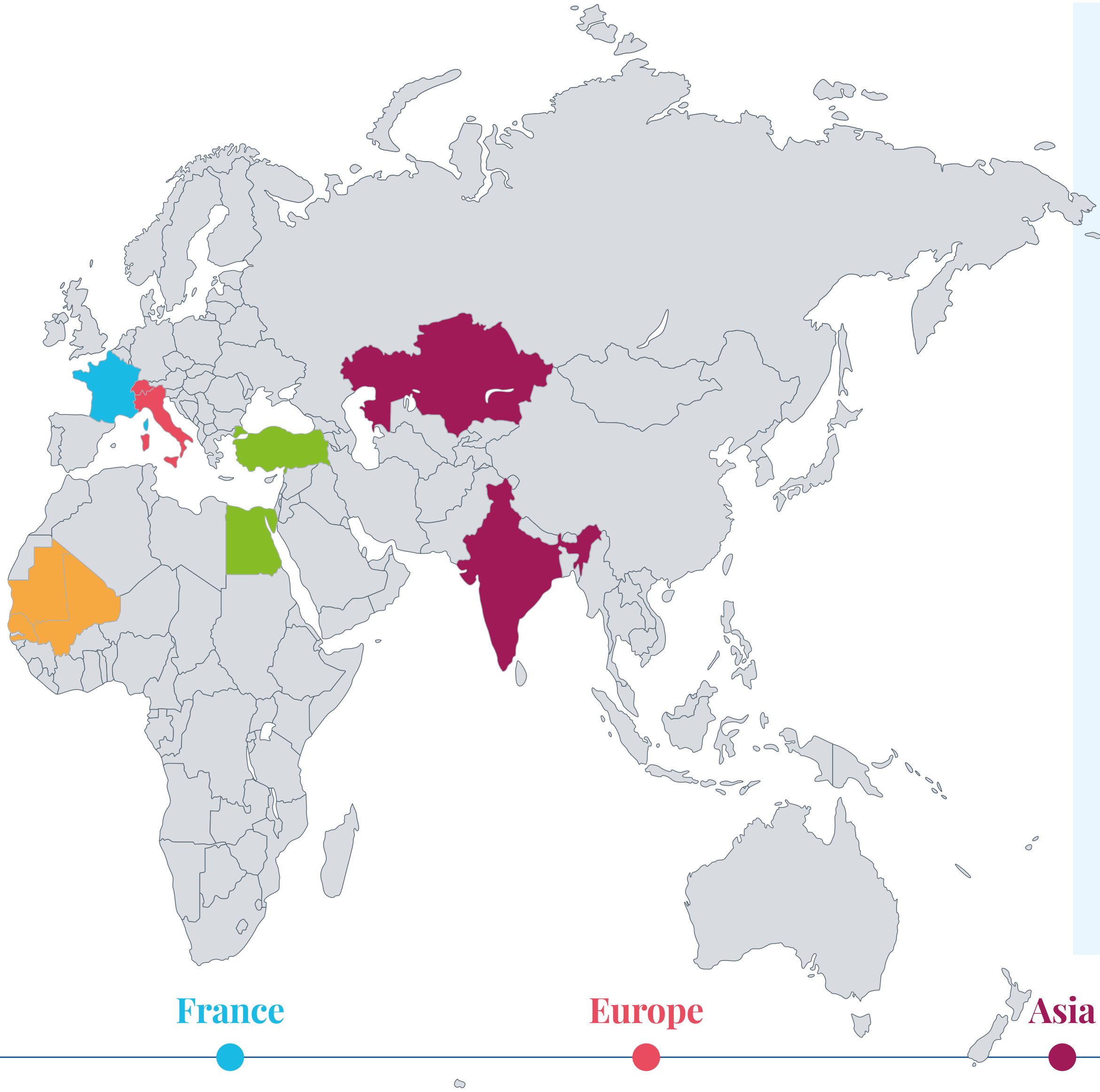
MALI
1 grinding plant
Capacity **0.8 Mt of cement**

Mediterranean

EGYPT
Cement plant **1**
Capacity **3.6 Mt of cement**

TURKEY
Cement plant **2** Concrete batching plant **41** Aggregates quarry **5**
Capacity **4.8 Mt of cement**

Global presence



12
COUNTRIES WHERE VICAT OPERATES

28.1
MILLION METRIC TONS OF CEMENT SOLD

10.5
MILLION M³ OF CONCRETE SOLD

24.0
MILLION METRIC TONS OF AGGREGATES SOLD

16
CEMENT PLANTS

5
GRINDING PLANTS

35
MILLION METRIC TONS OF CEMENT CAPACITY

267
CONCRETE BATCHING PLANTS

72
AGGREGATES QUARRIES

France

FRANCE

5 **151** **45**
2 grinding plants
Capacity **4.6 Mt of cement**

Europe

SWITZERLAND

1 **18** **17**
Capacity **0.9 Mt of cement**

ITALY

1 grinding plant
2 terminals
Capacity **0.5 Mt of cement**

Asia

KAZAKHSTAN

1
Capacity **1.6 Mt of cement**

INDIA

2 **1**
1 terminal
Capacity **8.5 Mt of cement**

Plant at Montalieu-Vercieu (France)

1 Presentation of the Group

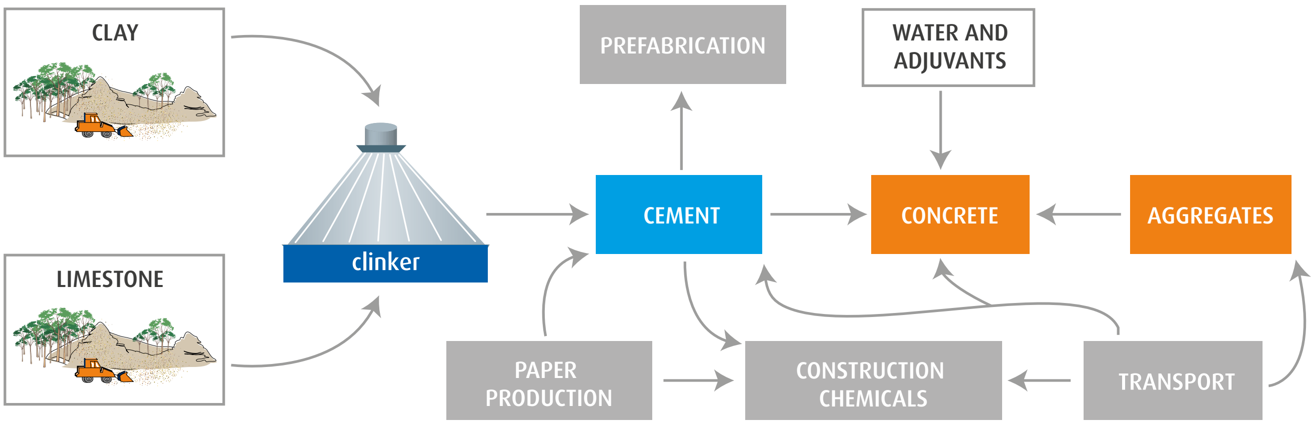
1.1 DESCRIPTION OF BUSINESSES

The Group's three businesses are:

- Cement;
- Ready-mixed Concrete & Aggregates;
- Other Products and Services.

The following diagram shows the integration of the Group's various businesses.

Integration of the Group's businesses



Cement: cement is a hydraulic binder used in the manufacture of concrete; its raw materials are limestone and clay. In contact with water, the cement silicates and aluminates reorganize and form a crystalline structure, which gives concrete its strength (see the Glossary at the end of this Universal Registration Document).

Ready-mixed Concrete: the concrete is produced by mixing cement, aggregates, water and adjuvants. Depending on the work for which it is intended and the environment to which it will be exposed, concrete is mixed, dosed and used specifically to meet precise quality and performance criteria.

Aggregates: aggregates are sands and natural gravels used in the construction of civil engineering works, public works and buildings. A significant quantity of these aggregates is used in the manufacture of concrete, with the remainder being used in highway construction. The importance of products from the recovery and recycling of deconstruction waste is increasing year-on-year, a consequence of the Group's desire to help the environment and to be part of circular economy schemes.

Other Products and Services: the Group also operates in activities complementary to its three main businesses, which enables it to develop synergies, optimize costs and improve customer service. These activities are transport, construction chemicals, the production of paper and paper bags, and precast concrete products.

As at December 31, 2021, the Group employed 9,515 people worldwide, and recorded 66% of its consolidated revenue outside France.

The following table indicates the extent of the Group's three business activities in each of the countries where it operates:

Country	Cement	Concrete & Aggregates	Other Products and Services
France	▼	▼	▼
Switzerland	▼	▼	▼
Italy	▼		
United-States	▼	▼	
Brazil	▼	▼	
India	▼	▼	▼
Kazakhstan	▼		
Turkey	▼	▼	▼
Egypt	▼		
Senegal	▼	▼	
Mali	▼		
Mauritania	▼	▼	

Consolidated revenue by business segment in 2021

(in millions of euros)	2021	%
Cement	1,633	52.3
Concrete & Aggregates	1,158	37.1
Other Products and Services	332	10.6
TOTAL	**3,123**	**100.0**

The share of the Group's core business contributed by Cement, Concrete & Aggregates increased slightly in 2021 to 89.4% of consolidated revenue.

EBITDA by business segment in 2021

(in millions of euros)	2021	%
Cement	456	73.7
Concrete & Aggregates	133	21.5
Other Products and Services	30	4.8
TOTAL	**619**	**100.0**

This breakdown should be read in light of the relative weighting of capital employed in each activity (see the "Segment information" section in chapter 7 "Financial information" of this Universal Registration Document).

See section 6.2. of the Universal Registration Document for details of the financial position and results.

1.1.1 Cement

Cement manufacture is the Group's core business since the Company's foundation in 1853. Cement is a fine mineral powder and is the principal component of concrete, to which it imparts a certain number of properties and in particular its strength. It is a high-quality yet relatively inexpensive construction material used in construction projects worldwide.

As at December 31, 2021, the Group's worldwide Cement business comprised 16 cement plants and five clinker grinding plants. In France, the Group also operates two factories specializing in natural fast-setting cement. The Group's cement volume sales in 2021 (before intra-group eliminations) amounted to 28.1 million metric tons (compared with 25.0 million metric tons in 2020). In 2021, this segment thus accounted for 52.3% of the Group's consolidated revenue (50.7% in 2020) and 73.7% of the Group's EBITDA (74.5% in 2020).

1.1.1.1 Products

The Group manufactures and markets various categories of cement, which are classified according to the chemical composition of their constituent raw materials, any addition of supplementary ingredients at the grinding stage, and the fineness of the product. Each cement range is appropriate for specific applications such as housing construction, civil engineering works, underground works, or the production of concretes subject to corrosive conditions.

The distribution between each type of application on a given market depends on the maturity and the construction practices of the country. The Group's cement factories manufacture conventional cements as well as cements for specific applications. In both cases, these cements are certified as compliant with the standards currently in force in the various countries where Vicat operates, in terms of both composition and designation.

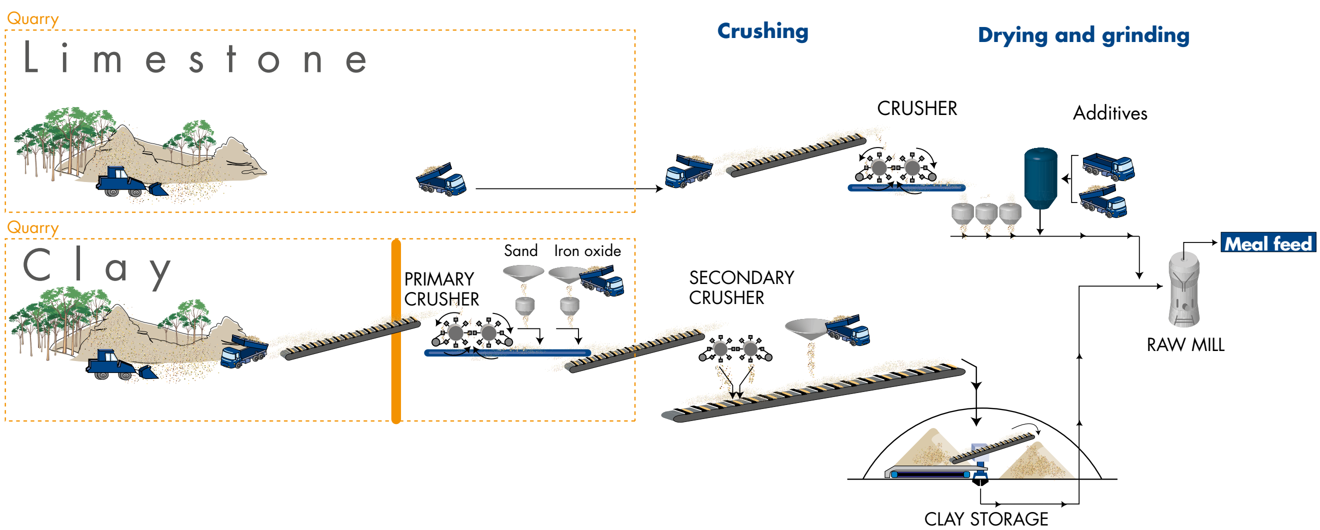
Natural quick-setting cement has been added to these categories: a special quick-hardening cement, whose strength is immediately superior and increases gradually over time. For 160 years, the Group has produced its quick-setting cement from a natural alpine stone, with an exceptional performance offering immediate and high strength as well as low shrinkage. This cement is used for sealing blocks or plugging leaks, and for renovating exterior walls.

All these cements are checked regularly and thoroughly at each stage of the manufacturing process, thus guaranteeing compliance of the finished product with current standards. In addition, the Group conducts research and development programs on its products and their applications, advancing the knowledge of these products and optimizing their use (see section 1.9. R&D and innovation" of this Universal Registration Document).

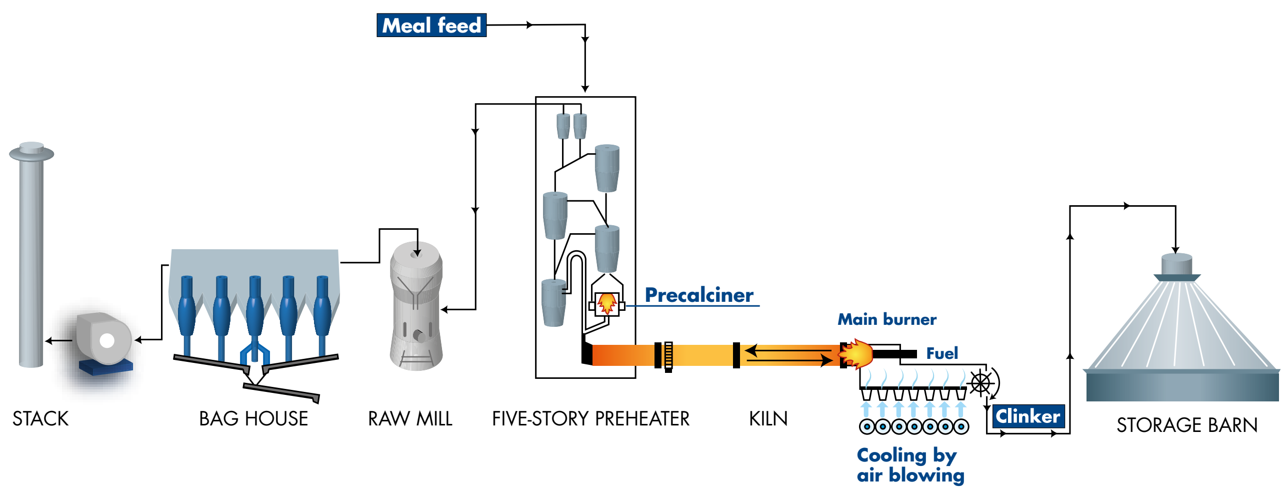
1.1.1.2 Manufacturing methods

Cement is manufactured, in the dry process, mainly in four stages:

- extraction of raw materials: limestone and clay are extracted from quarries generally located near the cement factory. The rock is blasted out with explosives. The rocks and blocks obtained are then transported to crushers, in order to reduce their size and obtain stones less than 6 cm in diameter;
- preparation of the raw material: the materials extracted from the quarries (limestone and clay) are finely crushed until rock meals are obtained. These meals are then mixed in fixed proportions (approximately 80% limestone and 20% clay) before being fed into the kiln. The chemical composition and the homogeneousness of the material on entry to the kiln, and its regularity over time, are fundamental elements in controlling the production process;

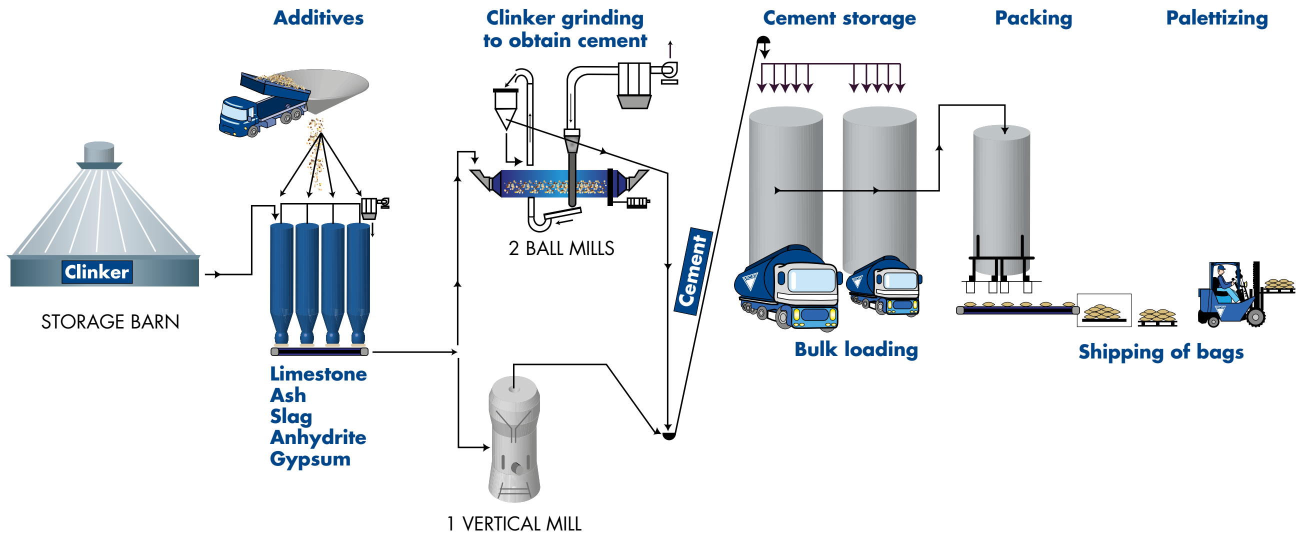


- the kiln system includes a heat exchanger cyclone tower, where the raw meal is introduced after being heated by the exhaust fumes from the revolving kiln (pre-calcination phase). The raw meal undergoes complex chemical reactions during this firing: first, limestone is decarbonated under the action of the heat at a temperature approaching 900 °C and is converted into lime, while clays are broken down into silicates and aluminates. The unit then recombines these at a temperature of approximately 1,450 °C into lime silicates and aluminates. This chemical process creates a semi-finished product called clinker, which has the properties of a hydraulic binder. This firing takes place in tilted revolving kilns lined with refractory bricks.



There is a large global trade in clinker, the semi-finished product. As this product is easier to transport and store, clinker transfers from areas with excess capacity to areas with under-capacity or to areas not having the mineral resources necessary for clinker manufacture have been developing over the years. This reduces the volume of the transported product compared with cement, thereby lowering logistics costs. Once it has reached the consumption market, clinker is delivered to grinding plants, which complete the cement manufacturing process up to packaging and distribution. This method is particularly used by the Group in Italy, Mauritania and in Mali;

- at the final stage, clinker is ground very finely and limestone filler and gypsum are then added to obtain artificial cement, which can be sold in bags or in bulk. Gypsum and limestone filler are added in order to control the cement setting time. Depending on the quality of the cement, other additives may be included, such as fly ash, blast kiln slag or natural or artificial pozzolans.



There are three types of cement manufacturing processes, each characterized by the specific treatment of the raw materials before firing, namely the dry, semi-dry/semi-wet, and wet processes. The technology used depends on the source of the raw materials. The source and nature of the clay or limestone, together with the water content, are particularly important. In recent decades, the cement industry has invested heavily in a planned migration from the wet to the dry process, which consumes less energy, when raw material resources permit. Of the Group's 24 kilns currently in service, 23 are dry-process kilns.

The Cement manufacturing process is very energy-intensive, in terms of both electricity and thermal energy. Electricity is used for transporting the materials inside the factories for the crushing and grinding operations, while thermal energy is consumed mainly when firing the clinker. The cost of energy accounts for over 30% of the average ex-works cement cost price for the industry and is the primary expense item (this percentage being lower for the Group). In 2021, energy costs for the Group as a whole amounted to over €400 million. The Group allocates a significant part of its industrial investment to improving its energy productivity.

The Group optimizes its energy requirements by using waste as alternative fuel to fossil fuels (coal, gas and oil). The combustion of this waste in a clinker kiln makes it possible to recover and use the energy released. All the Group's French factories have obtained agreement from the inspecting authorities to use non-hazardous industrial waste or landfill waste (tires, animal meal, industrial oils, etc.) as fuel. The Group gives priority to multi-fuel factories capable of switching between different kinds of fuels according to fuel price. In 2021, the share of alternative fuels in the Group's Cement manufacturing business was 26.2% on average (compared with 25.8% in 2020), with significant variations (from 0% to 97%) depending on the availability of fuels in the countries where Vicat operates.

For further information on alternative fuels, see section 3.1.1.4 "Actions across the entire value chain to achieve carbon neutrality" in the Statement of Extra-Financial Performance included in this Universal Registration Document.

The Group also uses clinker replacement materials produced by other industrial processes, such as fly ash (derived from the burning of coal in power plants) or blast kiln slag (which is a by-product from steel works). The use of such materials in defined proportions can improve certain properties of the cement and reduce the amount of clinker and thus the amount of fossil fuel needed for its manufacture. You can also look at section 3.1.1.4 "Actions across the entire value chain to achieve carbon neutrality" in the Statement of Extra-Financial Performance included in this Universal Registration Document.

1.1.1.3 Operating sites and production equipment

The Group manufactures cement in all 12 countries where it operates.

The Group is present in France with strong positions in the eastern half of the country and particularly in the south-eastern quarter. The Group has also developed solid positions in the United States in the south-eastern states (Alabama, Georgia) and in California, in Switzerland in the western and central half of the country, in Turkey in Central Anatolia, in Egypt, in the region of Sinai and Cairo. The Group also estimates that it has a leading position in Senegal and the countries bordering it. In addition, the Group has a grinding plant and shipping terminals in Italy and grinding plants in Mali and Mauritania. Finally, by establishing facilities in Kazakhstan, in the Indian states of Karnataka and Andhra Pradesh and in the Brasilia region of Brazil, the Group confirms its geographic diversification and its international dimension.

The table below shows the Group's various cement production sites in France and abroad:

Country	Production	Sites	Key dates
France	**4.6 Mt**	Montalieu (1 dry-process kiln)	The Group's main cement factory in France, first built in 1922.
		La-Grave-de-Peille (1 dry-process kiln)	Built in 1929, the La Grave-de-Peille factory is the Group's second-largest cement factory in France.
		Créchy (1 dry-process kiln)	Built in 1968. This cement factory is located near Vichy.
		Xeuilley (1 semi-wet process kiln)	Acquired in 1969, during the cement industry's restructuring period.
		Saint-Egrève (1 dry-process kiln)	Acquired in 1970. This factory is located in South-East France, in the Rhône-Alpes region.
Switzerland	**0.9 Mt**	Reuchenette (1 dry-process kiln)	The acquisition of Vigier in 2001 allowed the Group to expand its presence in Europe.
Italy	**0.5 Mt**	Oristano (grinding mill)	Acquired in 2003, Cementi Centro Sud is the owner of a grinding mill in Sardinia and has two shipping terminals in Taranto (in Apulia) and Imperia (near Genoa).
United-States	**2.6 Mt**	Ragland (1 dry-process kiln)	The 1974 acquisition of this cement factory in Alabama marked the first step in the Group's international development.
		Lebec (1 dry-process kiln)	In 1987, the Group reinforced its presence in the United States with the acquisition of this factory near Los Angeles in California.
Brazil	**3.2 MT**	Brasilia (3 dry-process kilns)	A majority interest in Ciplan (Cimento do Planalto) was acquired in January 2019. The company has a modern cement factory next to Brasilia.
Turkey	**4.8 Mt**	Konya (2 dry-process kilns)	This factory, acquired in 1991, is located in the southern portion of the Anatolian plateau.
		Bastas (2 dry-process kilns)	This cement factory, acquired in 1994, is located in central Turkey, near the country's capital, Ankara.
Egypt	**3.6 Mt**	El Arish (2 dry-process kilns)	At the beginning of 2003, the Group took a strategic holding in the Sinaï Cement Company, owner of a cement factory built in 2001, located 40 km from El Arish port.
India	**8.5 Mt**	Chatrasala (1 dry-process kiln)	Kalburgi Cement (formerly Vicat Sagar Cement) built a greenfield plant in northern Karnataka. This cement factory, with a capacity of 3 million metric tons, began production at the end of 2012.
		Kadapa (2 dry-process kilns)	In April 2010, the Group acquired 51% of the company Bharathi Cement. This company had a plant with 2.5 million metric tons of capacity, which was raised to 5.5 million metric tons by the end of 2010.
Kazakhstan	**1.6 Mt**	Mynaral (1 dry-process kiln)	In 2007, the Group acquired a special-purpose company established to build a cement factory 400 km north of Almaty. The factory came on stream at the start of April 2011.
Senegal	**4.0 Mt**	Rufisque next to Dakar (3 dry-process kilns)	In 1999, the Group took over Sococim Industries, which operates a cement factory near the capital, Dakar.
Mali	**0.8 Mt**	Diago next to Bamako grinding mill)	After a first facility established in 2004, Ciment et Matériaux du Mali invested an 800-thousand-metric ton-capacity raw mill which was commissioned in late 2019.
Mauritania	**0.5 Mt**	Nouakchott (grinding mill)	Since 2008, the Group has held a majority stake in the share capital of Mauricim, which operates a cement grinding mill near the Mauritanian capital.

This represents **a total production capacity of over 35 million metric tons of cement.**

Section 1.4. "Overview of Group performance and markets" rounds out this presentation by providing information for each country.

Cement manufacturing is a highly capital-intensive industry, requiring significant investments. The cost of building a cement factory generally amounts to between €150 million and €300 million per million metric tons of capacity, depending on the type of work, the production capacity planned and the country where it is built. The Group takes care to maintain its production facilities at a high level of performance and reliability. Accordingly, it has regularly invested in new equipment, giving it the benefit of the latest proven and recognized technologies, and has thus in particular steadily improved the energy balance of the installations. The choice of leading international suppliers is also in line with the Group's policy of industrial excellence intended to give priority to quality, durability and performance of the equipment.

In most cases, the Group owns the land on which its cement factories are built. The Lebec cement plant has a lease granted in 1966 for a term of 99 years with 43 years remaining. In addition, except for some vehicles (such as loaders, trucks and wagons), the Group generally has full ownership of its production equipment.

The Group controls and manages the clay and limestone quarries whether by owning the land it exploits, or through renewable mining rights agreements for terms of between 10 and 30 years according to country, or again through concessions granted by the state, which offer both possession of the land and the right to exploit it. These concessions are also renewable periodically.

From the outset of its quarry operations, the Group takes into account the constraints of restoring its sites. This aspect is discussed in Section 3.1.3 "Preserving biodiversity" in the Statement of Extra-Financial Performance in chapter 3 of this Universal Registration Document.

1.1.1.4 Competitive position

A trend toward concentration has occurred in recent decades, first in Europe, then in the United States, followed by the rest of the world, leading to the emergence of powerful global players. Nevertheless, the worldwide cement industry remains fragmented: in 2020, the world leader had a global market share of around 7% [1].

Markets are therefore subject to strong competition, and the Group faces competition from both domestic cement manufacturers such as Oyak in Turkey, Ciments du Sahel and Dangote in Senegal, UltraTech in India, or Steppe Cement in Kazakhstan, as well as with multinational cement manufacturers such as Holcim (Switzerland), Cemex (Mexico) and HeidelbergCement (Germany). These companies operate in a number of the Group's markets.

As cement is a heavy product and expensive to transport, the operating range of most cement factories does not generally exceed 300 km by road. Competition thus plays out mainly with cement manufacturers having factories in the Group's marketing zones. Except in the case of cement factories with sea or river access, able to ship their cement over long distances at low cost by boat, or by rail in some countries such as India or Kazakhstan, the cement market remains local.

As mentioned in section 6.4. "Investments" of this Universal Registration Document, this activity is also highly capital-intensive and the construction of new capacities must necessarily rely on effective land control of significant high-quality quarry reserves, the ability to obtain operating permits, the existence of available energy sources, and the presence nearby of a large and growing market.

Moreover, cement players active in a local market should be able to provide their customers with continuous services, in all circumstances, and with products of consistent quality that meet their expectations as well as applicable standards.

1.1.1.5 Customers

The profiles of customers are similar in most areas in the world where the Group is established. Customers are either general contractors, such as concrete mixers, manufacturers of precast concrete products, contractors in the construction and public works sector, local authorities, residential property developers or master masons, or intermediaries such as construction material wholesalers or retail chains. The relative significance of one type of customer, however, can vary considerably from one country where Vicat operates to another according to the maturity of the market and local construction practices.

In addition, cement is sold in bulk or in bags. Depending on the level of development in the country of operation. Accordingly, as ready-mixed concrete is a very mature sector in the United States, in this market the Group primarily sells its cement in bulk and mostly to concrete mixers. Conversely, in Senegal, which has yet to develop a Ready-mixed Concrete sector, the Group sells its cement primarily in bags to wholesalers and to retailers.

1.1.2 Ready-mixed Concrete (BPE)

Ready-mixed concrete, in which cement is a main component, is an essential material in today's construction projects.

Ready-mixed Concrete activities have been established in each of the countries where Vicat operates through the acquisition or formation of many companies. The Group initially developed its Ready-mixed Concrete business in France during the 1980s, through direct investments in companies. The Group then pursued its goal of vertical integration by selective acquisitions of companies, firstly in the markets served by its Cement business, and secondly by developing its production facilities in its existing locations.

The Group operated 267 concrete batching plants in six countries at the end of 2021, and its companies sold more than 10.4 million m^3 of concrete during the year.

(1) Source: Global Cement Report.

1.1.2.1 Products

Concrete's main qualities are its strength under compression, its durability and rapid setting time, together with its ease of pouring and handling under varied weather and construction conditions. The qualities and performance of a concrete can be obtained and guaranteed only if the physico-chemical formulation of the concrete and its production cycle are adhered to rigorously. For perfect formulation of concrete, the various components must be precisely proportioned in a given order and at a given rate, and these materials must then be mixed continuously and uniformly. These production constraints explain why concrete manufactured in a batching plant is of a superior quality and uniformity to any concrete mixed manually or in a concrete mixer. This is the reason for the growth of ready-mixed concrete, which guarantees compliance with the standards laid down in construction work specifications.

The Group offers a broad range of concretes, ranging from standard concrete to special concretes, developed for specific applications by its research & development laboratory, thus meeting its customers' needs and constraints.

The Group's research & development laboratories design innovative concrete for new applications or ease of use. See section 1.5 "R&D and innovation" of this Universal Registration Document for further details.

1.1.2.2 Manufacturing methods

Concrete is obtained by mixing aggregates, cement, chemical additives and water in various proportions in batching plants to produce ready-mixed concrete. A concrete batching plant consists of silos (for cement, sands and fine gravels), storage tanks for the various adjuvants, and a mixer. In the United States the mixing of the concrete usually takes place in the mixer truck, unlike in other countries where this operation occurs at the plant, before it is dispatched.

The proportions of cement and aggregates (sands and fine gravel) can vary, chemical additives (such as plasticizers, setting retardants or accelerants) can be added, and a part of the cement can be replaced by derivatives such as fly ash or slag, in order to obtain the concrete properties sought by the customer. Significant technical expertise and demanding quality control is therefore essential to handle the many construction factors to be taken into account by the Group's customers, such as setting time, suitability for pumping, pouring the concrete, weather conditions, shrinkage and structural strength.

The qualities and performances of a concrete can be guaranteed only if the formulation is very precise and its production cycle rigorously adhered-to. The dosage of water, in particular, must be precise and the materials must be mixed continuously and uniformly. To meet all these constraints, the Group's concrete batching plants have been largely automated, in order to guarantee precision in the process.

The concrete prepared in the batching plant is loaded by gravity into a mixer truck, which delivers the concrete to the customer. Depending on the country, the Group either operates its own fleet of mixer trucks or uses subcontractors, to whom it subcontracts ready-mixed concrete deliveries. Delivery logistics are an essential aspect when manufacturing concrete because of its limited setting time. A significant portion of ready-mixed concrete is pumped from the mixer truck to the point of placement at the construction site. This delivery approach is made possible by pump trucks, a number of which are owned or leased directly by the Group (in particular in France by its subsidiary Delta Pompage).

Raw material prices vary considerably according to the national markets in which the Group operates. In general, raw materials account for approximately 70% of the total production costs of concrete delivered. Cement represents, overall, more than half of this cost. Delivery is the second-largest component of the cost, at approximately 20% of the total. A significant portion of the cement and aggregates used in its concrete batching plants is supplied by the Group.

In France, the technical sales team of the Group's Ready-mixed Concrete business enjoys the collaboration of Sigma Béton, a key unit of the Louis Vicat Technical Center, specializing in the Ready-mixed Concrete, Aggregates and road products sectors, and certified ISO 9002 for the formulation, analysis and audit of aggregates, cement and concrete.

1.1.2.3 Operating sites and production equipment

The Group has vertically integrated its operations in France, Switzerland, the United States, Brazil, Turkey and Mauritania, and has operations in its Cement and Ready-mixed Concrete businesses in these countries.

As at December 31, 2021, the Group operated 267 concrete batching plants, located near its principal cement production sites, forming regional networks in order to supply construction sites and urban centers.

- France: 151 concrete batching plants;
- Switzerland: 18 concrete batching plants;
- Brazil: 12 concrete batching plants;
- United States: 44 concrete batching plants;
- Turkey: 41 concrete batching plants;
- Mauritania: 1 concrete batching plant.

These batching plants are located near the places where the concrete is used since, in view of the setting times, concrete prepared in a batching plant must be delivered to the pouring site within one and a half hours at the most. The operating range of a batching plant is generally between 20 and 30 km, depending also on traffic conditions in the area.

The majority of the concrete batching plants are fixed, although the Group also uses a certain number of mobile systems that are installed on its customers' construction sites (generally the largest ones), according to customers' needs.

1.1.2.4 Competitive position

Since barriers to entry are not high, the ready-mixed concrete market is very fragmented, with a number of large players, from cement manufacturers and international industrial groups to independent operators.

1.1.2.5 Customers

Ready-mixed concrete is sold mainly to construction and public works contractors, from major international construction groups to house building companies, farmers or private individuals. The concrete batching plants fulfill scheduled work contract orders and immediate delivery requests.

1.1.3 Aggregates

The Ready-mixed Concrete & Aggregates businesses are managed within the same segment, because of the similarity of their customers and the Group's vertical integration policy.

The Group sold 24 million metric tons of aggregates in 2021, produced by its 72 quarries.

1.1.3.1 Products

Aggregates (sands and gravel), which are the principal raw materials consumed in the world after water, are natural materials used in the manufacture of concrete, masonry and asphalt. They are also the basic materials for building roads, infill and structures.

There are two main product categories: those from crushed rocks (solid rock) and those from natural gravel and sand (alluvial). This is in addition to recycled materials from demolitions, the share of which is growing every year in order to save natural resources.

Local geology determines the types of aggregates available in a given market. The products differ in physical and chemical composition, particularly in their granulometry, hardness and color. They are generally designated by their minimum and maximum diameters:

- solid rock is extracted from limestone, granite, porphyry, etc. The most common materials obtained are gravels (0-100, 0-80, 0-31, 0-20), aggregates (0-4, 4-6, 6-10, 10-14, 10-20), ballast and boulders. These materials are mainly intended for earthworks, for the manufacture of bituminous mix, blocks or breeze blocks, and increasingly for manufacturing ready-mixed concrete;
- sand and limestone or sand-lime gravel are extracted from ancient sedimentation of river or glacial deposits, and supply concrete batching plants, bituminous mix plants and construction or public works sites. Materials produced are sand, fine gravel, rolled or crushed gravel primarily intended for precast concrete products, public construction, plasters and the preparation of bituminous mix.

1.1.3.2 Manufacturing methods

Aggregates can come from solid or alluvial rock:

- solid rock: the rock is blasted out with explosive before being crushed, sifted and then washed. Crushers are used to reduce the large rocks to a finer gravel. Processing is completed by sifting the material to sort the various "cut-offs" and recycle the coarse particulates. From the beginning of a project, solid rock quarry operations take integration with the environment into account during operations, and the future of the site once the quarry is closed;
- alluvial rocks: these rocks derive from the sedimentation of river or glacial deposits. They can be operated out of water, in 5 to 8 meter high steps, or in water using dredgers or dragline buckets. Extracted gravel is conveyed to processing facilities by conveyor belts or dumpers, or by boat, geography permitting. In some cases, some of the processing can take place directly in the dredger. The transported product is then washed, sifted and crushed to achieve the desired granulometry.

The wash water is processed using hydrocyclone separation to recover usable fine particulates. This water is then clarified to be fully reused during the process. Residual clay can be used to reconfigure the quarry, as embankments or as an agricultural sub-layer. A wide range of site configuration options is available following closure of the quarry: sports field (lawn, track, etc.), industrial platform, restoration as agricultural or forested land, plantings on the slopes, wetlands and so forth. If bodies of water were created, they can be used for fishing, boating or an environmental project.

The production of aggregates requires heavy equipment in a quarry, for handling both solid rock and alluvial rock. The quarrying and grinding of solid rock requires the use of loaders, transport equipment and crushers. Alluvial rock is extracted using dredges. Aggregates on the processing site are generally transported using conveyor belts.

1.1.3.3 Operating sites and production equipment

The Group's strategy for its Aggregates business in France and in Switzerland is to concentrate on the regions where it already has a presence in the Ready-mixed Concrete business. The Group regularly acquires quarry owners in the aggregates industry or directly establishes operations at new sites.

In other countries, the aim is to round out the Group's offerings to its customers, especially where local requirements are not adequately met and where there is promising growth potential.

As at December 31, 2021, the Group operated 72 aggregates quarries:

- France: 45 quarries;
- Switzerland: 17 quarries;
- Brazil: 2 quarries;
- Turkey: 5 quarries;
- Senegal: 2 quarries;
- India: 1 quarry.

Extractions are performed on land which the Group owns or over which it has long-term operating rights, and for which it has obtained the necessary licenses. In addition, the Group maintains the level of its reserves through acquisitions and by obtaining new extraction licenses. Finally, management of the quarries takes into account the vital need to restore the sites. This policy is described in detail in the Statement of Extra-Financial Performance in chapter 3.1.3 "Preserving biodiversity" of this Universal Registration Document.

The industrial plant comprises heavy equipment such as loaders, haulage machines, crushers and other equipment such as dredgers or draglines. With the exception of some vehicles held under leases or finance leases agreements, the Group generally owns this equipment.

1.1.3.4 Competitive position

The aggregates market is generally fragmented into many local markets. The various participants are regional or national quarry operators, firms in the construction and public works sector which are vertically integrated, together with international industrial groups supplying construction materials.

The Group gives priority to operating quarries located near the consumption markets, so as to optimize its production costs. This approach facilitates access to customers and reduces transport costs.

1.1.3.5 Customers

The Group sells a portion of its aggregates to ready-mixed concrete manufacturers, in the form of either intra-group or external sales. Other customers include manufacturers of precast concrete products, contractors in the public works and road construction sectors, either for their asphalt plants or as infill, construction contractors, but also farmers or private individuals for various purposes.

1.1.4 Other Products and Services

In France, Switzerland, Turkey and India, the Group also has operations in activities complementary to its main businesses. These activities are transport, construction chemicals, the production of paper and paper bags, and precast concrete products. On June 30, 2021, the Group disposed of its subsidiary Créabéton Matériaux to the Müller Steinag Holding Group.

Operations in the Group's Other Products and Services segment are described in section 1.4. of this Universal Registration Document.

1.2 HISTORY

The Vicat Group's history stretches back two centuries to when Louis Vicat invented artificial cement. Building on these foundations, the Group cultivates a tradition of innovation and technical excellence that continues to this day.

The shareholder structure has always been firmly family-based, and this strong footprint can also be found within the General Management where the succession is based on generations of entrepreneurs driven by the same values.

1817

Louis Vicat invented artificial cement

After graduating from two of France's elite engineering schools, Ecole polytechnique and Ecole des ponts et chaussées, Louis Vicat invented artificial cement in 1817. On February 16, 1818, his invention was authenticated by the Académie des Sciences. The report was signed by Messrs. de Prony, Gay-Lussac and Girard, distinguished scientists of the time.

1853

Construction at Le Genevrey of the Group's first cement factory

In the vicinity of Grenoble the young engineer Joseph Vicat began to manufacture artificial cement in kilns, after analyzing the local argillaceous limestone and finding it particularly well suited to this task. The initial results were highly satisfactory. Aged 32 at the time and a graduate of the Ecole polytechnique like his father, Joseph Vicat soon decided to build a cement factory at Genevrey-de-Vif, in Isère.

1875

Construction of the La Pérelle factory for the manufacture of quick-setting cement

After tireless and rigorous exploration and testing, Joseph Vicat found deposits of limestone particularly suited for the manufacture of quick-setting cement in the Chartreuse mountain range and built a factory for this purpose at La Pérelle, near Saint-Laurent-du-Pont, to the north of Grenoble.

1922-1929

Construction of the Montalieu and La-Grave-de-Peille factories

Joseph Merceron-Vicat started building the Montalieu factory in 1922 and the Grave-de-Peille factory in 1929. The production capacity of the Montalieu site increased steadily over the ensuing years, becoming the Group's main cement factory in Europe. Today, Montalieu is among Europe's largest cement factories and remains one of the Group's flagship facilities.

1960-1974

Development of the Group's Cement business in France

André Merceron-Vicat undertook to considerably develop the Company in France at the end of the 1960s and during the 1970s, with the acquisition and construction of several cement factories. The Vicat Company became France's third-largest producer of cement.

1974

The Group began to expand abroad, focusing initially on the United States

The Company expanded its presence into foreign markets, acquiring the Ragland cement factory in Alabama in 1974.

1980-1990

Vertical integration in France with the development of the Group's Concrete & Aggregates businesses

In 1984, Jacques Merceron-Vicat was appointed as Chairman and Chief Executive Officer of the Group. The Group continued its development with the acquisition of the SATM Group (Transport, Concrete & Aggregates) and of a number of companies active in ready-mixed concrete & aggregates, thus gradually building up a network of concrete batching plants and quarries in the Île-de-France, Centre, Rhône-Alpes and Provence-Alpes-Côte d'Azur (PACA) regions.

1987

Acquisition of the Lebec factory (California, United States)

Located near Los Angeles, this factory has now a cement production capacity of 1.3 million metric tons.

1991-1994

Acquisitions of Konya Cimento and Bastas Baskent Cimento in Turkey

1991 saw the start of the Group's operations in Turkey with the acquisition of the Konya cement factory. This was followed by another acquisition in 1994, of Bastas Baskent Cimento, based closer to Ankara.

Today, Konya Cimento and Bastas Baskent Cimento together have a cement production capacity of 4.8 million metric tons. The Group has supplemented its operations in this country with activities in Ready-mixed Concrete & Aggregates.

1999

Acquisition of Sococim Industries in Senegal

The Group successfully integrated Sococim Industries, a company based in Rufisque, near Dakar, thus securing access to a rapidly-developing new continent. Today, Sococim Industries has a cement production capacity of 4.0 million metric tons.

2001

Acquisition of Vigier in Switzerland

In 2001, the Group acquired Vigier, a Swiss group of companies based not far from its French operations in the Rhône-Alpes and Lorraine regions. By integrating Vigier's various businesses – Cement, Concrete, Aggregates, Precast Concrete – the Vicat Group expanded its own operations across the Swiss border.

2003

Acquisitions of Cementi Centro Sud in Italy and Sinaï Cement Company in Egypt

In early 2003, the Group acquired a grinding plant and two shipping terminals in Italy. Then, the Vicat Group acquired an interest in the capital of Sinaï Cement Company as part of a majority partnership in which the Group owns the majority. Today, the El Arish cement factory located in the northern Sinaï Peninsula has a cement production capacity of 3.6 million metric tons.

2004

Operating site in Mali

Construction of a cement distribution station in Bamako.

2007

Establishment of a cement factory in Kazakhstan

Initiated in 2007, the construction of the Jambyl cement factory in Mynaral was completed in 2010, thus meeting the needs of the rapidly growing Kazakh market. The factory steadily increased its output over the following years to reach a cement production capacity of more than 1.6 million metric tons.

2008

Operating sites into India and Mauritania

Construction of a *greenfield* plant with a nominal cement production capacity of 3.0 million metric tons at Chatrasala, in the southern Indian state of Karnataka.

Acquisition of a majority holding in a cement grinding mill with a capacity of 0.5 million metric tons, located at Nouakchott in Mauritania.

2010

New acquisition in India

The Group made a significant acquisition, becoming the majority shareholder in Bharathi Cement, a company based in the Andhra Pradesh state, in southern India. The production capacity of this Company's cement factory has since been raised to 5.5 million metric tons.

2014

Expansion of operations in India

Vicat holds 100% of the share capital of Kalburgi Cement.

Guy Sidos was appointed Chairman and Chief Executive Officer.

2017

Creation of the Louis Vicat Corporate Foundation

2019

On January 21, 2019, completion of the majority equity purchase of Ciplan in Brazil

Ciplan (Cimento do Planalto) operates a cement factory near Brasilia with an annual production capacity of 3.2 million metric tons, nine concrete batching plants and two aggregates quarries.

The Vicat Group acquires a foothold in South America, and now operates in 12 countries.

2020

Launch of the new grinding plant in Mali

The new Cement and Materials raw mill in Mali, located near Bamako, with a capacity of 800,000 metric tons, strengthens the Group's presence in West Africa.

2022

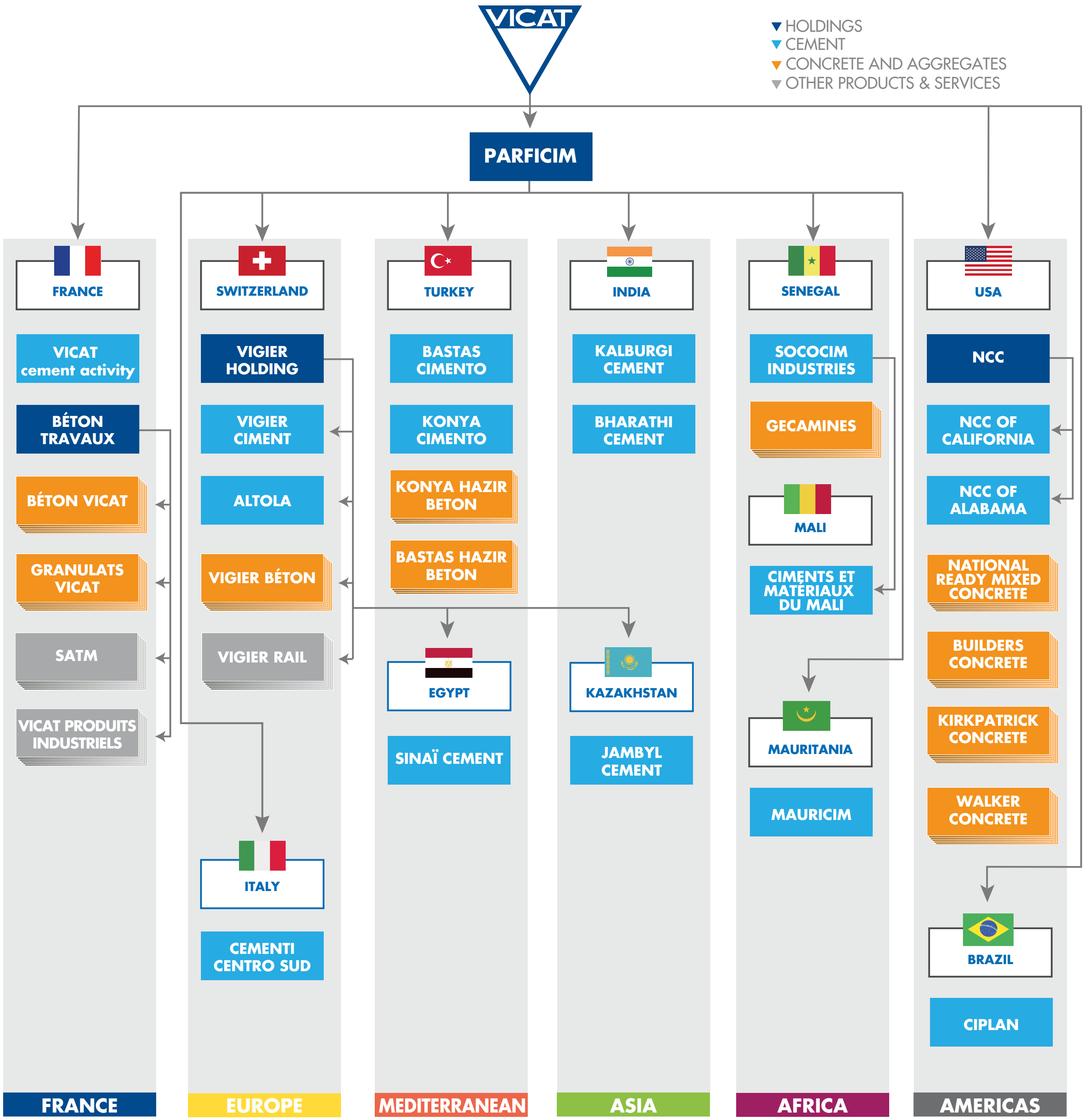
Commissioning of the new kiln in Ragland (United States)

The new kiln in Ragland, with a capacity of 1.8 million metric tons, employs both cutting edge industrial and energy technologies, thereby contributing to the ongoing implementation of the Group's climate strategy.

1.3 SIMPLIFIED ORGANIZATIONAL CHART

The organizational chart below summarizes the main Group companies (141 companies are consolidated). Only the most significant Group companies or those useful for gaining an understanding and appreciation of the Group's organization are shown on this organizational chart.

The organizational chart was also designed to highlight the six geographic zones in which the Group operates, with color-coding of the business engaged in by each Group entity.



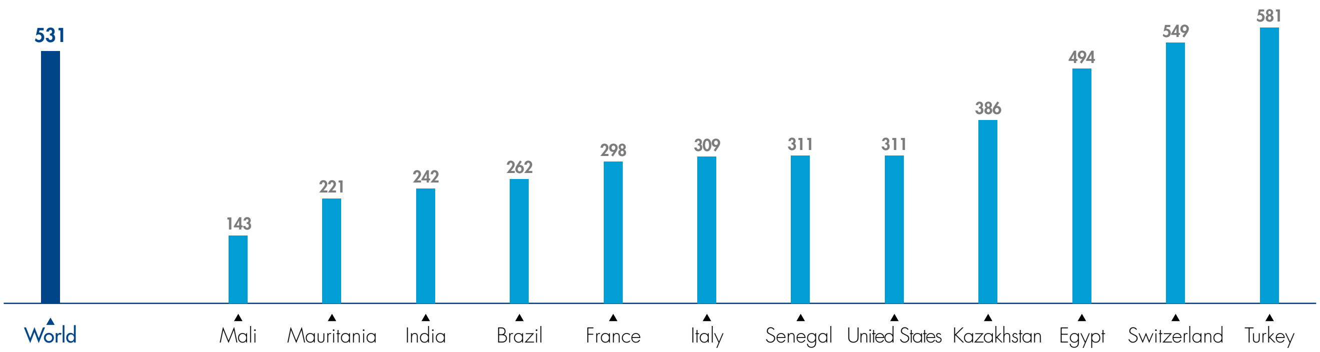
Some of the subsidiaries directly and indirectly controlled by the Group have minority shareholders who may be industrial or financial partners, or historical shareholders in the subsidiary in question before it was acquired by the Group. The presence of these minority shareholders may lead to the signing of shareholder agreements containing provisions relating to corporate governance, information provided to shareholders, or changes in ownership structure in the subsidiary in question. Nevertheless, and unless mentioned elsewhere (see note 14.1.2 in chapter 7 of the consolidated financial statements), these agreements do not provide for put or call options, modifications to the cash distribution, or more generally measures that could have a material impact on the Group's financial structure or limit the exercise of majority control.

Information on the Group's main subsidiaries is provided in section 9.3. "Information on subsidiaries and equity investments" of this Universal Registration Document and in note 23 to the consolidated financial statements as at December 31, 2021.

1.4 OVERVIEW OF GROUP PERFORMANCE AND MARKETS

The dynamism of the construction materials industry in a given market depends primarily on the demographic development of the population, economic growth, and trends in the rate of urbanization. In addition, the architectural culture and local construction practices have a great influence on the choice of construction materials, which mainly include concrete, wood, brick and steel. This choice is also guided by the availability and the price of each of these materials locally.

Annual cement consumption per capita in 2019 *(kg per capita)*



Sources Global Cement Report.

The selling price of cement, which is the Group's principal product, depends essentially on supply and demand.

Breakdown of consolidated revenue by geographical area in 2021

(in millions of euros)	2021	%
France	1,074	34.4
Europe (excluding France)	393	12.6
Americas	672	21.5
Asia	428	13.7
Mediterranean	228	7.3
Africa	327	10.5
TOTAL	**3,123**	**100.0**

Due to the Group's significant geographical diversification efforts in recent years, the portion of revenue generated in emerging countries reached 38% of the Group's consolidated revenue in 2021.

Cement sales volumes

The Group has 16 cement factories spread over nine countries, as well as five clinker grinding plants established in three countries. Sales were 28,141 thousand metric tons of cement and clinker in 2021.

(in thousands of metric tons) [1]	2021	2020
France	3,202	3,008
Europe (excluding France)	1,128	1,074
Americas	5,426	5,385
Asia	7,996	6,902
Mediterranean	6,339	5,384
West Africa	4,050	3,291
TOTAL	**28,141**	**25,043**

(1) Volumes of cement, clinker and masonry cement.

Intra-group cement sales accounted for 19.6% of this business in the Group, with a significant disparity, ranging from 0% to 42% depending on the operating regions.

In the markets where it operates, the Group develops strong regional positions around its cement production facilities, while also consolidating those positions through Ready-mixed Concrete & Aggregates businesses. The Group favors local brands rather than a single global brand.

Concrete volumes sold

The Group operates 267 concrete batching plants which produced and sold 10,472 thousand m^3 of concrete in 2021.

(in thousands of m^3)	2021	2020
France	3,517	3,057
Europe (excluding France)	681	716
Americas	3,157	2,837
Mediterranean	3,113	2,693
West Africa	3	5
TOTAL	**10,472**	**9,309**

Aggregates sales volumes

The 72 quarries operated by the Group's Aggregates business sold 23,998 thousand metric tons of aggregates in 2021.

(in thousands of metric tons)	2021	2020
France	10,861	9,888
Europe (excluding France)	2,952	3,053
Americas	2,592	2,317
Asia	518	367
Mediterranean	4,782	5,206
West Africa	2,293	1,881
TOTAL	**23,998**	**22,713**

1.4.1 France

France is the Group's historical market where it operates five cement plants located in the eastern half of the country and a network of concrete batching plants and quarries mainly located in the same catchment areas, with a high concentration in the south-eastern quarter. In addition, the Group has activities in France that complement its three core businesses.

Group sales volumes in France

	2021	2020	Change
Cement *(in thousands of metric tons)*	3,202	3,008	+6.4%
Concrete *(in thousands of m^3)*	3,517	3,057	+15.0%
Aggregates *(in thousands of metric tons)*	10,861	9,888	+9.8%

GDP surged by close to 7% in 2021, after having contracted 7.9% in 2020 as a result of the Covid-19 pandemic.

Housing starts rose +12.3% in 2021, with 393,000 starts. Non-residential building starts also rose +10%, following a fall of -16% in 2020.

The public works business, which saw a 15% contraction in 2020, grew +10% in 2021 with the *Grand Paris* projects having a significant impact.

1.4.1.1 Cement

The French cement industry is concentrated; four groups account for approximately 80% of the market; these are Holcim, Ciments Calcia (HeidelbergCement Group), Vicat and Eqiom (CRH). Vicat has become the only French operator in this market, which has changed considerably over the last few years.

Following a decline in cement consumption of around 7.5% in 2020, it climbed back 4.1% in 2021 to 19 million metric tons.

In 2021, Vicat's sales volumes were up close to 6.4% on 2020, with a significant increase in the domestic market. Average selling prices also increased.

1.4.1.2 Ready-mixed Concrete and Aggregates

There are nearly 1,900 concrete batching plants and more than 500 companies throughout France.

In 2021, thanks to projects getting back up to speed but also new projects, consumption of ready-mixed concrete rose 10% to 40 million m^3.

The Group's 151 concrete batching plants cover 10 of the 19 French regions, mainly located in the eastern half of France, and sold nearly 3,517 thousand m^3 in 2021, accounting for over 8% of the national market. Prices also rose this year.

More than 1,600 companies operate in the aggregates market in France. The Group is among France's top-ten producers. This market reached around 328 million metric tons in 2021 (excluding recycled materials), up 10%.

The Group has some 60 sites, including 45 quarries, which enabled it to produce and market 10,861 thousand metric tons of aggregates in 2021, up 9.8% on 2020. Sales prices were up.

1.4.1.3 Other Products and Services

Other Products and Services include activities that are complementary to the Group's main businesses, such as Transport and Major Projects featuring SATM, Construction chemicals with Vicat Produits Industriels, and the Paper and Bags business with Papeteries de Vizille.

Breakdown of operating revenue by business

(in millions of euros)	2021	2020	Change
Transport and Major Projects	183.5	156.3	+17.4%
Construction chemicals, Vicat Produits Industriels	90.7	84.3	+7.6%
Paper	42.5	38.2	+10.9%

- TRANSPORT AND MAJOR PROJECTS

Through its 15 branches in France, SATM uses three means of road transport: bucket, tank and platform trucks. SATM generates most of its transport revenue as a shipping agent and is a leading player in the field of bulk, bucket and tank transport, which confers great flexibility and adaptability to the market. SATM operates a fleet of approximately a thousand vehicles, the majority of which belong to sub-contractors.

SATM transports much of the cement and aggregates to the Group's ready-mixed concrete batching plants, which accounts for approximately half of SATM's revenue in the Group. The complementary nature of this transport activity with the Group's businesses allows it to optimize the quality of service provided to its customers. Revenue from this business surged +16.8% in 2021.

SATM's major projects business primarily operates on large infrastructure construction sites such as TGV railway lines, motorway projects and power station construction programs. SATM operates on these sites to deliver ready-mixed concrete by means of mobile concrete mixing and batching stations intended for major projects. SATM is a real partner in the major projects field, in France and abroad. As a result of major projects restarting in 2021, following stoppages due to the pandemic in 2020, annual revenue was up +27.5% in 2021.

• CONSTRUCTION CHEMICALS

Vicat Produits Industriels (VPI) is a major player in the industrial mortar market for construction and civil engineering, with four plants and a sales network in France. With VPI, the Group has a closer view of the construction materials market and therefore a better understanding of end user needs.

VPI offers a broad range of approximately 200 products that meet many needs: exterior wall coatings, mortar and traditional concretes, products used to repair floors and walls, tiling adhesives and thermal insulation products. The evolution and development of these products and their adaptation to the customer's requirements are handled by the research laboratory team at L'Isle d'Abeau.

Revenue from the VPI activity was up significantly by +14% in 2021 thanks in particular to the strength of the Building activity.

• PAPER AND BAGS

Located in the Grenoble area, Papeteries de Vizille operates in two segments: specialty papers and bag production.

Production of specialty papers

This business focuses on the production of specialty papers with higher added value. Accordingly, despite the company's small size, Papeteries de Vizille continues to expand into various countries around the world where the company's expertise is recognized along with the quality and technical sophistication of their products.

In 2021, the Company exported 38% of its volumes.

Paper bag production

The bags business provides large-capacity paper bags to the agro-food, chemical and construction sectors. The factory has an annual production capacity of approximately 65 million bags, equal to approximately 10% of the national market. Some of the bags sold by Papeteries de Vizille are intended for the Group.

In 2021, sales increased by 2.0% in volume compared to 2020.

1.4.2 Europe (excluding France)

Group sales volumes in Europe (excluding France)

	2021	2020	Change
Cement *(in thousands of metric tons)*	1,128	1,073	+5.1%
Concrete *(in thousands of m^3)*	681	716	-4.9%
Aggregates *(in thousands of metric tons)*	2,952	3,053	-3.3%

1.4.2.1 Switzerland

The Group entered the Swiss market in 2001 by acquiring the Vigier group, which was already vertically integrated both through a network of concrete batching plants and quarries and through business activity in prefabricated concrete products. It operates mainly in the western and central parts of the country.

In 2021, Swiss GDP grew +3.3%, following a decline of -3.3% in 2020 due to the pandemic.

• CEMENT

Demand for cement in Switzerland was around 4.7 million metric tons in 2021, which represents slightly less than 600 kg of cement consumption per capita, a very high level of demand for a mature market. National deliveries rose +0.6% in 2021 compared to 2020[(1)], with a more significant increase for imports.

The local producers in this market are Holcim, Jura Cement (CRH Group) and Vigier, a Group subsidiary. Vigier is present in the west of the country and is the third-largest cement manufacturer in Switzerland.

In 2021, despite the context, Vigier Ciment posted revenue growth of +2.8% compared to 2020.

• READY-MIXED CONCRETE & AGGREGATES

The Ready-mixed Concrete market is highly developed in Switzerland, with a dense network of concrete batching plants.

Through Vigier and its subsidiaries, the Group owns 18 concrete batching plants spread over the western half of Switzerland. These plants produced 681 thousand m^3 in 2021, down 4.9% compared with the previous year.

Vigier operates 17 aggregates sites, located near the concrete batching plants. These quarries are primarily intended to meet the needs of the concrete batching plants. Sales of Vigier's aggregates amounted to 2,952 thousand metric tons in 2021, down 3.3% on the previous year.

• OTHER PRODUCTS AND SERVICES

Vigier group manufactures and sells railroad sleepers and concrete platform curbs under the Vigier Rail brand, and has acquired a supplier of technical solutions which has licenses for the Low Vibration Tracks slab track systems.

Revenue from this business stood at €49 million in 2021, up +25.6% on 2021, thanks to rail maintenance projects restarting. The Group disposed of its subsidiary Créabéton Matériaux on July 30, 2021.

(1) Source CemSuisse/internal estimate.

1.4.2.2 Italy

With cement consumption of a little over 19 million metric tons of cement, Italy experienced an upswing in 2021 driven primarily by the stimulus plans put in place by the government for the construction sector.

Cementi Centro Sud, the Group's subsidiary, operates a raw mill and two shipping terminals, one near Genoa and the other in the south of the country, which jointly totaled 219 thousand metric tons sold, including quick-setting cement trading. Cementi Centro Sud does not hold a significant share of the Italian cement market, yet it provides the Group with a strategic base for operations in a fast-changing market.

1.4.3 Americas

Group sales volumes in the Americas

	2021	2020	Change
Cement *(in thousands of metric tons)*	5,426	5,385	+0.8%
Concrete *(in thousands of m^3)*	3,157	2,837	+11.3%
Aggregates *(in thousands of metric tons)*	2,592	2,317	+11.9%

The following table presents cement consumption in the two regions of the United States where the Group is present [2]:

(in millions of metric tons)	2021	2020	Change
South-East	9.2	8.5	+8.7%
California	9.5	9.3	+1.9%
TOTAL UNITED STATES	**95.5**	**92.2**	**+3.5%**

1.4.3.1 United States

GDP grew +5.7% in 2021, following a decline of -3.4% in 2020. Unemployment, after having exceeded 14% at the peak of the pandemic, stood at 4.2% at the end of 2021.

The construction sector got back its pre-pandemic momentum. Spending in this sector was up by +9.3% compared to 2020, driven mainly by residential, with housing starts up +8.3%.

The Group is present in two main regions: California and the South East (mainly Alabama and Georgia), which are markets that can evolve at very different rates.

- CEMENT

The US cement market is estimated at 96 million metric tons in 2021[1], up by around 3.5% on 2020. Per capita consumption remains moderate for a developed market (around 300 kg of cement per year), due in particular to a preference for construction using wood. Roads, however, are most often made of concrete.

The US cement industry generally supplies around 90% of national consumption, with the rest imported chiefly from Turkey, Canada, Europe and Mexico.

The Group has two factories which are more than 3,000 km apart which serve two separate markets: California and the South-East.

The Group's competitors in the two markets in which it operates in the United States are HeidelbergCement, Holcim, Argos, Cemex, and Buzzi Unicem in the South-East, and Cemex, Martin Marietta, Cal Portland Cement and Mitsubishi in California.

With overall production accounting for around 2% of the national market, the Group's subsidiary National Cement Company is reportedly the 13th largest US cement manufacturer[3] nationally, and is a major player in the two regions where it is active.

The Group's sales volumes were down 3.0% in 2021, due to the unfavorable base effect in California, where 2020 was a record year. Price increases were also effected in the two regions.

To respond to the anticipated growth in the market in the South-East United States and to increase considerably the use of alternative fuels, the construction of a new firing line is under way at the Ragland plant in Alabama to replace the existing equipment. This project launched at the end of 2019 is due to come on stream in Q1 2022.

- READY-MIXED CONCRETE

Ready-mixed concrete is widely used in the United States. The US market for ready-mixed concrete was estimated at around 300 million m^3 in 2021[4], up 3.5% compared to last year. It is now approaching historical highs.

This market is highly competitive with both large and strongly integrated players, such as Cemex or Holcim, but many small independent producers still operate at the local level as well.

(1) Internal estimates.
(2) Source: United States Geological Survey (USGS) and end-of-year estimate.
(3) Source: Global Cement Report.
(4) Our estimates and the National Ready-Mix Concrete Association (NRMCA).

In 2021, the Group's Ready-mixed Concrete market in the South-East (Alabama and Georgia) accounted for a production of over 14 million m^3, around a 7.3% increase over 2020[1]. The Ready-mixed Concrete market in California accounted for production of over 29 million m^3 in 2021, up 1.9% from the previous year[2].

The Group has grown through successive acquisitions and runs 44 concrete batching plants in North America, mainly through Kirkpatrick Concrete, National Ready Mixed, Walker Concrete and Builders Concrete.

These companies achieved a sales volume of 2,379 thousand m^3 in 2021, up +5.3% compared to 2020. Price movements were favorable in all regions where the Group operates.

1.4.3.2 Brazil

With strong positions in local markets and a well-known brand, Ciplan operates a modern, high-performance plant, in the vicinity of Brasilia, with a total installed cement capacity of 3.2 million metric tons per year. It is backed by high quality and abundant limestone and clay resources. Ciplan also operates a network of 12 concrete batching plants and two aggregates quarries.

Economic activity slowed significantly with the arrival of the pandemic in 2020, subsequently recovering. GDP growth forecasts for 2021 were +4.7%. Unemployment, which rose sharply in 2020, fell back to 12% at the end of 2021.

- CEMENT

Today, the cement market in Brazil is fragmented, with more than 20 actors, including several international groups, significant national actors and companies operating regionally.

Nationally, cement consumption was around 64.3 million metric tons[3], 6.4% up on 2020. The Center-West region where Ciplan is located, and which is generally a strong exporter to the other regions, saw growth of +8.2% in shipments.

Despite the impact of the Covid-19 epidemic, Ciplan's sales increased +3.9% compared to 2020, reaching 3,052 thousand metric tons, and benefited from sustained price increases.

- CONCRETE

Ciplan has 12 concrete batching plants: five in the Brasilia Federal District, five in Goias State, one in the north of Tocantins State and one in the south-east in Minas Gerais.

Sales reached 777 thousand m^3 in 2021, up +34.9% compared to 2020. Prices also trended positively.

- AGGREGATES

Ciplan operates two aggregates quarries. The first is shared with the Cement manufacturing business on the Fercal site. It supplies Brasilia and its surrounding area with limestone aggregates. The second is a granite quarry located in Guapó (State of Goias), which supplies the city of Goiania.

Sales reached 2,592 thousand metric tons, up +11.9% compared to 2020.

1.4.4 Asia

Group sales volumes in Asia

	2021	2020	Change
Cement *(in thousands of metric tons)*	7,996	6,902	+15.8%
Aggregates *(in thousands of metric tons)*	518	367	+40.9%

1.4.4.1 India

In 2008, the Group set up operations in India through the joint venture Kalburgi Cement and in 2010 it increased its presence in this high-potential market with the acquisition of Bharathi Cement. Thus, with a cement production capacity of 8.5 million metric tons, the Group is able to tap into its significant development potential in order to serve India's southern and western markets.

GDP, after having contracted 7% in 2020 because of the pandemic, surged 9% in 2021. Unemployment declined, standing at 8% at the end of 2021.

- CEMENT

The cement market in India was estimated at over 320 million metric tons in 2021[4], making it the second-largest cement market in the world. With a per capita consumption of more than 200 kg per year, there is still much growth potential in the market in view of infrastructure requirements, population dynamics and continuing urbanization.

(1) Our estimates and the National Ready-Mix Concrete Association (NRMCA).
(2) Internal estimate and NRMCA data.
(3) Source: Sindicato Nacional da Industria do Cimento (SNIC), 2020 preliminary data (consumption) and CIA World Factbook (population).
(4) Source: internal estimate.

In 2021, for the southern states in which the Group operates (Andhra Pradesh, Tamil Nadu, Karnataka, Kerala and Goa) along with the State of Maharashtra, the cement market amounted to over 101 million metric tons, up +20% on 2020.

The Group markets the production of its two factories under both the Bharathi Cement and Vicat brands through a broad network of distributors. In 2021, the Group thus sold 6,401 thousand metric tons of cement, up +20.5% on 2020. Selling prices also increased.

- AGGREGATES

Bharathi Rock Products operates an aggregates quarry approximately 50 km from Bangalore, in Karnataka. This company sold 0.5 million metric tons of aggregates in 2021, up +41% on 2020.

- OTHER PRODUCTS AND SERVICES

Bharathi Polymers (100% subsidiary of Bharathi Cement), is located in Andhra Pradesh, in the district of Kadapa, about 60 kilometers from the cement plant.

Bharathi Polymers sold 47.3 million bags in 2021, up +9% on the previous year.

1.4.4.2 Kazakhstan

The Group has been producing cement in Kazakhstan since 2010 from the Jambyl Cement plant. The plant's main markets are in the regions surrounding Almaty and Astana, the capital, and to a lesser extent the southern region of the country.

Kazakhstan's GDP grew +3.5% in 2021.

The construction sector grew around 6.2% in 2021. Kazakhstan has commissioned over 14 million square meters of housing, up 10.6% compared to 2020. In public works, 9,800 km of public roads were built or repaired.

Domestic consumption of cement was up +21.5% year-on-year to close to 12 million metric tons.

Sales of Jambyl Cement also rose 0.2% to 1,595 thousand metric tons. Selling prices also trended upwards.

1.4.5 Mediterranean

Group sales volumes in the Mediterranean

	2021	2020	Change
Cement *(in thousands of metric tons)*	6,339	5,383	+17.8%
Concrete *(in thousands of m^3)*	3,113	2,693	+15.6%
Aggregates *(in thousands of metric tons)*	4,782	5,206	-8.1%

1.4.5.1 Turkey

The Group has been active in Turkey for over 25 years, through its cement factories in Konya and near Ankara, the capital, and via its network of concrete batching plants and quarries serving the Anatolia region and part of the Mediterranean coast.

An economy that was still struggling with the devaluation of the Turkish Lira in 2018, Turkey was hit by the pandemic in 2020, but recovered in 2021, with GDP growth of up to 9%, thanks in particular to Government budget measures.

The monetary easing, which is the backbone of the government's economic policy, contributed to the fall in the national currency, of -40% over the year, also bringing inflation to 36% at the end of December.

The construction sector, underpinned by budget measures, expanded in the first half of 2021, but slowed in the second half relative to the previous year, due to an unfavorable base effect.

- CEMENT

Taking into account the budget support measures, cement consumption, estimated on the basis of actual data at the end of October 2021, is up by +5.8% over the year, to reach 58.9 million metric tons.

If the Turkish Cement manufacturing sector remains largely fragmented, there seems, however, to be an incipient concentration with the emergence of multinational players such as Vicat, HeidelbergCement and Cementir (Italy) and from Turkish groups of national stature (such as Oyak, Sabanci and Nuh). The principal cement consumption areas in Turkey are the urban areas of Marmara (Istanbul) and Central Anatolia (Ankara), and the tourist areas of the Mediterranean (Antalya) and the Aegean Sea.

In a booming market despite the fragile economic conditions, cement sales in Turkey stood at 4,215 thousand metric tons, up +9% compared to 2020. Selling prices also rose in 2021.

- READY-MIXED CONCRETE & AGGREGATES

The Turkish ready-mixed concrete market is estimated at around 106 million m^3 in 2021[1], a figure up +11.6% compared to the previous year, thanks to the maintenance of major public projects and the impact of budget stimulus packages.

(1) Estimate provided by the THBB.

The Group has 41 concrete batching plants around its two cement plants. In the context described above, the production of Bastas Béton and Konya Béton reached 3,113 thousand m^3 in 2021, up +15.4%, accompanied by an increase in selling prices.

The Group's position in Turkey in the Aggregates business is focused on supplying its ready-mixed concrete market, which accounts for 60% of its sales.

At 4,782 thousand metric tons, sales of aggregates were down -8.1% in 2021 on 2020, due to maintenance at the facilities. Selling prices trended upwards.

1.4.5.2 Egypt

The Group entered the Egyptian market in 2003 when it acquired an interest in Sinaï Cement Company, and operates in the northeastern part of the country.

From a macroeconomic perspective, Egypt's story is a positive one, with GDP, although slowed, growing 3.3% in 2021. Inflation hit 5.9% and the currency is stable against the dollar.

In terms of security, the situation in North Sinaï has not changed much since the beginning of the military operation launched in February 2018, and remains tense.

The building sector, which had been stagnant since 2016, rebounded in 2021, thanks in particular to a major works program undertaken by the Egyptian state, including for example the new capital project.

Cement consumption rose +6.2% in 2021 on 2020 to 48.6 million metric tons.

There are currently 16 cement companies in Egypt, throughout the country, including Holcim, Cemex and Heidelberg Cement, and the most important player is the Egyptian army which already controls almost 40% of the country's private industry and continues to increase its production capacities. Most cement factories are concentrated within a 200 km radius around Cairo, the capital.

In this context, sales of Sinaï Cement Company were 2,250 thousand metric tons, up by +37.7% compared to 2020, thanks to the marketing of a new cement and changes to the distribution channel to customers. Following the signing of an agreement governing market regulation between the Egyptian government and all producers, which came into effect in July 2021, the sector became more stable in the second half, allowing for steady increases in prices, in what was an upbeat market.

1.4.6 Africa

Group sales volumes in Africa

	2021	2020	Change
Cement *(in thousands of metric tons)*	4,050	3,291	+23.1%
Concrete *(in thousands of m^3)*	3	5	-34.4%
Aggregates *(in thousands of metric tons)*	2,293	1,881	+21.9%

1.4.6.1 Senegal

The Senegalese economy is severely affected by the impact of the Covid-19 pandemic, particularly in sectors such as tourism, hotels and restaurants, transport and retail. The GDP growth rate hit +5%, with inflation under control at 2.1%. A support plan has been put in place to support the various economic players. The construction section remains buoyant, rising +10% compared with 2020, driven by major projects.

- CEMENT

The Group has been active in Senegal since 1999 through its subsidiary Sococim Industries, based in Rufisque, near Dakar, from which it has expanded into surrounding West African countries, namely Mali, Gambia, Guinea-Conakry, Burkina Faso and Mauritania (the "sub-region"). Together, these countries accounted for cement consumption in the order of 10 million metric tons.

The Group estimates that the cement market in Senegal has registered an average annual growth of over 6% per year over the last 15 years. The market has more than doubled in size over the past 15 years, with annual consumption climbing to nearly 5.6 million metric tons in 2021.

The Group faces competition in Senegal with Ciment du Sahel and, since January 2015, with the Nigerian group Dangote. This competitive pressure initially led to a reduction in volumes sold by the Group and an average selling price, then a partial recovery has since been seen thanks to the overall increase in volumes and the high quality of Sococim's offering.

The cement industry in Senegal enjoys access to limestone resources hard to find in West Africa, and also supplies neighboring countries, which do not all have domestic clinker producers.

With sales volumes amounting to 3,401 thousand metric tons, up 23.0% compared to 2020, Sococim Industries has kept its leadership position amid intense competition. Selling price were flat.

• AGGREGATES

The Group operates in the aggregates market serving Senegal and neighboring countries. The Group produces crushed aggregates (limestone and basalt) in the western part of the country (Dakar and Thiès), which are used in the country's 11 regions and in neighboring Gambia.

After a difficult year in 2020 due to the stoppage or postponement of major government projects (phase 2 of the Emerging Senegal Plan was unable to start due to a lack of funding), 2021 saw the delivery of some large-scale projects (Major Stadium, gas project…) and an improvement in the residential building sector.

Against this background, the Group saw volumes rise +20% to 2.3 million metric tons in 2021, and its sales price stabilize.

1.4.6.2 Mali

The security crisis persists in the North of the country, in the center and in the three borders region. Political instability ended in a new coup in May 2021 that led to the implementation of a provisional military government. This led to an economic slowdown. GDP growth may nevertheless hit 4% according to the IMF.

Cement consumption amounted to over 3 million metric tons in 2021, up +5% on the previous year. The launch of the Group's new raw mill at the end of 2019 enabled Ciments et Materials du Mali to sell 461 thousand metric tons, in addition to the 287 thousand metric tons of direct sales made by Sococim Industries, which represents a +38% increase in volumes sold by the Group in Mali in 2021.

1.4.6.3 Mauritania

2021 saw a rebound in economic activity, with GDP growth of +3.1%. Inflation is estimated at 4.7%.

Annual cement consumption in Mauritania rose +6% in 2021 to over 1 million metric tons according to Group estimates, underpinned by the informal sector but also major projects.

Mauricim, the Group's subsidiary, grinds high-quality, imported clinker to produce a "marine cement" equivalent, which is in high demand in the capital city.

Mauricim's cement sales rose +9% in 2021. Selling prices have also increased.

The Group supplements its operations in Mauritania with a Ready-mixed Concrete business.

1.5 R&D AND INNOVATION

The Group's research resources, housed in the Louis Vicat Technical Center at l'Isle d'Abeau near Lyon in France, are focused on innovation, development and product follow-up.

This center, opened in 1993, is located in the heart of the Auvergne-Rhône-Alpes region near the historical establishments of the Group in Grenoble, and its iconic cement plant at Montalieu, in the Isère department. A team of 90 research scientists, engineers and technicians works in three different laboratories:

- the materials and microstructures laboratory, which investigates the properties of materials and formulates new binders/cements;
- the Sigma Béton laboratory, which formulates and maintains quality control objectives for concrete and aggregates;
- the construction industry product formulation laboratory, which develops innovative compounds for interior building works.

The main themes of research and development are to anticipate or respond to the specific demands of the Group's customers in a rapidly-changing market, guided by the following concerns:

- the environmental challenges faced by the planet, which lend added urgency to the Group's decade-long drive to reduce its carbon footprint among other aims;
- recyclability of materials to protect natural resources;
- renovation of buildings to improve their thermal and acoustic performance;
- the need for greater sustainability of structures so that they can be used in several ways over their life cycle;
- taking account, early in the product development process, of the arduousness of working conditions for our employees and for our customers when implementing solutions;
- the development of constructive processes allowing the use of biosourced raw materials and the optimization of the quantities of material required.

In the context of these activities, the Group registers patents in order to protect the development of products resulting from the work of its research & development teams. The Group is not dependent on patents, licenses or manufacturing processes protected by third-party intellectual property rights.

Total research and development expenses amounted to €4.3 million in 2021.

1.5.1 Low-carbon products

For over ten years, research has focused on the development of new cements which, with equivalent mechanical properties, will result in lower CO_2 emissions. This goal, is fundamental for the future of the industry and forms part of the Group's objective to support the collective effort for the environment. It mobilizes significant manpower in the fields of crystallography, thermodynamics and additives.

State-of-the-art equipment is used to pursue research in this area, ranging from a diffractometer to an X-ray fluorescence spectrometer and an electron microscope. This research has led to the development of the mineral foam, Aircimat, which is being industrialized for a low-carbon, recyclable, fire-resistant insulation that is compliant with indoor air quality standards. The Group's R&D teams have also developed a binder that maintains all of the properties and usages of a traditional cement while boasting a carbon footprint corresponding to a net level of emissions below 0kg CO_2 eq./metric ton. Made of a plant-based substance, this "carbon well" binder fits totally with the Group's strategy to respect regulations in terms of reducing the construction sector's carbon footprint. The Research and Development teams in Cement, Concrete, Aggregates, Mortar and Building Systems provide support to the sales team and customers to bring new products to the market.

1.5.2 Constructive solutions

3D printing is a new construction method that combines freedom of form and economy of materials. Research and Development explores various applications ranging from social housing (potential savings in building costs) to marine reefs (promotion of underwater biodiversity). A 3D printing production and R&D facility is to be installed in Chambéry (France) in 2022.

The Group is constantly developing new concrete products to meet the expectations of customers in the building and public works sector. Several technological breakthroughs have been achieved in the concrete industry, with self-leveling concretes, for example, whose extreme fluidity allows them to move effortlessly into and through intricate formwork and make working conditions less arduous. The development of high and very high performance concretes (HPC and VHPC) and more recently ultra-high performance fiber-reinforced concrete (UHPFRC), SMART UP at Vicat, increased the strength of the material ten-fold (200 MPa compression resistance) and enables renovation and repair of aging infrastructure such as bridges.

These concrete products meet the exacting requirements of customers for the construction of complex civil engineering structures or high-rise buildings, giving free rein to architectural creativity.

In France, changes in thermal regulations following the Grenelle Environmental Round Table are taken into account. Research is also aimed at precisely determining the contribution of concrete to the design of innovative construction solutions meeting high energy-efficiency standards for buildings. The Group is thus taking part in a joint research project with scientists from the Commissariat à l'énergie atomique (CEA) working at the Institut national de l'énergie solaire (INES) in Chambéry to develop precise inertia models for concrete. The Research and Development teams are working to industrialize a thermal renovation solution – the ConIPheR project – combining mineral insulation, concrete durability and energy production on building fronts.

Vicat has a sustainable construction solution made from natural quick-setting cement manufactured at the Group's production facility at the foot of the Chartreuse mountain range combined with biosourced materials, such as hemp. Vicat has developed, with its partner Vieille Matériaux, the insulating and biosourced (hemp) Biosys block, for buildings up to R+3.

Its analytical capabilities enable the Louis Vicat Technical Center to diagnose issues affecting concrete poured in the 19th and 20th centuries and offer treatment solutions. Vicat is a member of the Cercle des Partenaires du Patrimoine, an association formed by the French Ministry of Culture and Communication to mobilize companies in support of research programs relating to heritage building fabric, and thus takes part in research on approaches to the restoration of our architectural heritage.

1.5.3 Partnership policy

The Louis Vicat Technical Center works closely with public and private research centers such as the Commissariat à l'énergie atomique (CEA), the Université Gustave Eiffel, the Ecole centrale de Nantes, the Materials and Durability of Constructions Laboratory, the laboratories of schools of architecture and universities, the laboratories of its customers in the building and public works sector, etc. The collaborative projects also include local and international industrial partners.

The R&D teams are also partners in several European programs such as CirMap for the recovery of recycled concrete sand as a raw material for 3D printing or CO2Redress for the use of additives produced locally from residual clays.

Gigamed building in Saint-Thibéry (France)

2 Risk factors and Internal Control

The Vicat Group has adopted a continuous approach to analyze and manage its risks from which 24 main gross risks have been identified. After management of these risks and at the date of filing of this Universal Registration Document, ten risks have been shown to be specific or significant with a probability of occurrence and likely to have a negative impact on the Group, its business, its financial position or its earnings.

Risk mapping

Category	Risks	Probability of occurrence	Possible impact	Criticality
Operational risks	Country risk	Possible	Significant	High
	Health risk	Possible	Significant	High
	Supply risks	Unlikely	Significant	Limited
	Energy supplies	Possible	Moderate	Limited
	Risks related to the construction markets	Possible	Moderate	Limited
	Product quality defect	Unlikely	Moderate	Limited
Environmental risks	Harm to the environment	Possible	Significant	High
Legal risks	Ethics and corruption	Possible	Significant	High
	Non-compliance with tax and regulations	Possible	Moderate	Limited
Financial risks	Exchange rate and interest rate risk	Possible	Moderate	Limited

Risk mapping was conducted by the Internal Audit Department. Following a risk identification phase involving interviews with the Group's key operational and functional managers and a subsequent analysis phase conducted in conjunction with General Management, this study enabled the mapping of the 24 risks to which the Group is exposed. This is updated periodically and supplemented by periodic on-site missions. The 10 most specific risks are also described in this Universal Registration Document.

2.1 OPERATIONAL RISKS

2.1.1 Country risk*

Risk description	Risk management
An integral part of the Group's growth strategy is to seize development opportunities in growing markets. In 2021, around 38% of the Group's sales revenues was generated in markets classed as "emerging countries" (Senegal, Mali, Mauritania, Egypt, Turkey, Kazakhstan, India, Brazil). This exposes the Group to political, economic and financial instability as well as legal and social risks, that may result in the implementation of exchange rate controls, export controls, nationalizations or expropriations of private property. If these situations were to last, they might force the Group to record impairment losses against certain investments or goodwill. Thus, in 2021, the Group's activity and results in Egypt remained affected by the consequences of the devaluation of the Egyptian pound and the still very sensitive security situation that in certain circumstances, and particularly when traffic is prohibited in the area due to military operations, may lead to plant stoppages (*see* note 2 to the consolidated financial statements).	In its geographic development strategy, the Group selects the countries in which it operates with great care. As explained in the introduction to the Universal Registration Document, the Group's strategy is to combine investments in both mature countries, which generate more regular cash flows (62% of Group sales revenues and 66% of EBITDA in 2021), and emerging markets, which offer significant growth opportunities in the longer term, but which remain subject to greater market fluctuations, and thus promote diversification of its geographic exposure. In addition, through its local teams, the Group keeps itself informed of the political and economic situation in the countries in which it operates, in order to react quickly to unfavorable regulatory, diplomatic or economic changes, and also maintains regular relations with the relevant diplomatic authorities and ministries concerned.

* *High risk.*

2.1.2 Health risk*

Risk description	Risk management
Through its presence in 12 countries, the Group is exposed, and may be again, albeit to varying degrees, to the risk of a pandemic, such as Covid 19 in 2020 and 2021, which could impact: • business levels, due to travel limitation measures that may be implemented by local governments; • the health of employees, customers or suppliers, if protective measures are not respected or implemented; • the supply of raw materials or equipment, when logistical flows are hampered by restrictive measures; • the financial sustainability of customers or suppliers. The extent or duration of these various risks could adversely affect the Group's results.	To effectively combat the impacts of the pandemic, the Group has put various crisis management tools in place. To protect its employees and subcontractors or customers, the Group imposes strict health procedures in accordance with local regulations. When remote working is set up, the Group has the ability to equip all employees concerned so that they can continue to meet their professional obligations, while implementing strong IT security rules to avoid risks of cyberattack. The Group continues to favor local supply chain flows, which limits material supply risks. Finally, the dynamic financial management of the activity as close as possible to the local teams, the Group's financial strength, and the implementation of actions (WC, investments, savings plans) when necessary to secure cash flow make it possible to face the economic consequences of these health crises.

2.1.3 Supply risks

2.1.3.1 Risks of unavailability of raw materials

Risk description	Risk management
The Group has reserves of land, concessions and operating licenses for its supplies of limestone, marl and aggregates. It also buys some of these raw materials on certain markets from third-party suppliers, as well as additives such as blast kiln slag (from steel works), fly ash (a by-product of coal combustion in power stations) and synthetic gypsum. Nevertheless, if the quarries operated directly by the Group ceased their activities due to reconsideration of its land reserves, concessions or operating licenses, or if suppliers suddenly ceased trading or were forced to halt or cut production of these raw materials, the Group may be required to obtain its supplies at a higher cost and may not be able to pass on the entire increase to selling prices, or it may have to seek replacement raw materials.	The supply of raw materials to the Group's factories is ensured by the rigorous management of reserves and quarry operations. A specific in-house organization dedicated to this role enables complete control of raw materials through the combined work of specialists and experts in geology, mining and the environment. The Group uses the best technology there is, from geological and geochemical surveys to the determination of the intrinsic properties of the materials, from computer modeling to operational simulations and extraction and reinstatement work. For instance, the study and monitoring of deposits enables their chemical balance to be monitored and the long-term continuity of supplies to the factories to be checked constantly. Depending on the country, land is controlled by purchase or by an operating agreement with the owners, who may be the State itself. This stage occurs after a complete survey of the subsurface by electric, geophysical or destructive probes. Lastly, the Group is also developing its recycling activity for deconstruction materials (concrete, aggregates) in order to reduce its exposure to traditional supplies.

* *High risk.*

2.1.3.2 Risks of sensitivity to energy supplies and costs

Risk description	Risk management
The Group's production activities, particularly the Cement manufacturing business, consume large amounts of thermal and electrical energy, which represent a significant part of its operating costs (around 30% of production costs in the Cement business). Increases or significant changes in the price of energy resources may have a significant unfavorable effect on the Group's business and its results. The Group's electricity is supplied by local producers in each country and the Group does not always have an alternative supply source. This situation exposes the Group to interruptions in electricity supply or price increases. For its supplies of thermal energy, the Group buys fossil fuels on the international markets and is thus exposed to fluctuations in the price of such fuels.	When the Group considers that the electrical supply risk is significant, it implements autonomous production solutions, such as in India, with the installation of a private power plant, as well as a solar plant covering part of its energy needs. With regard to fuel, the Group has both adapted its production facilities to use a variety of fuels when possible, and also makes forward purchases in order to smooth out the effects of fuel price fluctuations. It is also developing a policy to promote the use of alternative fuels from recovered waste.

2.1.4 Risks related to the construction market*

Risk description	Risk management
The products and services sold by the Group, and in particular cement, concrete and aggregates, are used for construction of individual or multiple occupancy housing, for industrial or commercial buildings, and for infrastructure (roads, bridges, tunnels, highways). Demand for the products and services sold by the Group depends on both structural elements specific to each market and their evolution and general economic conditions. Structural factors that determine demand for construction materials on each market are mainly demography, the rate of urbanization and economic growth (represented for example by the gross national product per capita), and the respective growth rates of these parameters, as well as more cultural elements such as the construction practices of each market (timber, steel, concrete). The risk of increased competitor capacity is also assessed in this item. The Group's business in the construction materials sector also experiences seasonal fluctuations, which depend on both weather conditions and the practices in each market, notably in developed countries (USA, Europe). The Group's business may also be affected by climate events in its main markets. Demand for construction materials is directly influenced by exceptional weather conditions (cold, rain, heavy snow, etc.) that could have an impact on the normal use of materials on construction sites, particularly during intense periods of activity in the construction sector.	To reduce the risk of the economic or climatic cyclical nature of a given market, the Group has adopted a geographical development strategy (detailed in the introduction page 7), which aims to combine investments in developed countries with investments in emerging countries, thus contributing to the diversification of its geographical exposure. In addition, by opting for a multi-sector offering of products and services (private, public), the Group has diversified its exposure. Lastly, the Group has implemented an organization that enables it to address market risks through: • regular, detailed business reviews at division and Group levels; • decentralized responsibility of local divisions close to the ground in order to provide fast responses to market changes.

* *High risk.*

2.1.5 Risks related to product defects

Risk description	Risk management
The Vicat Group sells building materials for all types of construction works, both for housing and infrastructure projects. A product quality defect related to a dysfunction in the production or control process may have significant impacts on one or several construction projects, leading to potentially heavy financial consequences.	Products manufactured by the Group are subject to a number of checks throughout the production process. The Group also verifies the compliance of its products with the standards applicable in the markets where they are sold. Lastly, the Group has a civil liability insurance policy for a guaranteed amount of €150 million, written by leading insurers to cover any damage due to product quality defects. All of the Group's subsidiaries are insured under the Group policy once the warranty and amounts of the compulsory local policies are exhausted.

2.2 ENVIRONMENTAL RISKS*

Risk description	Risk management
The Group must comply with many legislative and regulatory provisions, which differ in each of the countries where it operates. In particular, it is subject to strict international, national and local regulations on the operation of quarries or cement factories and on the need to plan for the consequences of climate change. The continuation of any operation depends on compliance with these legislative and regulatory requirements. Should the Group be unable to comply with the applicable regulations in the future, it could face withdrawals of operating licenses, incur liabilities, or be sentenced to pay fines. Increasingly heavy restrictions on CO_2 emissions are a particularly serious constraint for cement producers, especially due to the increase in the price of CO_2 quotas, which exceeded €80 at the end of 2021, up by more than 250%. As such, the new French environmental regulation RE2020 relating to housing construction could have an impact on the group's business over the longer term. The Group's activities may accidentally have an impact on the environment, leading to soil, air or water pollution or a risk to biodiversity. For this reason, investments may be required in monitoring tools or equipment modifications to limit the environmental impact. Failure to do this could expose the Group to civil or criminal penalties.	The Group continuously implements actions to prevent and limit these risks, in particular around the following areas: integrating quarries in their environment, preserving biodiversity, optimizing choices of energy sources, with an increasing share of alternative fuels and energy recovery from waste, controlling and reducing emissions, including greenhouse gases, managing and recycling the water needed for production. Beyond the regulatory context, the Group aims to preserve the environment. The Group has committed to setting up an active document watch at all levels of the organization. The work of the IPCC (Intergovernmental Panel on Climate Change) is one of the resources used. As set out in the introduction and in chapter 3 in the Statement of Extra-Financial Performance, climate issues are fully integrated into the Group's industrial and innovation policy. The Group aims to achieve carbon neutrality by 2050 across its entire value chain. New regulations to standardize construction, such as RE2020 in France, are also integrated with the development of new low-carbon products meeting the criteria of these standards.

* *High risk.*

2.3 LEGAL RISKS

2.3.1 Risks of non-compliance with legal and tax regulations*

Risk description	Risk management
In addition to the above-mentioned regulatory risks concerning environmental respect, the Group's companies may become involved in a number of legal, administrative, tax or arbitration proceedings in the course of their normal activities. For example, changes to laws and regulations, as well as the increasing activity of local associations opposed to development of the cement industry may give rise to administrative proceedings and potential disputes. In addition, and particularly in emerging countries, the Group may face discriminatory situations, an absence of fair and equitable treatment, or a distortion of competition due to actions or inaction by government authorities. Lastly, the complexity of tax standards may result, in certain countries, in significant tax demands in the event of disagreements over the interpretation of local tax regulations. See also section 7.3. "Legal and arbitration proceedings" in this Universal Registration Document.	The Group has set up a regulatory and tax watch, an internal control system with the aim of complying with laws and regulations, and an organization in which the Group's Legal Department, Tax Department and the various legal and tax services in the subsidiaries as well as the Group's Internal Audit are involved. When issues are complex, the Group may call upon leading external consultants to find solutions that comply with local laws.

2.3.2 Ethical or corruption risks*

Risk description	Risk management
The Vicat Group operates in a number of countries where the risk of corruption may be considered to be significant, as highlighted by the NGO Transparency International's ranking. Three of the countries where the Group operates are ranked below the 100th place in this ranking. Non-ethical practices or practices that do not comply with applicable laws and regulations by its representatives or employees may expose the Group to criminal and civil penalties and may damage its reputation.	To meet its own ethical obligations as well as those prescribed by law, the Vicat Group has implemented an anti-corruption program that includes a code of conduct, control procedures on operating activities, an internal organization designed to monitor policies and procedures, an internal whistle blowing system and training to educate and raise awareness among employees and third parties, as well as third-party assessment tools and procedures.

2.4 FINANCIAL RISKS

2.4.1 Foreign exchange risks

The Group operates within an international framework through locally established subsidiaries, some of which account for their operations in non-euro currencies. The Group is therefore exposed to exchange rate and translation risks.

2.4.1.1 Translation risk

The financial statements of the Group's foreign subsidiaries (other than in the euro zone) as expressed in their operating currencies are translated into euros, the "presentation currency", to prepare the Group's consolidated financial statements. Fluctuation of the exchange rate of these currencies against the euro results in a positive or negative change in the euro value of the subsidiaries' income statements and balance sheets in the consolidated financial statements. The effect of fluctuating exchange rates on the translation of the financial statements of the Group's foreign subsidiaries (other than in the euro zone) on the consolidated balance sheet and income statement is discussed in sections 6.2. "Examination of the financial position and results" and 6.3 "Cash flow and equity" of this Universal Registration Document.

* *High risks.*

2.4.1.2 Operational and financial foreign exchange risk

Risk description	Risk management
Subsidiaries are essentially involved in producing and selling locally, in their operating currency, so the Group feels that its current and future exposure to exchange rate risks is very low overall. The Group may also be exposed to foreign exchange risk in connection with its internal and external financing.	These companies' imports and exports denominated in currencies other than their own local currency are generally hedged by forward currency purchases and sales. A significant proportion of the Group's gross financial indebtedness is borne by the Company and is denominated in euros after the conversion of debts denominated in US dollars through financial hedging instruments (cross currency or forex swaps). Intra-group loans are hedged by subsidiaries if the loan currency is not the same as the subsidiary's operating currency. The Group is still exposed in some countries where there is no hedging market (currency not convertible) or the market is not sufficiently liquid.

The table below sets out the breakdown of the Group's total assets and liabilities denominated in foreign currencies as at December 31, 2021:

(in millions of euros)	USD	EUR	CHF
Assets	116	82	131
Liabilities and contracted commitments	(152)	(79)	(21)
Net position before risk management	**(36)**	**3**	**110**
Hedging instruments	40	7	(135)
Net position after risk management	**4**	**10**	**(25)**

The net position after "risk management" in Swiss francs corresponds mainly to the debts of the Kazakh subsidiary to the Group, not swapped in the operating currency, in the absence of a sufficiently structured and liquid hedge market. The risk of a foreign exchange loss on the net currency position assuming an unfavorable and uniform change of one percent in the operating currencies against the US dollar, totals, in euro equivalent, €0.2 million (mainly for the Kazakh loan).

2.4.2 Interest rate risk

Risk description	Risk management
The Group is exposed to an interest rate risk on its financial assets and liabilities and its cash. This exposure to interest rate risk corresponds to two risks. *Exchange rate risks for fixed-rate financial assets and liabilities* When the Group incurs a debt at a fixed rate, it is exposed to an opportunity cost in the event of a fall in interest rates. *Cash flow risks inherent in variable-rate assets and liabilities* The interest rate risk is generated primarily by variable interest rate items in the assets and liabilities. Interest rate fluctuations directly affect the Group's future income flows and expenditure.	Exposure to interest rate risks is managed by combining fixed and variable rate debts on the one hand and on the other hand by limiting the risk of fluctuation of variable rates by recourse to hedging instruments (caps: rate ceilings) and by short term cash surpluses remunerated at a variable rate. The Group refrains from speculative transactions in financial instruments. These types of financial instruments are exclusively used for financial hedging purposes.

The Group estimates that a uniform change in interest rates of 100 basis points would not have a material impact on its earnings, or on the Group's net financial position as illustrated in the table below:

(in thousands of euros)	Impact on income before tax(1)	Impact on shareholders' equity (excluding impact on earnings) before tax(2)
Impact of a +100 bps. change in the interest rate	(5,127)	(7,637)
Impact of a -100 bps. change in the interest rate	5,500	3,469

(1) A positive figure corresponds to lower interest expense.
(2) A negative figure corresponds to a lower financial liability.

2.5 INTERNAL CONTROL AND RISK COVERAGE

The players	The tools
General Management Operational units Finance Department Group Internal Control Legal and Insurance Department Compliance and Internal Audit Department	Internal control manual and procedures Information management tools Management system Anti-corruption procedures Group insurance policies

2.5.1 Internal control as a risk prevention tool

The risk prevention policy is an integral part of the Group's industrial policy. It is the responsibility of each operational manager, by country or type of business, and is based, in particular, on the choice of first-rank suppliers for industrial investments, on the constitution of buffer stocks, on the implementation of monitoring and risk prevention procedures and on a training policy.

The Group pays particular attention to matters of internal control in the countries where it operates. It puts measures in place at the level of each operating subsidiary so as to take into account the specifics of the markets in which it is active. These measures are subject to periodic reviews by the Internal Audit Department and statutory auditors of the various Group companies.

2.5.1.1 Definition and objectives of internal control

According to the *Autorité des marchés financiers* (French Financial Regulator) reference framework, which the Company has chosen to apply, internal control is a measure used to ensure:

- compliance with laws and regulations;
- implementation of the instructions and guidelines set by the Chairman and Chief Executive Officer;
- proper operation of Group internal processes, in particular those serving to protect assets;
- reliability of financial information.

This system comprises a set of resources, behaviors, procedures and actions appropriate to the Group's characteristics that contribute to controlling its activities, to the effectiveness of its operations and to the efficient use of its resources.

It should also allow the Group to take into account significant risks, whether operational, financial or compliance risks. Nonetheless, like any management control system, it cannot provide an absolute guarantee that these risks have been completely eliminated.

The scope of internal control extends to the parent company and all the subsidiaries that it controls exclusively or jointly.

2.5.1.2 Internal control players

The internal control process is based on an internal organization that is appropriate to each of the Group's activities and is characterized by the extensive senior management responsibility for operational control.

The Group's key players in terms of internal control are:

- the Group Finance Department, responsible for issuing or updating the Group's accounting and financial policies and ensuring they are properly applied;
- business financial control, reporting to the general management of the various businesses and reporting functionally to the Group Financial Control Department, which reports to the Chairman and Chief Executive Officer;
- the financial controllers are seconded by the Group's management to each operating subsidiary so as to reinforce the financial reporting system and enable the Group's management to control the development of its operations;
- the various staff functions providing oversight in their area of expertise;
- the Internal Audit Department reporting to the Chief Compliance Officer, a function created in 2017. He reports to the Chairman and Chief Executive Officer.

The Internal Audit Department works in accordance with an annual audit plan intended to cover the main risks identified within the Company, in particular those relating to accounting and financial information. Audit reports are submitted to General Management and the Audit Committee. They comprise overview reports specifically targeted at senior management, and detailed reports used inter alia to draw the attention of the operational staff concerned to any adverse findings and recommendations proposed.

Moreover, certain subsidiaries will have one or more employees in charge of internal control on a full- or part-time basis. As such, they are responsible for assessing and implementing the procedures in place. They can carry out assignments in other subsidiaries and can also coordinate the follow-up on recommendations made by external auditors and the Internal Audit Department.

2.5.1.3 Description of the components of internal control

The Group specifies procedures and operating principles for its subsidiaries, particularly in relation to the development and treatment of accounting and financial information and taking into account the risks inherent in each of the businesses and markets in which the Group operates, in compliance with the directives and common rules defined by the Group's management.

Internal control manual

An internal control manual has been issued to all the Group's operational managers as well as the administration and finance teams. It sets out the legal obligations and definitions in relation to internal control and lays down the fundamentals and principles to be adopted in order to achieve the best guarantee of a high standard of internal control.

Information management tools

As far as information management tools are concerned, the Group steers and monitors the course of its industrial (in particular supply, production and maintenance), and commercial (sales, shipping and credit management) activities, and converts this information into accounting information using either integrated software packages recognized as standard on the market, or specific applications developed by the Group's Information Systems Department.

In this context, the Group has been engaged since 2009 in a progressive updating of its information systems, with a view to standardizing the tools used, improving the security and speed of the processing of data and transactions and facilitating the integration of new entities. This overhaul involves the technical infrastructure on the one hand and the transaction processes and applications supporting such processes on the other. It led the Group to introduce the SAP integrated management software system, initially in France for the Cement and Paper activities (Vicat SA). Between 2016 and 2021, the Group maintained the continuous improvement of its transactional and decision-making systems, primarily by expanding the application of the SAP software suite to all entities in the France scope.

Management system

The Company has set up a management system allowing General Management and the business units concerned to make informed and quick decisions. This system comprises:

- daily production reports from the plants;
- reviews of weekly activity by the operational units (country or subsidiary);
- monthly operational and financial reviews (factory performance, industrial and commercial performance indicators) analyzed by the Group's Management Control with reference to the budget and the previous financial year;
- monthly reports presenting the consolidated income statements broken down by country and activity sector, and reconciled with the budget;
- monthly consolidated cash flow and indebtedness reports broken down by country and activity sector;
- regular visits by the Chairman and Chief Executive Officer to all subsidiaries, during which the results and the progress of commercial and industrial operations are presented, allowing him to assess the implementation of guidelines and to facilitate information exchanges and decision-making.

Anti-corruption procedures

To meet its own ethical obligations as well as those prescribed by law, the Vicat Group has implemented an anti-corruption program that includes a code of conduct, control procedures on operating activities, an internal organization designed to monitor policies and procedures, an internal warning system and training to educate and raise awareness among directors, employees and third parties (see also chapter 3 section 1.8.3). In addition, third-party assessment tools and procedures have also been set up to check that the Group's counterparties are not subject to international sanctions.

2.5.2 Risk coverage and insurance

The Group has taken out Group policies with leading insurers. These policies are intended to cover all of the Group's subsidiaries, subject to compliance with local legislation.

To improve the protection of its assets, with the assistance of insurers and experts, the Group has analyzed the risks and means of prevention. The Group undertakes an identical policy for risks related to its civil liability.

Property damage

The Group's assets are insured against fire risks, explosion, natural events, and machine breakages. A policy covering risks related to operating losses has been taken out for the Cement and Paper businesses. This policy is in line with common practices in the cement industry.

The cover taken out by the Group has a limit of €250 million per incident, including operating losses, with the standard sub-limits and exclusions, and stems from a study of potential incidents.

The Group's large industrial sites are inspected regularly by safety engineers and representatives from our insurance companies. Recommended preventive measures are incorporated into the work on new strategic sites from the design stage onwards.

The implementation of their recommendations is monitored with a view to limiting the probability of accidents occurring.

The Group as a whole also has standard insurance policies for its automotive vehicle fleet and for the private or public transport of its goods or other property by land, sea or inland waterway.

Civil liability

The cap on the cover under the civil liability insurance policy is €150 million. All of the Group's subsidiaries are insured under the Group policy once the warranty and amounts of the compulsory local policies are exhausted.

Covers under the civil liability and product liability insurance policies taken out, both in France and abroad, are in amounts consistent with local activities and economic considerations.

The risk of environmental civil liability is taken into account in each country.

The Group's executives and Company officers, as well as beneficiaries of powers of attorney are insured under a "directors and officers" civil liability insurance policy, the purpose of which is to deal with the pecuniary consequences of claims made by third parties for defaults engaging their personal civil liability, either individually or collectively.

In 2021, the total cost of insurance cover on the main risks managed under Group policies was approximately 3.6 per thousand of sales revenues.

The items outlined above are quoted by way of illustration at a specific period in time. The Group's insurance policy is subject to change depending on terms and conditions in the insurance market, opportunities which arise, and evaluation by the General Management of the risks incurred and the adequacy of the cover in respect of such risks.

Agregates produced by the Carbon8 project and the plant at Montalieu-Vercieu (France).

3 2021 Statement of Extra-Financial Performance

Viaduct of Saint-Gervais-les-Bains,
France

THE VICAT GROUP CSR APPROACH

Anchored in history and resolutely focused on the future

The Vicat Group aims to meet the needs of its building materials customers by providing them a service and guaranteeing them the quality, performance and scalability of its products.

Its industrial strategy is part of a long-term vision, aimed at ensuring the sustainability of the family-owned company and contributing to the development of regions where it is located (by investing more in human capital, preserving ecosystems and implementing a circular economy approach).

Despite the health and economic crisis caused by the Covid-19 pandemic, two major events concerning the planet took place in 2021: the 26th UN Climate Change Conference of the Parties (COP26), and the COP15 conference on biodiversity. Reflecting the pledges made during these conferences, the Vicat Group has implemented actions to measure Scope 3 CO_2 emissions, answer the Carbon Disclosure Project questionnaire, assess the type and amount of investments made, develop a low-carbon offer, organize an information meeting focused on the Climate strategy and a Capital Markets Day on November, 16th 2021. These actions strengthen the integration of sustainability into the Group's strategy and organization. They also answer transparency requirements relative to stakeholders.

A robust strategy implicating stakeholders

The Vicat Group has defined its goals on the basis of an assessment of major CSR challenges. Coherent with its long-term strategy in the cement, concrete and aggregates businesses, these goals also reflect the expectations of its stakeholders, who Vicat has chosen to implicate even further with the launch of a materiality analysis in 2021. This consists of establishing a hierarchy of economic, financial, societal and environmental issues in view of the Group's goals and the expectations of its main stakeholders. The results of this analysis will be presented in the new 2022 Statement of Extra-Financial Performance.

The Vicat Group's business model incorporates new developments related to the need to accelerate the adaptation to climate change, help mitigate its effects and to respond to new social and societal demands addressed to companies in the sector.

Vicat's Business Model

"After providing safety and comfort to the world's population, cement is still the key material to respond to population growth in a context of climate and social emergency."

Guy Sidos – Chairman and Chief Executive Officer

STRENGTHS

Key assets

Innovation and know-how

- Since the invention of artificial cement by Louis Vicat in 1817, a strong expertise in cements, concrete and aggregates.
- A modern R&D center focused on product and process innovation.
- Confirmed technical and industrial know-how.

Human

- A family group committed to its employees and fostering their loyalty.
- High-quality social dialogue.
- Respect for health and safety in the workplace.
- High level of business skills.

Industrial

- Modern, high-performance production facilities with a high level of maintenance, well-located geographically, in the process of adapting to climate challenges.
- Significant geological reserves that guarantee access to raw materials.
- An industrial purchasing policy that favors carbon-free and recycled products and materials.

Natural

- A substantial landholding recognized for its concern for biodiversity preservation and consideration of climate impacts.
- Attention paid to water resources and air quality at industrial sites.

Societal

- Local roots linked to the nature of activities.
- Relations with stakeholders (scientific community, associations, suppliers, customers and local authorities, etc.).
- Two very active corporate foundations: Louis Vicat in France and Sococim in Senegal.

Financial

- Focus on financial performance to guarantee the Group's sustainability and its commitments.
- Financial solidity: high shareholders' equity, low debt.
- Geographical diversification of countries where Vicat operates.

MISSIONS

On the scale of demographic and climate challenges, the only material accessible to the greatest number of people and available all over the world is cement.

MEETING NEEDS

_ Offering high-quality, affordable, safe, and scalable products and services for construction.
_ Designing products adapted to the challenges of climate change.
_ Sharing the value created with the communities where it operates by employing and purchasing locally.
_ Supporting skill acquisition and development for employees to guarantee their employability.

PROVIDING A SERVICE

_ Implementing a circular economy approach and recovering waste in the regions where the Group is located.
_ Developing global and low-carbon offers.
_ Assisting customers in realizing their projects with a tailored prescription, by optimizing materials, using digital tools and developing 3D printing.
_ Promoting diversity and equal treatment.
_ Implicating the Group in the socio-economic development of its regions by supporting educational actions in particular (health, teaching, culture, heritage, local economy).

PRODUCING IN THE BEST CONDITIONS

_ Respect for personal integrity
_ Maintaining high-quality labor relations.
_ Guaranteeing a safe and healthy working environment.
_ Protecting ecosystems and biodiversity.
_ Improving the global performance of its production facilities, by emitting and consuming less.

Vicat is a French industrial company, present in 12 countries and operating mainly in the cement, concrete and aggregates businesses. Anxious to respect its environment and to take into account the major challenges, particularly demographic and climatic, Vicat's industrial strategy extends over the long term. It relies on sustainable governance, a stable family shareholding structure, and the strong, passionate commitment of its employees.

GOALS AND TARGETS

The Group's Climate Strategy is reflected in:

A goal for 2050

To contribute to the carbon neutrality of the entire value chain.

Targets for 2030

1. Reduce emissions to 540kg net CO_2 per metric ton of cement eq. at the Group level - Reduce emissions to 430kg net CO_2 per metric ton of cement eq. for Europe.
2. Reach 40% of alternative fuels at the Group level, including 100% of alternative fuels in its artificial cement manufacturing plants in Europe.
3. Achieve a level of clinker content in cement of 75%.
4. Deliver a ratio of self-produced renewable power of 20% of the Group's total power consumption.

Under the framework of its CSR approach, the Group has also set the following working targets for coming years:

1. To produce locally by favoring virtuous circular economy solutions at the service of sustainable cities.
2. To preserve the wealth of ecosystems encountered on the sites by implementing biodiversity management plans; making the landscaping of its quarries an opportunity to create habitats; developing products that help welcome biodiversity; optimizing forest management to increase carbon storage.
3. To strengthen the Group's environmental performance dashboard by following new pilot indictors in the fields of water, air quality, product management and innovation, and customer relations.
4. To achieve zero accidents.
5. To increase the proportion of women in the overall workforce and in managerial positions.
6. To promote responsible purchasing and sustainable and balanced relations with suppliers.

ACHIEVEMENTS

Climate issues

In 2021, the Group invested €74.5 million and ran 68 decarbonation projects. Obtaining a B score with the CDP, for a first voluntary response, is recognition of the strategy put in place.

CDP
DISCLOSURE INSIGHT ACTION

- CO_2 emissions:
  - At the Group level: 624kg net CO_2 per metric ton of cement eq
  - Europe: 544kg net CO_2 per metric ton of cement eq
- A rate of alternative fuels of 26.2% reaching 62.9% in Europe.
- A clinker content rate of 78.9% in cement.
- A ratio of self-produced renewable power of 4.8% of the Group's total power consumption.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

- In view of its other significant **CSR challenges**, the Vicat Group has implemented policies and diligence, which have been measured as part of its annual reporting.
- Circular economy: creation of CIRCUL*ère*, the French subsidiary specialized in the circular economy.
- Responsible purchasing: adoption of a 2021-2024 roadmap and launch of a training program for buyers.
- HR challenges:
  - Severity rate of accidents: 0.24.
  - Frequency rate of accidents: 5.8.
  - Female employees as a percentage of the workforce: 11.5%.

GOVERNANCE MATCHING THE CHALLENGES IDENTIFIED

To deliver the Group's goals, the Chairman and Chief Executive Officer has set firm targets related to those of the cement sector and the UN's Sustainable Development Goals (as defined when the 2030 Agenda was adopted in 2015), to which the Group also intends to contribute. These targets are implemented by the country directors, who report their CSR performances at least once a year, for each of the issues identified namely: climate, circular economy, biodiversity, water, air quality, product management and consumer relations, human resources, ethics and compliance, responsible purchasing and pledges favoring the socio-economic development of regions.

Created in 2021 as part of the Vicat SA Board of Directors, the CSR Committee is tasked with considering matters of corporate social and environmental responsibility within the Vicat Group. It provides the Board its opinions, suggestions and recommendations regarding the implementation of CSR commitments by the Vicat Group (for further information see Chapter 5 section 5.2.3 of this URD).

To meet environmental challenges, the Group set up a Climate Challenge Committee as of 2020, responsible for defining strategy, validating the climate roadmap and assisting the Climate Strategy Department and the country directors in its implementation. It is chaired by the Chairman and Chief Executive Officer and is made up of the Deputy Chief Executive Officer responsible for Group strategy, the Chief Operating Officers (Climate strategy, Legal Director, Finance Director), the Director of Financial Communication and Investor Relations and the Director of Climate Action Control.

3.1 VICAT'S CONTRIBUTIONS TO SUSTAINABILITY ISSUES

3.1.1 Climate issues

3.1.1.1 Vicat Group vision

The Group has integrated climate risk into its strategic planning in order to adapt its production means (tools and processes) and steer its market positions, organization and product innovation. Its climate plan must enable the Vicat Group to adopt a leading position in the transition towards sustainable industry.

By signing the French Business Climate Pledge in 2017, the Chairman and Chief Executive Officer publicly confirmed Vicat's commitment to rise to the challenge of climate change. The targets the Group has set itself aim to help deliver the goals set by the Paris Climate Agreement to keep global warming to below 2°C by 2100 (and if possible 1.5°C) relative to the pre-industrial era.

Aware of the extent of greenhouse gas emissions generated by cement production, the Group knows that cement is nevertheless essential in a low-carbon world, for buildings and infrastructure, as well as for the development of regions where it is located. Cement remains the only material in terms of quantity and quality that can sustainably meet infrastructure and housing needs for a global population estimated to rise from 7.5 billion inhabitants at present to more than 10 billion by 2050.

The challenge for the Vicat Group is to make sure that cement is considered to be one of the constructive solutions to climate change issues. In terms of climate and demographical challenges, Vicat is convinced that concrete is an irreplaceable building material and remains the most relevant solution for building a genuinely circular economy. To achieve this, concrete must become carbon neutral and decarbonating cement is the key factor.

3.1.1.2 Goals and targets

2030 targets		2050 goal
To reduce the Group's emissions to 540kg net CO_2 per metric ton of cement at the Group level *To reduce its emissions to 430kg net CO_2 per metric ton of cement for the Europe region*	➔	*To contribute to the carbon neutrality of the entire value chain*

The actions needed to reach the Group's goal and targets are explained after the presentation of the status of emissions recorded in 2021. Some of these actions use mature technologies, others technologies that still need developing, pilot programs and demonstrators. These technologies can be applied as market environments favorable to the sale of low and very-low carbon products come into place.

During its Capital Markets Day on November 16, 2021, the Vicat Group confirmed that while decarbonation is technically possible, it can only materialize economically if, and only if, environmental regulations are adapted and if all governments back this approach.

Everywhere where it is located, Vicat acts in favor of establishing a market environment encouraging carbon neutrality, involving the relevant regulations, normalization and financial support mechanisms.

The Vicat Group anticipated the fact that maturity differences between regulations that still co-exist today will gradually converge over time. In terms of its locations, in Europe (France, Switzerland and Italy) and the US, Vicat is up against solid climate regulations, whereas in Brazil, Africa, Asia and the Mediterranean they are still being developed.

Vicat therefore acts in line with the pace of regulatory, normative and tax developments favoring the deployment and marketing of low-carbon products and services (Vicat Group low-carbon offer).

Europe is currently the Group's laboratory in terms of research and innovation in the fight against climate change, which requires substantial investments. The Group's targets for this pilot region are more restrictive than in other regions where it operates and reflect its pledge. They echo those set by the European Union for example through the roll-out of the hydrogen plan, support measures for the transition, public orders and the "Fit for 55" legislative package since July 14, 2021.

The Group's very modern industrial cement production facilities (with 91% of installed capacity made up of dry-process kilns with precalciners), should enable it to adapt rapidly and with agility to forthcoming developments.

In 2021, Vicat decided to answer the CDP climate change questionnaire for the first time, and to make its score public as of this first year. The B score delivered is recognition of the strategy implemented and genuine encouragement for the Group to continue its environmental actions for greater transparency and efficiency.

3.1.1.3 Vicat Group CO_2 emissions in 2021

The Vicat Group's CO_2 impact stems primarily from its Cement business. Emissions by this greenhouse gas represent more than 99% of total greenhouse gas emissions. Other gas emissions (methane, nitrous oxide, fluorinated gases etc.) are marginal.

CO_2 linked to cement comes from several sources, in particular:

- **Direct emissions (Scope 1):**
  - burning fossil fuels to produce the high thermal energy kiln temperatures needed to fire the raw materials. This item "fixed sources of combustion" represents approximately 40% of Scope 1 emissions;
  - in the decarbonation of carbonates, especially limestone, during firing. This item "non-energy processes" represents approximately 60% of Scope 1 emissions;
  - emissions related to power self-produced at our sites are accounted in Scope 1;
  - emissions related to transport undertaken by the Vicat Group fleet are also taken into account in Scope 1.
- **Indirect emissions related to energy (Scopes 2):**
  - Scope 2 is made up of bought electricity consumption, in particular for mechanical grinding upstream and downstream from firing. The electricity consumed in Scopes 1and 2 is equivalent to approximately 15% of the thermal energy consumed in Scope 1;
- **Other indirect emissions (Scope 3):**
  - upstream energy emissions, mostly supply of fuels (extraction and transport) are recorded in Scope 3;
  - beyond upstream energy, three other categories in Scope 3 out of the 15 in the GHG Protocol are significant concerning the cement business, namely: purchase of substances and materials, upstream and downstream transport of goods (when this is undertaken by third-party transport companies), since the share of emissions is very variable depending on where the materials come from and what markets are targeted. The Vicat Group sources its materials locally and sells into nearby markets in the same territories as the integrated factories;
  - the Group's CO_2 emissions covered by the reporting concern Scopes 1, 2 and 3. In 2021, the Vicat Group measured Scope 3 emissions for the first time on the basis of data from 2020.

The Group's total Scope 1 and 2 emissions totaled 18.7m tons of CO_2 in 2021 vs 16.6 million tons in 2020, to which 0.8 million tons of CO_2 can be added for use of biomass fuels.

Gross CO_2 emissions in Scope 1 and Scope 2 in 2021 (Group)

(in millions of metric tons)	2021
Cement business	18.5
Concrete & Aggregates business	0.16
Other Products & Services	0.02
TOTAL	**18.7**
o/w total Group Scope 1 emissions	*18.0*
o/w total Group Scope 2 emissions	*0.7*

Scope 1 CO_2 emissions excluding on-site electricity production and transport of the finished product (cement business)

	2021	2030 target
CO_2 emissions *(in net kg CO_2[1]/metric ton of cement[2])*	624	540
CO_2 emissions *(in net kg CO_2[1]/metric ton of cementitious material[3])*	619	

(1) Net CO_2: direct emissions including the physico-chemical transformation of raw materials at high temperatures and the use of fossil fuels, excluding all alternative fuels.
(2) Per cement equivalent (eq): direct emissions, gross or net, divided by clinker production and multiplied by the percentage of clinker in the cement.
(3) Total clinker and mineral additives consumed for production of cement and cement substitutes including clinker sold but excluding clinker bought.

Scope 1 specific CO_2 emissions (Cement business in Europe - France, Switzerland, Italy)

	2021	2030 target
CO_2 emissions *(in net kg CO_2/metric ton of cement eq.)*	544	430
CO_2 emissions *(in net kg CO_2/metric ton of cementitious)*	538	

Scope 3 CO_2 emissions measured (Group)

The measurements carried out during 2021 based on data from 2020 show that Scope 3 emissions represent 15% of the Group's CO_2 equivalent emissions in 2020.

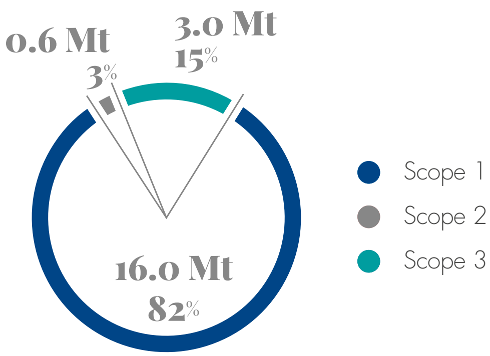
They are measured at three million tons of CO_2 and break down across the Group's scope as follows:

Estimated Scope 3 CO_2 emissions by category (Group)

(in millions of metric tons)	Total CO_2
Purchases of materials and services	1.2
Fuel and energy (excluding Scope 1 and 2)	0.7
Upstream transport and distribution	0.6
Downstream transport and distribution	0.5
TOTAL	**3.0**

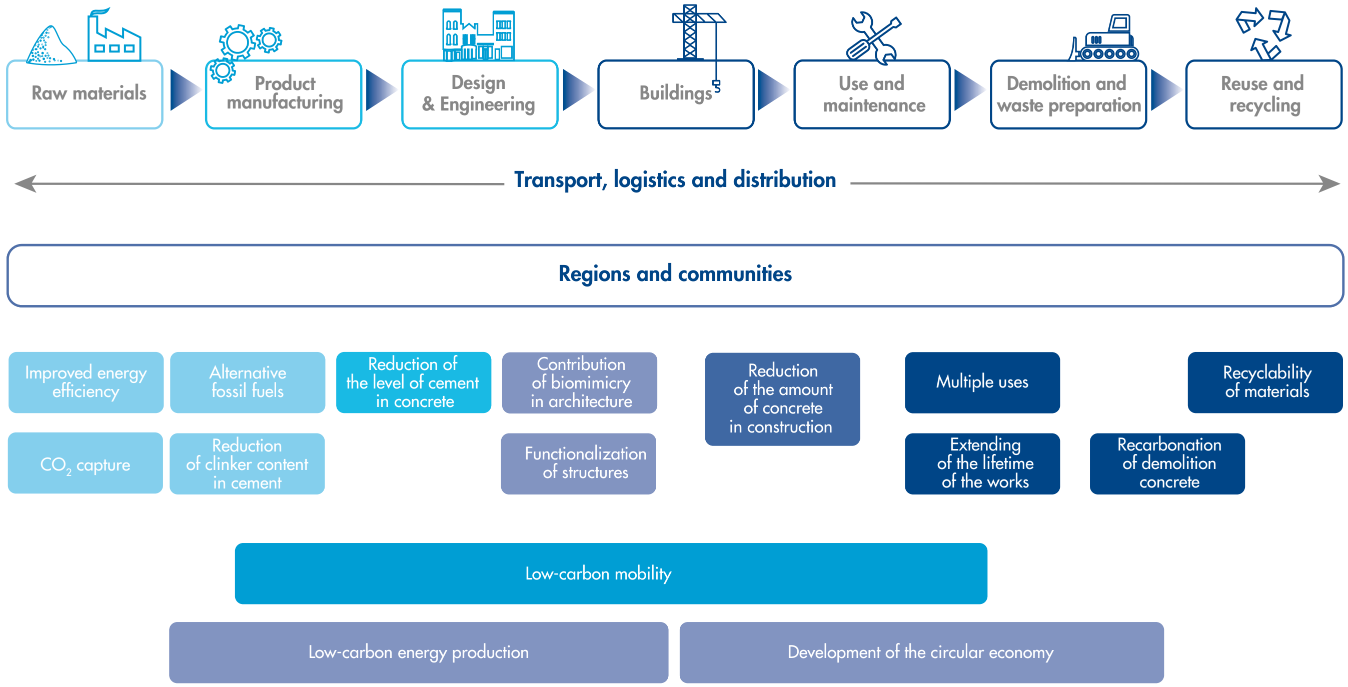
The breakdown of the Vicat Group's CO_2 emissions in 2020 is set out in the chart below. The Group is set to measure its 2021 Scope 3 emissions in 2022.

Vicat Group 2020 CO_2 eq emissions



The chart below is a simplified illustration of the Vicat Group value chain including: production of raw materials such as cement and aggregates, production of concrete construction products, design and engineering of works for public works and buildings, the construction phase for structural work in particular, the usage and maintenance period for the work defined by a 50-year convention, the time of deconstruction and the preparation of waste, and finally, the life of waste after its first use, namely reuse, recycling, recovery or destruction.

3.1.1.4 Actions across the entire value chain to achieve carbon neutrality



The ensuing actions are set out in a Group Climate plan applied to the 12 countries where it operates and involving a long-term CO_2 plan in particular. Other short and medium-term actions round out the scheme as part of the trajectory defined based on an analysis of different scenarios. In 2021, the Group updated its 2030 climate plan and raised the amount of investments associated to €80 million a year over 10 years until 2030.

To reduce the carbon footprint of its businesses, Vicat is focusing its works and innovations on the following main areas: substituting primary fossil fuels, improving the thermal and electrical energy efficiency of its businesses, production of renewable and low-carbon energies, reduction of clinker content in cement, decarbonated mobility and other actions such as reducing the quantity of pure concrete for a same usage (3D printing) or rolling out low carbon commercial offers.

The overall number of projects related to decarbonation of the value chain continued to increase, from 53 projects in 2020 to 68 projects in 2021.

The table below shows the breakdown of these projects by country.

(number of projects)	2021
France & Europe	33
Americas	17
Mediterranean	4
Africa	7
Asia	7
TOTAL	**68**
INVESTMENTS* *(millions of euros)*	**74.5**

* *The investments presented in the table above are published each year by the Group under the theme Materiality in the chapter focused on Extra-Financial Performance in figures. These are environment-related investments. In this respect, they cover the actions implemented by the Vicat Group to reduce the carbon footprint of its businesses.*

Substituting fossil fuels

The rising use of alternative fuels instead of primary fossil fuels traditionally used to fuel cement kilns (thermal energy) has many advantages:

- less extraction of natural resources;
- lower (gross and net) CO_2 emissions;
- lower energy bills;
- lower share of regional waste sent to landfill;
- improvement in the commercial balance of the regions.

Alternative fuels are waste that needs to be treated, for example waste from biomass, solid recovered fuel (SRF), tires, oils, solvents or other liquids stemming from industrial waste.

Vicat aims is to eliminate use of fossil fuels in the cement manufacturing process. In Europe, the deadline for this is 2030.

ALT*ère*NATIVE: a new industrial waste energy waste processing scheme in the PACA region in France

This joint venture between Vicat SA and Paprec plans to design, build and operate a plant dedicated to the production of solid recovered fuels (SRF) from non-recyclable waste, that will then replace fossil fuels used in the local Vicat cement factory. Its commissioning is scheduled for January 2022.

Use of alternative fuels (Cement business)

(%)	2021
Use of alternative fuels (Group)	26.2%
Use of alternative fuels (Europe)	62.9%

In 2021, the share of alternative fuels helped avoid the use of an equivalent of almost 780,000 metric tons of coal. In 2020, the use of almost 700,000 metric tons of coal was already avoided.

Improving thermal and electrical energy efficiency

Thermal energy (Cement business)

The heat balance of cement kilns at the Vicat Group totaled 3,561 MJ/ton of clinker in 2021. This remains efficient since the installations are modern and allow an increase in the substitution percentage while limiting deterioration. The Vicat Group continues to invest in the best technologies available, with the commissioning in of the Ragland kiln (in Alabama, USA) in 2022, and Rufisque (in Senegal) in 2024.

Electricity

The Vicat Group's electricity consumption stems primarily from the cement business as part of the crushing, grinding, sifting, mixing, conveyor-belt transport, ventilation and drying processes. For this reason, Vicat continues to invest in modernizing its production capacities. All projects are studied under the prism of energy sobriety, the use of renewable energies and reducing the carbon footprint.

The Group's pledge in favor of the energy transition is also reflected in the application of a strict energy management system similar to that set out in the ISO 50 001 standard, from which the cement plants in Grave de Peille, Montalieu-Vercieu, Xeuilley and Créchy in France and Bastas and Konya in Turkey, also benefit.

Electricity consumption by business

(GWh)	2021
Cement	2,709
Aggregates	79
Concrete	31
Other Products and Services	47
TOTAL	**2,866**

Specific electricity consumption by business

	2021
Cement *(KWh/t)*	99
Aggregates *(KWh/t)*	3.3
Concrete *(KWh/m³)*	3.2

Production of renewable and low-emissions energies

Wherever possible, the Vicat Group encourages the transition towards renewable energies. Apart from buying low-carbon electricity (nuclear or hydraulic origins), Vicat meets its needs by self-producing a share of its electricity. Thanks to its land reserves, the Vicat Group operates its solar plants near to its industrial sites. This is the case in India, with those of Barathi Polymer (1 MW capacity), Kadapa (10 MW) and Kalburgi (8.5 MW) recently commissioned in addition to Rufisque in Senegal (6.9 MW).

In Switzerland, the Vicat Group accounts for hydraulic generated renewable electricity production through the plant operated by subsidiary Vigier and those operated by Hydroelectra SA, for which it consolidates 50% of production.

Vicat has equipped two of its plants in India with waste heat recovery systems. These enable the recovery of residual non-recycled heat in the cement making process to produce self-consumed electricity or feed a network of industrial or urban heat. Similar equipment should be operational during 2023 at the Bastas cement plant in Turkey.

Self-produced renewable energy electricity mix

	2021
TOTAL - ELECTRICITY CONSUMPTION *(GWh)*	**2,866**
Of which self-produced renewable electricity*(GWh)*	139
of which solar (%)	*27%*
of which hydraulic (%)	*3%*
of which waste heat recovery (%)	*70%*
of which renewable electricity certified guarantee of origin *(in GWh)*	91
Share of self-produced renewable electricity in overall electricity consumption *(%)*	4.8%
Share of renewable electricity in overall electricity consumption *(%)*	8.0%
TOTAL - ELECTRICITY PRODUCTION *(GWh)*	**641**
Share of renewable electricity in overall electricity production *(%)*	26.1%

Vicat is targeting 20% self-production of renewable electricity in 2030.

Reduction of clinker content in cement

The carbon footprint of cement is highly correlated with its clinker content. This main hydraulic component resulting from high-temperature firing of limestone and clay, contributes to the strength of the cement but is the main source of CO_2 emissions.

The Vicat Group aims to reach a clinker content rate of 75% in 2030 by taking into account existing brakes in certain countries for consumption of low clinker content products.

In 2021, the clinker content rate stood at 78.9%. It was 79.1% in 2020.

To reduce the carbon footprint of its materials with an equivalent performance rate and in line with changes to standards in each country, Vicat is developing low clinker content products such as:

Cement based on natural Pozzolans

Vicat produces and sells this type of cement (CEM IV) under the NATURAT brand (CEM IV/A (P) 42.5 R CE NF) by the French cement plant Créchy in France, Italy and Turkey. The product has one of the best Environmental and Health Data Sheets (FDES) on the market, excluding CEM III, with CO_2 emission of 490 kg CO_2eq/t of cement compared to 765 kg of CO_2eq/t for a CEM I 42.5 R (France average), thereby reducing the emission of CO_2 eq/t of cement by a third.

Cements based on activated clays (artificial pozzolans)

This type of cement is produced and sold by the cement plant in Brazil, since 2009. It is the result of a combination of clinker/clay/limestone obtained using the Limestone Calcinated Clay Cement technology LC3.

Argilor project

The Argilor project primarily includes the construction of a thermically heated clay production unit integrated into the Xeuilly cement factory in Lorraine, France, using the flash calcination technology. The Argilor project will enable an annual reduction in the plant's CO_2 emissions of 48,500 metric tons (on an equivalent production and quality basis), or a decline of around 16% at the site level. The activation unit is expected to come onstream in spring 2023.

Cement based on limestone filler additions

The addition of micronised limestone filler in the cement formulation helps reduce clinker content while maintaining performance levels. The 2170 start-up in which Vicat SA has a stake since 2019 offers this technology to round out the Group's low-carbon offer.

Cement based on blast kiln slag and fly ash

The Group only produces blast kiln slag and fly ash cements to meet current market needs. For Vicat, cement based on blast kiln slag cannot be considered as a lasting low-carbon solution since the carbon weight of slag was booked at zero until 2014. In France, it now has a weight of 147.5 kg of CO_2 eq. The same goes for fly ash cements, which cannot be seriously considered as low-carbon solutions.

Vicat Group low-carbon offer

The DECA offer

To help reach the building sector's carbon neutrality goal, Vicat launched a new low-carbon offer for France at the end of 2020. DECA (for decarbonated) offers better visibility on the Group's constructive solutions, especially meeting the demands of the new environmental regulation for new buildings "RE2020".

To meet the challenges of RE2020, the Vicat Group has developed a binder enabling it to maintain all the properties and usages of traditional cement while benefiting from a carbon review corresponding to net emissions of less than 0kg of CO_2 eq/ton. Made of a plant-based substance, this "carbon well" binder fits totally with the Group's strategy to respect regulations in terms of reducing the construction sector's carbon footprint. With verified Environmental Information Modules, this new binder has the following net CO_2 emission levels:

- binder 0133H, the technical performances of which are close to a 42.5 R cement, has a value of -15 kg CO_2eq./ton;
- binder 2402H, the technical performances of which are close to a 32.5 R cement, has a value of - 310 kg CO_2 eq/ton.

Several demonstrators will be presented during spring 2022 when the product becomes available. The first projects could start as of 2022 once the Technical Experimentation Assessment (ATEx) has been obtained.

DECA low-carbon concretes are available for several business sectors such as building (structure, finishings), public works (roads, civil engineering) distribution (trade) as well as prefabrication. The offer also includes bio-based concretes integrating wooden aggregates or hemp fibers using the Biosys procedure. This solution is the first construction system based on blocks of hemp concrete developed in partnership with company Vieille Matériaux and officially certified by the French Scientific and Technical Building Center (Centre Scientifique et Technique du Bâtiment - technical notice No. 16/20-781_V1).

SYSCOBAT is a new low-carbon wood-concrete construction system made up of insulating and framing wall panels. Since 2021, it has rounded out the Vicat Group's low-carbon offer. Wooden exterior wall structures built using low-carbon concrete, enable a posts/beam structure that offers an ambitious response to ecological transition challenges (reducing carbon footprint, recycling construction elements). To round out its offer, the Vicat Group also has work underway to develop ready-mixed wood-based concretes (made up of Naturat low-carbon cement, wood granulates and a mineral load).

In coming years, DECA aims to offer its customers an eco-responsible transport offer.

CO_2 capture, storage and utilization

The Vicat Group is continuing its research into the capture, permanent storage and recovery of CO_2 in addition to all the other actions in place to reach its target for carbon neutrality by 2050.

FastCarb project: reducing the carbon footprint

Alongside 22 partners, Vicat is participating in the national Fastcarb project aimed at storing CO_2 through the carbonation of recycled concrete. Vicat aims to step up the carbonation of concretes caused by deconstruction, on an industrial level. The carbonation procedure is a natural part of the construction life-cycle. This natural phenomenon can be accelerated by using the high CO_2content of gases and by increasing the equivalent surface of concrete. Up to 10% of CO_2 emitted every year during cement manufacturing could therefore be stored on a lasting basis. To achieve this, several pilot installations are being tested in a rotating drum installed in the Vicat plant at Créchy (CarbReCoGBR). Aggregates are rotated in contact with the gases produced by clinker manufacturing.

CO_2ntainer project: chlorinated dust recovered in aggregates or CarbReCocl

Since November 2020, Vicat has been strengthening its circular economy approach and has taken a step further towards carbon neutrality by equipping its plant in Montalieu-Vercieu (France) with the CO_2ntainer system created by UK company Carbon8 Systems. While alternative fuels used to feed production processes present the advantage of generating less CO_2, they nevertheless increase the quantity of chlorine in the kiln. To avoid it building up and causing capping in the preheating tower, this chlorine needs to be removed. It is evacuated using a bypass that extracts the kiln dust known as chlorinated dust. The solution developed by UK company Carbon8 Systems helps add an enforcement to this dust by recovering them in its CO_2ntainer system. Installed in the Montalieu-Vercieu cement plant and a first in Europe, the procedure enables the production of light aggregates from chlorinated dust that capture some of the waste $CO_2$from the cement plant.

The CimentAlgue project: recovery of CO_2 and waste heat in the cement industry to produce microalgae

Vicat has joined forces with AlgoSource technology, Total Energies and the University of Nantes to accelerate the development of microalgue production. The CimentAlgue industrial project aims to recover CO_2 and waste heat from cement manufacturing to produce microalgae. The demonstrator was installed in the Montalieu-Vercieu plant in Isère in France in 2021. The project obtained financial backing from ADEME under the framework of the BIP2014 call for projects.

Catch4Climate project

Vicat and three other European cement manufacturers (Buzzi, Heidelberg Cement and Schwenk) making up the company Cement Innovation of Climate (CI4C), have joined forces to create a pre-industrial scale demonstrator for the Oxyfuel technology on the site of Schwenk cement plant in Mergelstetten in Germany. The aim is to develop a breakthrough innovation to eliminate CO_2 emissions caused by cement production. The Oxyfuel principle (oxygen and fuel) is based on introduction of pure oxygen into a cement kiln instead of ambient air, to ensure production of the high-temperature heat needed to make clinker. The gases produced by the combustion are therefore very pure in their CO_2 content, and thus facilitate its capture. The challenge is to profitably recover up to 100% of a cement plant's CO_2emissions.

Production of decarbonated e-fuels such as e-methanol or e-kerosene for mobility

The production of hydrogen in a cement plant by electrolysis of water, in close synergy with the cement process, makes a lot of sense and has many advantages. Indeed hydrogen makes it possible on the one hand to recover CO_2 emitted by the cement plant by converting it into a recoverable molecule in the energy or chemical fields (methane, methanol, etc.) and, on the other hand, to supply a fleet of trucks. Oxygen, co-produced by the electrolysis of water, can be recovered in the clinker production process. It has many advantages: improved combustion in the kiln, reduced fuel consumption, reduced electrical consumption by reducing the volume of combustion gases taken up by the draft fans, and lastly CO_2 concentration in the fumes, facilitating its capture. Finally, in the case of the use of high-temperature electrolysis technology, the use of waste heat makes it possible to recover the last fraction of the residual energy of the cement kiln.

The Vicat Group has several projects in this field in France:

It is a partner in the **Genvia** joint venture with the French Atomic Energy Commission (CEA), Schlumberger, Vinci Construction, and the Occitanie region, to build a "mega-factory" for the production of "high-temperature" electrolyzers, a breakthrough technology with 30% higher efficiency than conventional electrolysis. A first demonstrator is set to be installed by 2024 depending on the effective ramp-up in the solution's technological maturity. Vicat and Hynamics, a subsidiary of the EDF Group specialized in hydrogen production, have joined forces to develop an integrated solution to capture CO_2 emissions and produce decarbonated methane. The project named "**Hynovi**" aims to create the first decarbonated methanol production scheme in France and fits with the French government's targets in terms of decarbonating industry and energy independence, for which synthetic fuels are one of the main levers. Under the framework of the call for "Important Projects of Common European Interest (IPCEI)", Hynovi was pre-notified by the French state and is currently being considered by the European Commission.

Illustration of recovery of CO_2 emissions during cement manufacturing

CEMENT WORKS & FUTURE ENERGY SOURCES

Recovery of the CO_2 emitted during cement manufacturing allows for the production of synthetic fuels that benefit the region, thereby reducing the overall emissions from the cement plant, manufacturing and transport.

Low-carbon mobility

To meet the carbon neutrality goal, initiatives in terms of sustainable mobility and decarbonation potential are multiplying around the world.

France

Heading for new low-carbon synthetic fuels

For their quarry machinery, 15 of Vicat's French sites, including four cement plants, have adopted the "Oleo 100" fuel, 100% made up of rapeseed cultivated and transformed in France (with no competition in agri-food production). Vicat is now the first industrial group to choose a B100 to replace off-road diesel for its site vehicles. The use of Oleo 100 reduces greenhouse gas emissions by at least 60% relative to fossil-based diesel. The initiative comes after the Group compatible trucks at its subsidiary SATM with the Oleo 100 B100 as of 2018.

In 2021, in compliance with regulatory developments, Vicat launched a new approach as part of its mobility plan. The approach was rolled out to the various businesses. Beyond updating the overall analysis of travel by employees, service providers, visitors and customers under the Mobility reference system, the following actions were strengthened or launched:

- "greening" of the vehicle fleet;
- installation of electric recharging stations: 60 recharge points have been installed at five Vicat Group sites. This project is scalable and extended to other operational sites;
- an efficient system of car-sharing vehicles;
- promoting and encouraging car-sharing practices;
- encouraging and facilitating the use of bicycles and electric bicycles;
- using the train for work-home/professional travel;
- promoting the internal policy of "green" travel.

Oxygène truck, the first eco-responsible cement drum

After three years of research and reflection with partners Cifa, Jacky Perrenot and Iveco, Vicat developped the "Oxygene" truck in France. The truck emits 96% less CO_2 than conventional vehicles thanks to its Iveco engine powered by natural gas for vehicles (NGV) of biogenic or "biomethane" origin and thanks to its Cifa Energya mixing drum running on a lithium battery-powered electric motor. The truck is also particularly quiet: its engine is only half as noisy as a diesel engine. The same goes for the independent electric engine in its mixing drum. As such, it can undertake deliveries both day and night in city areas.

With hydrogen

The Vicat Group's transport subsidiary, SATM, has opted for hydrogen with a pre-order of 10 44-ton hydrogen fueled trucks to renew some of its logistical means. Vicat SA was a pioneer in light mobility hydrogen with the purchase of the NEXO and Kangoo vehicles for its employees.

As part of the Zero Emission Valley project backed by the Auvergne-Rhône-Alpes region, the Group joined forces with HYMPULSION (Michelin, Engie, CDC and Ataway), to help create the first hydrogen station at Chambéry. A second hydrogen station is planned on the site of the Saint Egrève cement plant (France). It is set to come onstream shortly for the supply of hydrogen-powered heavy mobility solutions for transporting cement.

In Switzerland

For subsidiary Vigier, the aim is to reduce consumption levels by site machinery and trucks and to replace fossil fuels by non-fossil fuels. Thanks to the replacement of conventional diesel with second-generation biodiesel produced from waste such as used cooking oils, animal fats and HVO, more than 1 million liters of non-fossil fuels powered Vigier's fleet of vehicles. The replacement rate of fossil fuels by non-fossil fuels stands at 30.4%.

The lynx: the largest electric quarry vehicle

The vehicle was developed in just 20 months and is capable of generating its driving power requirements itself through an integrated energy recovery system. The lynx should therefore help save 50-100 thousands liters of diesel fuel a year.

In the United States

In Vernon, California, National Ready Mixed is rolling out renewable energies. Its fleet of trucks drive on compressed biogas (RCNG) stemming from methanization of slag. A refueling station has also been installed on site. The next stage: deployment of a fleet and a station at the Irwindale plant, in California.

Optimization of concrete materials through digitization and 3D printing

New CAD tools enable architects and engineers to position the right concrete in the right place in building structures and to associate concrete with other local and low greenhouse gases emitting materials to obtain the best performance across the entire lifecycle of the work. 3D printing has the advantage of reducing the volume of concrete used by 50%, carbon footprint by 30% as well as construction times and the arduous nature of the work.

The Vicat Group is continuing R&D work in 3D printing suited to the requirements of each concrete application.

In 2021, Vicat invested in an R&D production unit for 3D printing located in Chambéry (Savoie region of France), thereby consolidating its know-how in the production of 3D printed parts.

The Group is also participating in the Viliaprint project launched by Plurial Novilia (Action Logement subsidiary). This social housing construction program consists of printing five three/five-room bungalows through the successive addition of layers for the concrete modules. This new construction method project was certified by the CSTB, France's scientific and technical construction center (*Centre scientifique et technique du bâtiment*) in 2020. This certification ensures the insurability of the real estate project and by direct effect the possibility of renting the printed houses. The concrete provided by the Group has been specially formulated to this end. The success of this project in 2021 stemmed from an intelligent combination of three innovations: robotics, 3D printing and new construction materials.

3.1.2 Circular economy

3.1.2.1 Vicat Group vision

Access to resources is a major sustainability issue for the Vicat Group in terms of the availability, in quantity and quality, of both energy resources (substituting fossil fuels mentioned above) and mineral natural raw materials and water. To meet customer demand for building materials, Vicat has significant needs that it aims to keep in check and control. Under the framework of its responsible environmental policy, Vicat aims to manage the natural resources entering its procedures from a sustainability perspective. Water (see 3.1.4 Protection of water resources) like minerals are used economically and efficiently in respect of regulations. Its removal and procurement are the object of strict accounting monitoring. Extraction and procurement conditions for mineral resources are the focus of the Vicat Group's concerns. To implement its various policies the Group relies on the expertise of the Energy and Raw Materials division, which handles procurement. The Real-Estate division pilots the geological works of technical consultants who identify sources and strictly plan their exploitation and optimization. Their actions favoring resource economy, recycling and materials substitution are also the purpose of several Group's subsidiaries that highlight regional synergies and promote industrial and regional ecology in particular.

3.1.2.2 Goal

Through the circular economy approach deployed in all countries where it operates, the Vicat Group instills innovative management of natural resources and complete materials cycles in the regions where it is located. The Group aims to increase the share of regional waste recovered in its building materials production units.

3.1.2.3 Position and achievements in 2021

Materials substitution in clinker, cement and aggregates manufacturing

	2021
Consumption of raw materials for clinker production *(millions of tons)*	34.1
o/w share of consumed materials stemming from substitution materials (%)	*4.2%*
Consumption of raw materials for cement -additives production *(millions of tons)*	5.8
o/w share of consumed materials stemming from substitution materials (%)	*23.8%*
Consumption of raw materials for aggregates production *(millions of tons)*	25.5
o/w share of consumed materials stemming from substitution materials (%)	*3.2%*
Total - Consumption of raw materials for production *(millions of tons)*	**65.4**
o/w share of consumed materials stemming from substitution materials (%)	*5.5%*

In Europe, several subsidiaries are tasked with detecting materials recycling and recovery opportunities and assessing circular economy solutions for both the Vicat Group internally and for regional stakeholders. These include CIRCULère, Terenvie and VITO Recycling.

CIRCULère

On January 1, 2021, Vicat officially created its French subsidiary focused on the circular economy. Now affiliated with the Group, the business helps provide companies in the regions concrete solutions for their waste recovery.

A business serving the regions

CIRCULère was created from two goals:

- to assist in eliminating carbonated fossil fuels imported into the Vicat Group's cement plants;
- to contribute to regional economic development, primarily where the Group is located (Auvergne-Rhône-Alpes, Provence-Alpes-Côte d'Azur, Grand Est and Grand Paris).

The Group has thus confirmed its role as a local player by setting up short energy and mineral waste recovery circuits.

This embodies the Vicat Group's long-term pledge based on three focuses:

- recovery of excavated land (soil decontamination);
- recycling of materials stemming from deconstruction;
- substituting primarily fossil fuels with alternative fuels.

Terenvie

Based in chemical valley south of Lyon in France, Terenvie is a unit focused on the recovery of contaminated land. It aims to promote a circular economy logic as reduce the carbon footprint of the construction sector. Serpol (Serfim Group) collects and transfers contaminated land on the collaborative treatment platform while downstream CIRCULère integrates and recovers the new raw material partially substituting natural resources for cement manufacturing.

VITO Recycling

Vigier, the Vicat Group's Swiss subsidiary, and Toggenburger have created VITO Recycling to build and operate a unique waste treatment unit for minerals from construction, contaminated land and collector and drilling sludge.

Çozum

In Turkey, subsidiary Çozum collects and prepares industrial waste from the region to recover in the Group's cement kilns in Anatolia.

In France, the Vicat Group has actively participated in creating the new extended producer responsibility segment *(Responsabilité Élargie des Producteurs)* for the building materials that it sells.

Vicat Group regional waste recovery and waste management

- In 2021, the Vicat Group helped avoid the incineration and landfill of 1.2 million metric tons of waste in the regions where it is located.
- In view of the materials used and the Group's manufacturing methods, the waste it produces is mostly recycled internally into its product manufacturing. For residual waste, the Vicat Group applies its circular approach and sends them to the appropriate treatment segments in compliance with regulations. The Vicat Group ensures that all of its industrial sites are kept clean and correctly integrated into their landscape.

3.1.3 Preserving biodiversity

3.1.3.1 Vicat Group vision

Biodiversity is one of the environmental issues that the Vicat Group's CSR strategy takes into account. It enables the Group to strengthen ties with its stakeholders. It is a facilitator for regional integration, a factor for internal mobilization, an accelerator for innovation and a significant lever in the ecological transition challenge.

3.1.3.2 Goal

The Vicat Group favors a local and sustainable anchoring aiming to position biodiversity as an asset to integrate its quarry activities into the regions in association with its stakeholders. The wealth of the ecosystems uncovered at its sites make the Vicat Group especially responsible in terms of their preservation. Aware of the importance of maintaining the functional role of the ecosystems in which it operates, the Vicat Group voluntarily implements actions in partnership with naturalist associations contributing to reaching the UN Sustainable Development Goals 14 Life Below Water and 15 Life on Land.

3.1.3.3 Position and achievements in 2021

The Vicat Group adopted measures to preserve biodiversity that it is rolling out at its production sites in respect of environmental regulations. Recognized as an active participant and for its expertise in preserving biodiversity, the Group supports many internal and external initiatives.

Regulatory biodiversity

Operating and restoring responsible sites

The Vicat Group's activities are subject to obtaining prior administrative approval, the nature of which depends on local regulations. This approval may stipulate the size of the extraction site, the operating conditions, duration and other obligations imposed on the operator, with the restrictions varying according to the maturity of the country relative to environmental preservation issues. Authorization is delivered on the basis of the documentation required and submitted by the Group's units to the authorities for assessment.

In 2021, Vicat undertook a first evaluation of the biodiversity of its various quarries (aggregates and cement) with the aim of identifying the most relevant indicators and standardizing good practices developed by the Group's subsidiaries in all its locations. Criteria were chosen such as the proximity of its sites to areas that are protected or of environmental interest. As part of its policy for constant improvement, the Vicat Group ensures its takes into account the Global Cement and Concrete association "*Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management*" published in May 2020.

The rehabilitation of its quarries is often added to the authorization request and may be the object of concertation with local stakeholders (owner, neighbors, local environmental protection associations). Site rehabilitation can provide opportunities to create diverse habitation for fauna and flora, establish ecological corridors or become a source of ecosystemic services (opening of new environments that tend to disappear).

In 2021, 81% of the Group sites had a rehabilitation plan. The surface area rehabilitated over the year totaled 575,233 m^2.

The internal technical engineering team responsible for drawing up authorization requests ensures that their operating phasing plan limits the discovery zone to only the extraction necessary to produce aggregates and cement stone. The Group's sites are operated in respect of the avoid, reduce, compensate sequence.

During the operation phase, the Vicat Group has long deployed a set of good practices such as: restoring quarry faces to allow the nesting of cliff swallows, storing excavated soil to preserve its agronomic quality and to fight against invasive species, installing rafts on water surfaces, limiting light and noise pollution.

All of these measures contribute to limiting the impacts of the Vicat Group's activities on biodiversity.

Forest management

In the main countries concerned, the Vicat Group has implemented an action plan to recover and maintain its forest land sustainably and in compliance with prevailing regulations. In this way, the Group contributes to maintaining and increasing the natural CO_2 storage capacity harbored in forests and their soils.

In France, the Vicat Group has contracted simple management plans. The forest land concerned totaled slightly more than 1,305 hectares in 2021. This is a practical tool to better know the Group's forestland, define targets and facilitate choices and decisions to take in terms of management, scheduling felling programs and works to draw up a periodic review. These plans are approved by the regional center for forest ownership.

Voluntary biodiversity

The Vicat Group supports voluntary projects contributing to the draft biodiversity management plan.

Some sites that are more mature in terms of preserving biodiversity have established specific action plans to monitor biodiversity and begin to measure their level of dependency on ecosystemic services of biodiversity. 38 sites already have a biodiversity management plan as recommended by the Global Cement and Concrete Association (GCCA).

Other sites are not lacking initiatives in favor of preserving biodiversity, by organizing open days, setting up partnerships with naturalist associations and taking part in inventory campaigns.

In 2021, 105 groups of visitors were able to discover biodiversity at the Group's sites. The Lyss gravel quarry operated by the Vicat Group's Swiss subsidiary Vigier was designed to include an open educational area inviting stakeholders to reflect on the ties between man and nature. It offers guided tours and workshops on the themes of biodiversity, geology and gravel extraction.

The Vicat Group maintains partnership relations with the local association Lo Parvi, which manages on its behalf the voluntary natural reserve of the Etangs de Mépieu quarry (France), spanning 160 hectares.

The Group takes part in the Roselière Program to monitor biodiversity based on standardized protocols, undertaken identically at a group of sites, every year and by all participants. It aims to monitor changes in species to provide a decision assistance tool for choosing and adapting practices in terms of management and organization of natural environments. The methodology was drawn up with the support of the French National Museum of Natural History (MNHN) to vet its scientific approach.

In France, the Group supports two wild fauna protection centers, the "Tichodrome" at Vif and the "Tétras libre" at Montagnole, managed by associations in relation with the French environmental and nature society France Nature Environnement (FNE) and the French bird protection society, Ligue de Protection des Oiseaux (LPO).

The Louis Vicat Foundation has joined forces with the association Sylv'Acctes Environnement, whose purpose is to 'build tomorrow's forests" by financing virtuous forest actions that have a systematically positive impact on the climate, biodiversity and landscapes.

In 2021, Vicat planted 25,920 trees.

This respect for biodiversity is also reflected in its responsible purchasing roadmap by favoring certified products stemming from production methods with lower social and environmental impacts. As such, the paper pulp bought by the Group for its paper making site in Vizille (Isère in France) are FSC and PEFC certified.

Change in bioversity indicators

	2021
Share of quarries with a rehabilitation plan *(%)*	81%
No. of sites with a biodiversity management plan	38
Surface area rehabilitated during the year *(m^2)*	575,233
No. of trees planted at the sites over the year	25,920
No. of visitor groups welcomed at the sites over the year	105

Prospective biodiversity

Odyssey program

Since 2015, the Vicat Group has been behind the "Odyssey" in France initiative aimed at preserving pollinating insects and wild bees. Although they do not produce honey, wild bees have an essential role in the pollination of wild crops and plants. Present in rural areas, these species are also found in urban areas.

The Odyssey initiative has several components, starting with the implementation of concrete actions aimed at providing pollinators at 35 Vicat sites to date (quarries, ready-mixed concrete production units and cement plants) a nectar-bearing resource as well as favorable conditions for their development. These include sowing flower meadows and planting six conservation orchards, two of which are in cement plants, in partnership with "Les Croqueurs de pommes", an association that aims to preserve the region's fruit and ancient arboreal heritage. These actions are an opportunity for Vicat to make its employees and the public aware of biodiversity preservation initiatives.

Another component of Odyssey, a research program on urban biodiversity has been conducted by Vicat since 2018, in partnership with the National Research Institute for Agriculture, Food and the Environment (INRAE). The program aims to study the nesting and survival of wild bees in Vicat's modular concrete elements designed specifically to accommodate a large range of wild bees. The first results seen in 2021, as highlighted in two encouraging reports from the INRAE, suggest that the Vicat concrete modules studied are compatible with the common nesting requirements of wild bee species. The experiment covers several seasons and is currently ongoing at the Vicat sites.

Great Green Wall in Africa

Located in Senegal, Mauritania and Mali, the Vicat Group and the Sococim Foundation are supporting the Great Green Wall initiative launched by the African Union to fight against the effects of climate change and increasingly barren landscapes in Africa. Donations from the foundation are used to finance research works.

The project involves 11 countries bordering the Sahel-Saharan region from Senegal to Djibouti. It spans 11.7 million hectares. The Senegalese portion of the project is 535 km long and 15 km wide and covers around 80 thousands hectares. The aim is clearly not to prevent the Saharan sand dunes from advancing, but to prevent a desert landscape from evolving due to a lack of water resources and rising temperatures. This project launched at the end of the 2000s, aiming to plant trees and all kinds of vegetation and to ensure their survival amidst many threats. The project's originality lies in the fact that it associates many scientists including botanists and climatologists as well as sociologists and anthropologists. On December 2, 2021, the fourth Ordinary Session of the Conference of Heads of State was held in Mauritania.

Immersion of bio-concrete reefs

In 2021, the Group developed a partnership with the Mediterranean Oceanographic Institute of Marseille, the Jacques Rougerie Foundation, IFREMER and Tangram architects for the exploration of marine biodiversity in very deep environments (-2,400 meters). This project known as "Bathyreef" materialized in 2021 with the immersion of the concrete reef and the observation robot.

The new project follows on from the Récif'Lab project initiated in 2019 aimed at redesigning the coastline at Agde, a fragile maritime region, and to restore its biodiversity. Among the actions undertaken as part of the Future Investment Program (Programme d'Investissement d'Avenir), 32 artificial, 3D printed reefs were immersed. The biomimetic solution is ecological and sustainable and was created by the company Seaboost in partnership with XtreeE.

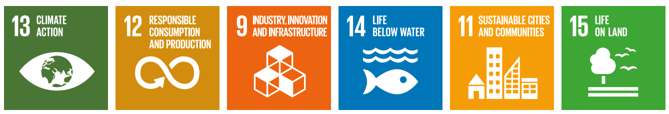
3.1.4 Protection of water resources

3.1.4.1 Vicat Group vision

The unequal distribution of access to water resources governs the Vicat Group's duty to control its water consumption, the quality and quantity of its waste water, and to optimize water used in its manufacturing procedures by favoring a closed circuit functioning and the recycling of water whenever possible. Protecting water is a key concern for the Group, which is especially careful in regions the most exposed to hydric stress such as India, Senegal, Egypt, Turkey, and California in the US.

3.1.4.2 Goal

The Vicat Group ensures that everything is done to prevent conflicts over water usage. Through economic water management and by limiting waste water, the Group aims to both limit the impact of its activities and help guarantee access to drinking water for all while easing the adaption to climate change.



3.1.4.3 Position and achievements in 2021

Water management in manufacturing of cement, aggregates, concrete and OPS

	Cement	Aggregates and concrete	OPS
Total water usage *(million m^3)*	9.9	6.9	1.1
Total waste water *(million m^3)*	5.4	2.4	1.0
Total water consumption *(million m^3)*	4.5	4.5	0.1

Specific water consumption by business

	2021
Cement *(l/ton)*	166
Aggregates *(l/ton)*	115
Concrete *(l/m^3)*	181

Specific water consumption remains stable overall.

Prevention of harm to water resources related to Group activities

The Vicat Group prevents harm to water resources:

- through consumption suited to its needs and the state of the local resource (with special care taken in hydric stress areas and concerning the quality of environments);
- through systems to recycle water from its processes;
- through controlled and treated waste water depending on the environment it is released into;
- through optimized consumption.

Protection of water resources in regions where it is located

The Vicat Group makes sure that water resources close to its sites are protected, by ensuring for example:

- distribution of drinking water (with prior treatment: in India, Kazakhstan);
- construction of public toilets (in India);
- collection of plastic waste (in Senegal).

3.1.5 Air quality

3.1.5.1 Vicat Group vision

Issues concerning air quality are health-related as well as economic and regulatory.

The Vicat Group takes particular care to reduce its atmospheric emissions and ensures the strictest respect of emission limits prescribed in regulations. The emissions likely to have a significant impact are those stemming from the cement production business. The parameters monitored are the following for the cement business and the paper plant in Vizille (Isère, France):

- dust;
- sulfur dioxide and nitrogen oxide, atmospheric emissions with an impact on the acidification of the atmosphere.

3.1.5.2 Goal

The Vicat Group aims to contribute to improving air quality in the countries where it operates. Vicat has implemented an operational organization that combines industrial performances and environmental excellence.

3.1.5.3 Position and achievements in 2021

Specific dust emissions, SO_2 and NO_X (Cement)

(gram per metric ton of clinker)	2021
Dust	64
SO_2	222
NOx	1,240

Change in emissions is related to the country mix.

The industrial performance policy deployed by the Group also consists of encouraging:

- preventive operational maintenance;
- regular investments in the best techniques available in terms of filtration and treatment.

3.1.6 Product and customer relations management

3.1.6.1 Vicat Group vision

On the scale of demographical and climate issues, the Vicat Group aims to design products suited to its markets. Since the invention of artificial cement by Louis Vicat in 1817, the Vicat Group places its expertise at the service of its clients and indirectly, end-users: it offers a wide range of high quality products and services that are affordable, safe and scalable for construction.

3.1.6.2 Goal

Through the choice of its innovation focuses and the ensuing partnerships it creates, the Vicat Group would like to help define the outlines of an ambitious and efficient energy and environmental transition for property development, construction, future cities and mobility solutions.

3.1.6.3 Position and achievements in 2021

Technical expertise for safe, high-quality and scalable products.

The Vicat Group focuses especially on the quality of its products to meet its customers' needs. The vast majority of the products it produces and sells through its 26 brands comply with non-mandatory standards which define the quality and safety levels the Group pledges to respect. The Vicat Group submits its products to regular checks carried out in accordance with internal or external procedures by various bodies in order to certify product compliance with the relevant rules or standards, for all ranges of products manufactured.

The Group relies on the expertise of its research laboratories based mainly at the Louis Vicat Technical Center in L'Isle d'Abeau (the Group's head office) and acts according to the eco-design principle. It continues its approach to analyze the lifecycle of its products in order to quantify their impacts from cradle to grave. This multicriteria approach is based on an inventory of the all materials and energy inflows and outflows at each stage of a product's lifecycle.

The Sigma Béton subsidiary has also developed a technical training center which provides training to both the Group's customers and its employees.

Information availability to foster trusting relations

All of the health and safety information required to use the Group's products under optimal conditions (safety instructions, application advice, and recommendations regarding use) is set out on the packaging (in particular, on cement bags).

The Group provides its customers environmental and health declaration forms *(Fiches de Déclaration Environnementale et Sanitaire - FDES)* for its products. These documents are normalized and present in particular the results of their life-cycle analysis.

Customer relations improved by digital solutions

In 2021, the Group's Digital division deployed a Customer Relationship Management (CRM) solution for its main activities in France enabling operational staff to interact permanently with customers and to streamline the processes used to monitor customers until then.

Recognized local production

In 2021, at the Third Antoine Veil Origin France Guarantee Awards, Vicat won the special jury prize for its low carbon DECA range. The Group is the first and only player in its sector to have obtained Origin France Guarantee certification for its concrete in 2017 and has again been rewarded for its commitments to local business. The certification guarantees customers that at least 50% of the unit cost price for a cubic meter of ready-mixed concrete (BPE) is generated in France, as well as all of the transformation stages. Il illustrates the spirit of service and proximity of the teams and the Group's industrial policy focused on short circular economy supply chains. Recognition of the DECA range by the jury prize distinguishes the Group's efforts in terms of decarbonating its products and maintaining the certification criteria for this offer.

3.1.7 First application of green taxonomy

Analysis of the Vicat Group's businesses in terms of the "climate change mitigation" and "climate change adaptation" targets

The European Union Climate Strategy, which has set the target for carbon neutrality in 2050, implies a significant participation and contribution by companies. To achieve this, the European Commission published regulation (EU) 2020/852 to set a framework aimed at favoring sustainable investments, as well as a set of delegated acts to complement it. This classification system, known as the taxonomy, is aimed at qualifying an activity as economically sustainable or not. The taxonomy presents a list of economic activities that contribute substantially to at least one of the six environmental targets defined by the European Commission. Any activity corresponding to the definitions of this list is considered as eligible for this reference system.

To be considered as "aligned", the economic activities must:

1. meet the technical criteria of the activity making a substantial contribution;
2. cause no significant harm to the other objectives ("Do no significant harm" principle);
3. be exercised in respect of minimum social guarantees as defined in Article 18 of Regulation (EU) 2020/852.

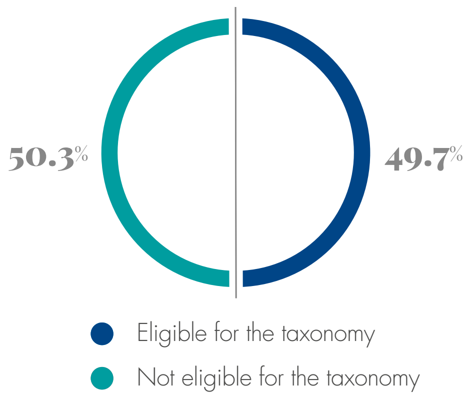
During 2021, Vicat therefore assessed the economic activities that are referenced in the EU taxonomy and can thus be classified as eligible, in order to define the percentages of revenue, capex and opex associated with these activities. The Group analyzed its activities in the light of two of the taxonomy's objectives, which have been the object of published delegated acts so far: climate change mitigation and climate change adaptation.

Taxonomy indicators

The taxonomy indicators presented below have been calculated in accordance with the stipulations of the delegated act of July 6, 2021 and its appendices complementing Regulation (EU) 2020/852 and setting out how performance indicators should be calculated as well as the descriptive information to publish (Article 8), and were analyzed and verified jointly by the Finance, Management Control, and Climate divisions.

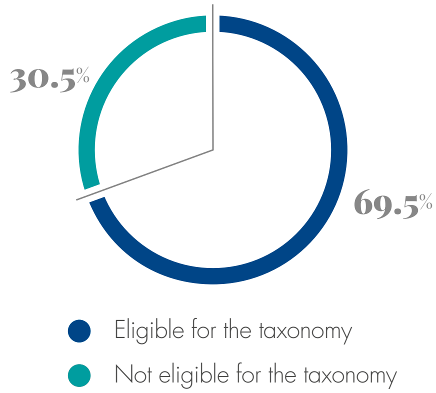
Eligible **revenue** totals **49.7%** and includes the Group's activities related to grey cement manufactured from clinker and other substitution binders covered by the taxonomy (lime, geotechnical binders) as associated with activity 3.7 "Cement manufacturing" (code NACE C23.51) defined by the manufacturing of clinker, cement and other binders under objective 1 - Climate change mitigation. Note that the denominator is made up of consolidated revenue totaling €3,122.6 million (available in Chapter 7 of the Universal Registration Document, Note 19).

Share of revenue eligible for the taxonomy



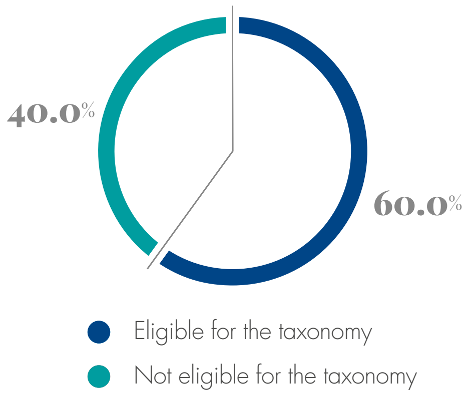
The capex indicator totals **69.5%** and includes the Group's investments related to the eligible activities presented in the paragraph "Methodological notes" (at the end of Chapter 3 of this Universal Registration Document). Note that the denominator is made up of total capital expenditure recorded in 2021 (available in Chapter 7 of this Universal Registration Document in Notes 4, 5, 6 and 7) and totaling €455.8 million.

Share of capex eligible for the taxonomy



The opex indicator totals **60%** and includes the Group's operating spending related to the eligible activities presented in the sections "Notes on Methodology" (at the end of Chapter 3 of this Universal Registration Document). Note that the denominator is made up of operating spending line items listed by the regulation and totals €142.4 million.

Share of opex eligible for the taxonomy



3.1.8 Human resources challenges

Agile teams, scalable businesses and an HR approach combining performance and inclusion.

The Vicat Group is an industrial group anchored in history and projected into modernity. In line with its development strategy by business, the Vicat Group promotes local employment and acts in favour of sustainable industry.

The challenge for human resources is to provide talents at all levels and to develop the skills necessary for the smooth running of the Group's businesses (Cement, Concrete, Aggregates, and Other products and services), by integrating succession and continuity plans.

The Group's HR division reports directly to the CEO and is based on a network of HR directors by country to take account of local regulatory specifications. The Human Ressources director sits on the Board of Directors' Compensation Committee and the CSR Committee.

3.1.8.1 Working in a safe and serene environment

3 GOOD HEALTH AND WELL-BEING

"Good health and well-being"

3.1.8.1.1 Protecting our teams and partners throughout the Covid-19 pandemic

In 2021, under the impetus of the Group's management, each country director maintained, if not strengthened the actions in place to fight the Covid-19 pandemic and protect the Group's teams and partners while continuing to operate:

- obligatory facemasks, respect of barrier gestures, supply of protective equipment (masks, autotests, CO_2 detectors, hand sanitizer, plexiglass, temporal thermometers etc.), action continuity plan, work from home, online doctor's appointments, drug supplies in some countries, regular testing campaigns (including voluntary families), communication campaigns etc. in respect of the prevailing health protocols and laws;
- the creation of a Covid-19 Crisis Committee and the appointment of Covid-19 officers in the Group's countries.

In order to combat the pandemic, the Group mobilized additional material and financial resources. In 2021, in France, more than one million masks were distributed to teams.

In 2021, through strict compliance with anti-Covid-19 measures, the Group did not record any "clusters" or on-site contamination. No serious cases were identified, with the exception of four deaths (one in the US, two in India and one in Turkey) due to contaminations outside our sites, combined with serious comorbidity factors.

The quality of relations with social partners and teams helped maintain calm and decisive social dialogue to take and apply the right decisions.

The Group's management ensured that employees were not impacted economically by the consequences of this health crisis. There was almost no recourse to short-time working and compensation was maintained in the event of illness or leave due to an aggravating factor. Two examples of actions implemented in the countries are the following:

- in India, bonuses were paid to employees in the event of absence due to Covid-19 or if they had incurred high medical expenses due to Covid-19 for themselves or a family member;
- in France, Management decided to pay a Covid-19 bonus in July 2021 to thank the teams for their commitment.

To support the teams in this health crisis, managers received training in crisis management, psychosocial risks (PSR) and working from home. Likewise, training courses were introduced to enable teams to learn how to operate in a generalized remote-working mode.

The Group showed its solidarity towards local communities in the regions where it operates by donating material (masks, sanitizer, oxygen etc.) to protect them from Covid-19. In India, management made a significant donation of oxygen cylinders to hospitals located near these sites to help care for Covid-19 patients. These initiatives are detailed in the Health section of the "Socioeconomic development of the countries" sub-chapter.

Faced with the Covid-19 pandemic, the Group's teams showed exemplary commitment and courage in 2021, as in 2020. Best practices are constantly consolidated and improved to prepare for changes in this health crisis and anticipate future ones.

3.1.8.1.2 A steady improvement in our health & safety performance

Goal: Zero accidents

Protecting the health of all employees and guaranteeing their "physical and mental safety" is one of the Vicat Group's cardinal values. This commitment extends not only to the well-being of its teams, but also to temporary staff and companies working as subcontractors. At all its sites, the Group strives to improve working and living conditions, health and safety, in accordance with laws and regulations in force. The Group is implementing prevention measures to eliminate or reduce exposure to risks, risk itself, and to reduce the frequency and severity of workplace accidents and occupational illnesses.

The Group is well aware that improving employees' working conditions and safety requires changes in human behavior, and therefore continues to strengthen and roll out its safety culture, maintaining its single objective of "Zero accidents" (for its staff and staff from external companies).

It continues to strengthen its health and safety policy by placing emphasis on leading by example, rigor and commitment for its managers and employees.

Improvement in results recorded between 2020 and 2021 in terms of safety in the workplace by the entire Group

The Group's main safety indicators recorded in 2021, in particular the number of lost-time accidents and the frequency rate, are close to the level recorded in 2020.

Once again this year, they reflect the commitment and efforts of managers and teams in terms of health and safety. The frequency rate rose slightly in 2021 to reach 5.8 (versus 5.5 in 2020). France accounted for most of this increase, as it recorded a large number of minor lost-time accidents (ankle sprains, knee sprains). After a very sharp improvement in 2020, the severity rate continued to decline and stood at 0.24 (versus 0.28 in 2020). The number of days lost between 2019 and 2021 has been reduced by 35%.

This rate reflects a decrease in the number of working days lost, mainly due to the lesser severity of the events recorded in 2021. Accidents requiring more lengthy periods of time off are very rare in the Group. Once again, no fatal events were reported among our employees this year.

The improvement in the frequency rate reflected the number of hours worked, which increased relative to 2020 – a particularly challenging time due to the pandemic, as well as the large number of Group sites that reported no lost-time accidents in 2021. Thus, four of the Group's cement plants recorded no lost-time accidents in 2021; some had not reported any for two, three or four years (e.g. Bharathi in India). In the Aggregates business in France, four regions also did not record any lost-time accidents in 2021. Some countries confirmed their positive results in 2021 with zero lost-time accidents: Italy, since 2013; Mauritania for nearly three years; and Mali in 2021.

Health & safety indicators for Group employees	2021
Number of lost-time accidents among Group employees	131
Number of fatal accidents in the workplace among Group employees	0
Number of lost days for Group employees	5,122
Frequency rate	5.80
Severity rate	*0.24*

Health & safety indicators for Cement employees	2021
Number of lost-time accidents among Group employees	38
Number of fatal accidents in the workplace among Group employees	0
Frequency rate	3.30
Severity rate	*0.10*

Health & safety indicators for Concrete and Aggregate employees	2021
Number of lost-time accidents among Group employees	93
Number of fatal accidents in the workplace among Group employees	0
Frequency rate	9.20
Severity rate	*0.39*

These results were achieved thanks to the multi-year action plans focused on:

a) Training teams, organization of awareness-raising campaigns and production of communication materials associated with the "Zero accidents" objective and the means to achieve it.

Safety days have been held every year in the countries to encourage discussion, raise awareness, change day-to-day behaviors and promote the sharing of best practices. These meetings also make it possible to report dangerous situations on all topics related to health and safety in the workplace. To go further and bring safety to life on a daily basis, a "Safety" discussion is held at the start of each meeting. The "Safety minutes" are held every week by managers. In 2021, as in 2020, the large number of "Safety minutes" at tertiary sites illustrates the teams' commitment in the face of the pandemic and the understanding that, whatever the position, health and safety in the workplace is a priority.

The major topics covered include risk analysis, equipment lockout/tagout, travel (in particular to reduce road accidents; SDG 3.6), manual and mechanical handling, the safe use of phones and smartphones, working at heights, tidiness and cleanliness of facilities, and prevention and treatment of psychoactive substance abuse (alcohol, tobacco and drugs; SDG 3.a).

In terms of training, the Group has set an objective that 100% of its teams should receive at least one health and safety training session each year. This target was achieved in 2021 and will be renewed in 2022.

b) The availability of risk-appropriate collective and personal protective equipment for teams (employees and subcontractors) at all of the Group's sites.

c) The compliance of facilities with regulatory and technical changes, taking into account the opinion of the experts consulted (in collaboration with safety engineers representing the Group's insurers, in particular) and Group safety standards.

d) The improvement of risk prevention, interventions with external businesses for all the businesses and sites.

e) The implementation of safety visits at workstations to create a real dialogue between managers and their teams from a safety perspective, in order to promote best practices and appropriate behaviors and secure buy-in from all sides.

f) The implementation of a digital health and safety in the workplace application in the various countries.

The French cement production sites are certified in accordance with the MASE (*Manuel d'Amélioration Sécurité-Santé Environnement des entreprises)* benchmark which makes external contractors subject to the same rules as the Group (training, induction (notably safety induction training), equipment, techniques and organization). One international example is the Aggregates business in Senegal, which began the process in March 2021 and expects to be certified in September 2022.

Led by General Management and the managers of the Group, a team of health and safety in the workplace coordinators in all countries and for all businesses is responsible for implementing and managing these multi-year plans. They are mainly developed locally and across the different businesses by its employees. One of the best examples is the adoption of the "Essentials," six rules defined by the Safety Department and broken down by country and activity, which form the fundamental benchmarks used on a daily basis at each site.

The teams undertook significant work to revitalize these "Essentials" in 2021 and will continue their efforts in 2022.

In France, the internal safety cross-audits were suspended in 2021 due to the health crisis. This tool, demonstrating Management's deep commitment to achieving "Zero accidents," was redesigned at the end of 2021 and renamed Planned Safety Discussions. It will be redeployed at the beginning of 2022 and geared to on-the-ground discussions as a way to communicate best practices and promote appropriate behaviors with the goal of preventing and eliminating risks. All topics are reviewed: equipment, organization, regulations and behavior. In Switzerland, 343 internal Safety audits were conducted in 2021.

The approach to health and safety in the workplace fosters synergies between teams, businesses, and countries. Exchanges and meetings with the Group's safety specialists contribute to and encourage the sharing of experiences and best practices. Accident reports, audit reports, awareness materials, communication tools and all documents pertaining to prevention, health and safety are contained within a networked database, which may be accessed by safety specialists and managers.

Throughout the year, the Safety Department organizes quarterly awareness campaigns which are implemented all of the Group's countries. Support materials (posters and notices) are translated into all languages allowing managers to raise team awareness of these vital issues. This initiative will continue in 2022 and will address topics that are priorities for our businesses, such as machine lockout/tagout, manual handling and the risk of a collision between a piece of machinery and a pedestrian.

In 2021, a Fire and Emerging Risks Expert joined the Group's Health and Safety organization. This specialist launched an action plan consisting of audits of existing facilities, in particular alternative fuel facilities, with the support of the "fire" task force. These audits were mainly focused on the technical part (fire detection and extinguishing resources) and on the "organization and training of teams." The objective was to share experiences and best practices, and to take all corrective and improvement actions in order to prevent any fire risk and limit any consequences. The Group's fire standard and the technical manual for alternative fuel protection have been updated. The cooperation with BESSE (insurance broker) and HDI (insurance company) on Fire Risks and Emerging Risks was strengthened. The action plan will continue in 2022: the process teams will participate in "fire-fighting" training which will simulate real-life conditions as closely as possible. At the same time, the fire expertise of all safety representatives at the sites will be strengthened.

The Group expanded and enhanced its training program for employees likely to travel abroad for business purposes and for expatriate staff (with mandatory e-learning modules before all business travel) as well as its support and assistance measures, in cooperation with SSF and AXA International, firms whose expertise in the areas of health, safety, and security for people traveling or working abroad is well-known. In 2020 and 2021, due to the Coronavirus pandemic, these training courses were supplemented by incorporating a set of specific procedures and operating methods. In light of the evolving health recommendations, foreign travel was canceled in 2021 to protect the teams' health.

Dialogue with unions concerning workplace health and safety

The Group works with all staff, and in particular with employee representatives, to improve accident prevention and safety at its sites and safeguard the health of employees. The agreements signed reflect this objective shared by Management and labor partners in this area. The support and active participation of labor partners, and their support for the health and safety approach, has helped to develop the safety culture and improve performances.

3.1.8.2 Ensuring respectful management and a constructive social dialogue based on trust and transparency in accordance with human rights and labor law

By putting its employees first, the Vicat Group relies on the strong and passionate commitment of its employees. It enters into constructive dialog, enabling it to maintain high-quality employment relations and ensure a healthy and safe working environment.

Compliance with international conventions

The values held by the Vicat Group, and shared with all its stakeholders, have forged its strong corporate culture. This corporate culture gives rise to respect in relations with others, solidarity between teams, the inclination to lead by example, a capacity to mobilize energies, and the wherewithal to take strong action on the ground to achieve objectives.

The Group complies with the rules of law in the countries where it operates in accordance with the principles of the United Nations Human Rights Charter which states as follows: "business should support and respect the protection of internationally proclaimed human rights within their sphere of influence and make sure they are not complicit in human right abuses." All countries where the Group operates are signatories to the United Nations Human Rights Charter and are members of the International Labour Organization. Respect for the principles and fundamental labor rights enumerated in the Declaration related to freedom of association and acknowledgement of the right to collective bargaining, the elimination of all forms of forced or mandatory labor, the abolition of child labor and the elimination of employment and professional discrimination is the subject of particular attention within each company of the Group.

In France, training sessions for managers are frequently organized with a law firm specialized in current employment law, with a focus on professional equality, ethics, and preventing bullying or discrimination as part of their day-to-day responsibilities.

At the instigation of Group Management, entities in India, Kazakhstan and Senegal have each put in place a code of conduct complying with World Bank standards. Management in India is very sensitive to child protection and has regular, unannounced monthly audits conducted to check that no children are working on the Group's sites.

Proof of such compliance is found in the audits conducted by various local authorities, none of which revealed any failure to observe applicable laws and regulations in 2021, as in previous years.

No Group company was the subject of a complaint or conviction for sexual harassment, sexist behavior or bullying, discrimination or infringement of freedom of association, or any other infringement of human rights in 2021. These results can be attributed to the Group's policy of zero tolerance for non-compliance in these areas (including in the event of weak signals), with training provided to prevent these risks and detect weak signals in the early stages so action can be taken before any incidents occur. The Group has also a procedure in place, with a warning component that takes into account both strong and weak signals, immediately makes sure the potential victim is safe, and triggers both formal investigations, to be conducted quickly and thoroughly, and swift sanctions if the facts are confirmed. The procedure also specifies that the Chairman and Chief Executive Officer should be informed as soon as an incident is detected.

Putting employees at the heart of corporate dialogue

All Vicat Group companies comply with local laws on respect for freedom of association and the right to collective bargaining, and respect for the right of employees to information and consultation.

Social dialogue works well within the various companies of the Group. Local direct management that is open to discussion with employees is one of the keys to this successful social dialogue and positive social climate.

As proof, in 2021 there were no strike days recorded at the Group's companies. Despite the health crisis, social dialogue and the social climate remained at the same level of mutual trust and transparency.

For 2021, the scope adopted for the "Review of collective bargaining agreements" indicator was limited to France. A total of 39 agreements were signed during this period, relating mainly to the sharing of value-added through agreements and profit-sharing. After consultations with the labor partners, 62 unilateral decisions were implemented to activate the "Special Purchasing Power Bonus" (PEPA) mechanism for the teams.

Implementing an employee-centered work organization

The Vicat Group's organization reflects its performance objectives. The management chain is short and the number of levels in the hierarchy reduced to operational requirements. Management is direct and local. Teams have real autonomy, driven by their commitment and sense of responsibility.

Work is organized in compliance with local legislation, and with the Group's own standards, in terms of working and resting time as well as health and safety. This work organization is designed to deliver the best performance from teams at the lowest cost. In France, remote working has been negotiated with the labor partners and was launched on June 1, 2019. During the health crisis in 2020 and 2021, the remote work agreements helped keep the teams safe from Covid-19, while providing them with a formal framework to cover their equipment, making it easy for them to work remotely, and some of the costs incurred due to remote work.

The Group is attentive to the quality of working conditions for its teams, workplace health and safety, and working well together according to the Group's culture and values, emphasizing the importance of mutual respect, independence and accountability.

A mechanism allowing vacation days to be donated has been introduced at our French companies to allow employees dealing with family problems to be gifted additional days' vacation by their colleagues.

The Group's relatively small, human-sized team organization has always favored the use of best practices such as continuous improvement.

Part-time work

The Group has little need for part-time jobs. As at December 31, 2021, the proportion of part-time employees remained low. It has declined to 1.7% of the workforce (from 2% in 2020).

The following countries were the only ones to use part-time work, to varying degrees and generally at the employees' request: Switzerland (10.8%) and France (2.4%).

This limited use of part-time work reflects the secure employment policy that the Group has implemented in all the countries where it operates.

Shift working

Part of the Group's industrial business activities requires shift working. The statutory framework is systematically adhered to. In 2021, shift workers represented 18.4% of the Group's total workforce (18.5% in 2020).

Ensuring team engagement

The Group's ability to attract and retain employees through an effective and inclusive process are two cornerstones of human resources policy.

Its employer brand, which reflects its culture and values, and the fact that it is a family-owned, international group make it attractive to candidates.

Internal promotion is favored where possible. The objective is to offer everyone career development prospects that allow them to realize their ambitions and their full potential. Mobility, both operational and geographical, is one of the conditions of this progression.

The aim of the Group's human resources policy is to ensure that the individual and collective skills of staff are in line with the Group's strategy on a short, medium and long-term basis. By design therefore, 50% of the members of the digital in France team are internal recruits (with extensive digital training in place) and gender parity has been achieved.

Absenteeism

The level of engagement is reflected in the low absenteeism rate, even during the Covid-19 pandemic. Absenteeism is monitored in each country in order to identify the reasons and take appropriate action. In 2021, the Vicat Group deemed this indicator satisfactory despite the health crisis: 2.9% (2.8% in 2020). It varies by country, ranging from 0.7% in Italy and 4.6% in France, depending of countries. In France, a series of prevention measures helped reduce absenteeism to 4.6% in 2021 from 6.8% in 2020, which also reflects strong protection against Covid-19.

Providing our employees and their families with social protection: VICARE

(1.3) "Eradicate extreme poverty and hunger"

Depending on the conditions in the country where they operate, all Group companies provide their employees with social protection coverage (medical, benefits, pension, unemployment) to protect them and their families from life's uncertainties. This social protection policy, VICARE, is improved each year in every country thanks to local management's constructive work with the labor partners, with support from the Group's HR department.

3.1.8.3 Developing all the talent in the regions where we operate

3.1.8.3.1 Hiring locally and building team loyalty in close proximity to markets

"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"

The Vicat Group actively contributes to the development of the regions where it operates through the long-term local jobs it generates and through a training and promotion effort for its employees, to guarantee their employability.

General changes in the workforce

At December 31, 2021, the Group had 9,515 employees (9,829 in 2020), down 3.2% (314 fewer employees). As in previous years, employees of Group companies were drawn from the labor markets in which these companies operate.

Workforce at December 31, 2020	9,829
Natural attrition	(1,113)
Redundancies	(732)
Changes in consolidation scope	(345)
Recruitment	1,876
WORKFORCE AT DECEMBER 31, 2021	**9,515**

This decline can be attributed mainly to the sale of the Swiss subsidiary Créabéton (-372 employees, with all affected employees still employed, either by the buyer or with help from the Vigier Group), the shift to subcontracting for some the teams in Egypt (nearly 200 employees), and the reduction in the workforce in the Aggregates business in Senegal (reflecting the decline in business over the year). This decline is offset primarily by the increase in the workforce in France (+171), due to the creation of positions to support the ecological and solidarity transition (climate strategy, decarbonization, biodiversity protection, saving of resources and circular economy, in particular), the businesses' digital transition, the penetration of new markets and major projects, the higher business volumes, the development of apprenticeships, and the acquisition of several companies in the Concrete business and of one company in the Other Products and Services business (Digital).

The Group's turnover rate (excluding changes in scope) increased in 2021 to stand at 19.4% due to the shift to subcontracting of nearly 58% of the Egyptian workforce and tight labor market conditions in countries where the Group operates, which caused higher turnover than in previous years. This level is atypical when compared with previous years: 14% in 2018, 9.9% in 2019 and 10.3% in 2020. A significant number of staff joining or leaving the Group held posts linked to the seasonal nature of the Group's business activities, especially in France and Turkey. In addition, Turkey, Brazil and Kazakhstan recorded a typically high turnover. The number of new hires is virtually identical to the number of departures (excluding changes in scope), reflecting the Group's appeal in its various countries.

Breakdown of the workforce by geographical area

The workforce comprises local personnel. Most employees are recruited from the labor markets in which the Group operates.

Headcount as at December 31, 2021 by geographical area

	2021
France	3,130
Europe (excluding France)	758
Americas	2,177
Asia	1,207
Africa	939
Mediterranean	1,304
TOTAL	**9,515**

Average workforce in 2021 by geographical area

	2021
France	3,071
Europe (excluding France)	725
Americas	2,161
Asia	1,216
Africa	1,353
Mediterranean	950
TOTAL	**9,476**

The Group's average workforce decreased by 4.3% between 2020 and 2021. The explanations by geographical area are those given for the general changes in the workforce above.

Breakdown of the workforce by business segment and socio-professional category

	Total		Cement		Concrete & Aggregates	
Management	1,772	18.6%	1,104	62.3%	331	18.7%
White-collar staff	2,974	31.3%	1,505	50.6%	1,018	34.2%
Blue-collar staff	4,769	50.1%	1,651	34.6%	2,434	51.0%
TOTAL	**9,515**	**100.0%**	**4,260**	**44.8%**	**3,783**	**39.8%**

The breakdown in the workforce by business segment reflects the changes in the Group's operations. In 2021, the Group's workforce in the Cement business remained predominant at 44.8% (44.8% in 2020). The Concrete & Aggregates business continued to grow in 2021 to reach 39.8% (39.2% in 2020). The Other Products & Services business was down slightly to 15.5% in 2021 (16.0% in 2020).

In 2021, the proportion of Blue-collar staff decreased slightly to 50.1% of the total workforce (52.0% in 2020). The proportion of White-collar staff increased to 31.3% (29.1% in 2020). The proportion of Management was virtually unchanged at 18.6% in 2021 (18.9% in 2020).

3.1.8.3.2 Providing employees with ongoing training to adapt to changes in their industry as part of the ecological and solidarity transition and the digital transition

4 QUALITY EDUCATION

"Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all"

In 2021, the Group training plan remained focused on health and safety in the workplace, the energy transition (reduction in greenhouse gas emissions), the protection of biodiversity, the careful use of resources, the circular economy, digital and the prevention of the risk of cyber-attacks, managerial performance, industrial and commercial performance, and inclusivity. Training is provided on a repeat and long-term basis. The objective of all the training is also to help employees adapt to the ongoing changes in their roles, businesses and markets, achieve their defined performance targets, and thus ensure their employability. These training initiatives naturally help keep the teams' performance and engagement levels high.

In France, with the Vicat corporate university, the Group has an internal training institute housed within its Sigma Béton subsidiary. Training courses are developed and delivered by drawing on in-house technical expertise. Other countries, such as Switzerland with its Vigier Academy, have similar programs.

Despite the health crisis, the apprenticeship rate in France reached 5.5% in 2021, and thus exceeded the target set (5%), in order to create a pipeline for training in the Group's business sectors and prepare for future hires.

In 2021, the Group launched the Learning Managing System digital training initiative to ensure that its internal training offering is more closely aligned with the teams' operational and regulatory needs.

Training indicators

	2021	var. 2021/2020
Number of hours of training	195,269	+38.7%
Number of employees having attended at least one training course	9,476	+61.6%

The departments', labor partners' and teams' commitment to developing training, one of the keys to employee success, was therefore not fundamentally affected by the health crisis.

People who received training acquired the skills and knowledge needed to access long-term employment and career prospects in the industry.

When aggregate "Safety minutes" training/action hours are included, the target of at least one Health and Safety in the Workplace training course per employee was achieved in 2021. In addition, all Group employees have had to take a cybersecurity course since 2021. As a result of these requirements, nearly all employees took at least one training course in 2021.

3.1.8.4 Sharing value-added through a fair compensation policy

10 REDUCED INEQUALITIES

"Reduce inequality"

The Group's compensation policy is based on rewarding individual and joint performance and securing team loyalty. It takes into account environmental and inclusivity issues, culture, macroeconomic conditions, employment market characteristics, and compensation structures specific to each country.

The compensation policy places particular importance on gender equality and applies the "equal pay for equal work" principle.

For several years now, like the compensation policy for executive Company officers, the variable portion includes the performance of the Group's managers in terms of greenhouse gas emissions reductions, biodiversity and inclusivity (with a focus on the position of women in the Group and their development).

In France, Vicat SA and its French subsidiaries apply the statutory scheme for employee profit-sharing or, in some cases, operate under an exemption. Sums received are invested in the Group savings plan (*Plan d'Epargne Groupe*, or PEG) and in Vicat SA shares, as applicable. In addition, Vicat SA has put in place a profit-sharing agreement. Employees may decide whether to invest the amounts received in Company shares through the PEG or in other vehicles proposed by a leading financial institution. A "Group Retirement Savings Plan" (*Plan Épargne Retraite Collectif*, or PERCO) has also been in place since 2013. In order to better support employees preparing for retirement, an agreement to annually transfer a set number of days from the time savings account (CET) and paid vacation (under certain conditions) into the PERCO entered into force in 2015. In 2018 and before the PACTE law was passed, almost all Group employees in France already benefited from a mandatory and/or voluntary profit-sharing agreement.

In 2021, the Vicat Group companies in France, in consultation with the labor partners, paid two amounts under the "Special Purchasing Power Bonus" (PEPA) mechanism. In July 2021, they paid a bonus to recognize the teams' mobilization in response to the Covid-19 health crisis. This bonus was for employees whose gross compensation did not exceed €70,000, for an average amount of €473 net for those earning up to three times the minimum wage (PEPA mechanism) and €418 gross for those earning between three times the minimum wage and a gross amount of €70,000. It was given to 87% of the teams in France. In December 2021, they paid a purchasing power bonus to employees whose gross compensation did not exceed €75,000 for an average amount of €313 net. This amount of €313 was exempt from payroll and other taxes on compensation of up to three times the minimum wage (PEPA mechanism), with companies absorbing the payroll taxes for compensation ranging from three times the minimum wage to a gross amount of €75,000. This bonus was given to 91% of the teams in France. The total of these bonuses in 2021, combined with the additional mandatory and voluntary profit-sharing amounts negotiated with the labor partners, reached €2.390 million.

As a reminder, in France, a PEPA bonus was paid at the end of January 2021, as in 2019, in a net amount of €400. This bonus was for employees whose gross compensation did not exceed €55,000 (three times the minimum wage). This amount was given to 73% of all the teams in France. This bonus was supplemented by a "Covid-19" PEPA bonus, paid in November 2020 to employees whose gross compensation did not exceed €70,000. The purpose of this second bonus was to recognize the teams' mobilization in response to this health crisis. This bonus was given to 80% of all the teams in France, for an average amount of €423 net. In 2021, the total of these bonuses negotiated with the labor partners reached €1.636 million. The aggregate of these amounts in 2020 and 2021 was nearly €4 million.

Minimum wage

In all countries where the Vicat Group operates, its subsidiaries do not pay salaries lower than the local statutory minimum. If no such legal threshold is in place, the salaries paid are at least greater than the minimum in the local market by comparing to benchmarks provided by independent local third parties: HR consulting firms, recruitment consultants, etc.

Change in personnel costs as at December 31, 2021

The Group's personnel costs decreased by nearly €6 million (i.e. -1.3%) to €483.7 million in 2021 (€489.9 million in 2020). This change was due mainly to the sale during the year of the Swiss subsidiary Créabéton, which resulted in the departure of 370 employees. Almost all of them went to work at the buyer, with the remainder finding work with help from Vigier. Switzerland lowered its personnel costs by nearly €18 million. Egypt shifted some of its workforce to subcontracting in 2021 (workforce of 221 versus 405 in 2020). The impact on payroll was -€2.2 million between 2020 and 2021.

This decrease of nearly €20 million was offset by a nearly €14 million increase, mostly due to higher payroll in France (+€10.6 million between 2020 and 2021). The remainder stemmed from: growth in profit-sharing in France and Brazil (+€3.3 million, *i.e.* a nearly 70% increase in these two countries' total profit-sharing between 2021 and 2020), serving as an example of the redistribution of value-added to employees.

The increase in payroll in France (+€10.6 million between 2021 and 2020) is due, as in 2020, to:

- recruitment of management for the ecological, solidarity and digital transitions, and for major projects (Grand Paris, TELT, etc.);
- the deferral effect of acquisitions and general increases;
- "purchasing power" and "Covid-19" bonuses paid in 2021.

Personnel costs

(in thousands of euros)	2021	2020
Wages and salaries	360,373	371,372
Payroll taxes	116,256	113,791
Employee profit-sharing	8,070	4,758
Personnel costs	483,699	489,921
Average number of employees of the consolidated companies	9,476	9,902

3.1.8.5 Taking long-term action to promote inclusivity, the key to performance and creativity

"Reduce inequality"

The Vicat Group continues to adopt an inclusive approach both in its policies for employees and those for local residents in the countries in which it operates.

These policies include diversity, gender equality and anti-discrimination initiatives and reflect a desire for stable employment by offering permanent contracts to a vast majority of employees (nearly 94% of Group employees in 2021, as in 2020 and 2019). In France, nearly 94% of Group employees have a permanent contract (out of a sample group that includes apprenticeships).

As an example of the Group's commitment to inclusivity, an in-house guide entitled "Best practices for effective and inclusive recruitment" was introduced in 2019 and rolled out to the Group in 2020, with a related e-learning module.

3.1.8.5.1 Commitment to equal treatment of women and men

No pay gap

"Gender equality"

The Vicat Group recognizes the positive impact of women in its business. Gender equality remains one of the basic elements of its human resources policy and performance. Measures appropriate to each country are adopted to ensure equal access to jobs and training and equal treatment in terms of compensation and promotion between men and women. All actions and results are supported by the Louis Vicat Foundation, with its Chair's constant commitment to gender equality.

These results are achieved despite the constraints due to the industrial nature of Vicat's business and jobs.

Because of prejudice, industrial jobs remain very much the preserve of men. Blue-collar jobs account for 50.1% of the total workforce, and in 2021 only 2.5% (2.3% in 2020, 1.9% in 2019) of these jobs were held by women. The result is the low proportion of women (11.5% in 2021, 10.7% in 2020) in the salaried workforce.

In 2021, the partnership agreement was renewed between Vicat and *Sport dans la Ville*. Vicat is participating in the *Industrie'elles, Déployez vos Ailes!* project. The goal is to change perspectives and break down the clichés that discourage young women from pursuing industrial careers. The young women in the *L dans la Ville* program work to understand the obstacles that stop them discovering the industrial sector, come up with concrete solutions to promote exploration of the sector and contribute to discussions on career paths and job searches in this sector.

The Group has always striven to overcome these obstacles. For example, early on the Group understood that innovation, the cornerstone of its history and its strategy, requires the presence of female employees. The Research & Development and Marketing department teams are thus made up primarily of women (including in leadership roles).

Back in 2016, an action plan was launched in the Group countries where female employment is traditionally low to recruit women to these positions, thereby demonstrating that Vicat was prepared to break with the norms.

In 2021, the Group continued its action to "ungender" the positions in the minds of (internal and external) recruitment personnel and the applicants themselves.

Per the Effective and Inclusive Recruitment Guide, it is standard practice to systematically include women among the candidates put forward, including for positions traditionally held by men. This applies to work placements, work study/apprenticeships and fixed-term, permanent and temporary posts. In Senegal, the Gécamines subsidiary (Aggregates business) thus hired women to fill two of the three open management/supervisor positions at its headquarters in 2021.

The Group is working to make workstations and equipment more ergonomic. Given the lack of women in training courses for industrial professions (in mechanics for instance), it is developing apprenticeships for young women.

Through teamwork, coaching, training sessions and the sharing of best practices, the objectives are to identify female talent, improve women's performance, accelerate their leadership maturity, their awareness of their specific qualities, style and roles as leaders (a strong leadership characteristic within the Vicat Group) and to lower external and internal obstacles to giving key positions to women.

To further the quest to include more women in the workforce, the Group has joined several networks: *Femmes et Leadership*, *Femmes et Entrepreneuriat* and *Entreprises Réseau Egalité*, including in French-speaking Africa the *Forum international des pays francophones d'Afrique sur le leadership féminin*. The Sococim Foundation, operated under the technical supervision of Senegal's Ministry for Women, Families and Gender, supports the Group's policy to recognize the role of women in business by helping Senegalese women develop their own businesses.

Recruitment and internal promotions (also the result of a training policy for women) are concrete examples of the success of the Group initiatives.

Thus, 45% of the Corporate management team surrounding the Group's Chairman and Chief Executive Officer is made up of women.

The Vicat Group pays particular attention to the equal treatment of women and men. In terms of salary, the Vicat Compensation Committee notes that the continuity of Vicat's gender equality policy, driven by merit-based promotion, helped to keep the difference low between 2020 and 2021. As expected, three women are in Vicat's top 10 salaried positions as of 2021. Internal promotion initiatives are continuing in order to achieve parity in Vicat's top 10 salaried positions.

Since 2017, to exceed the targets set out in the agreement on gender equality with regard to pay (approved by its labor partners), the Company has embarked on a detailed salary review together with its labor partners to identify potential gender pay gaps on a "post-by-post" basis and has agreed in principle to a special remedial budget. The study revealed that the gap was close to 0% in terms of amount and value. The necessary adjustments have therefore been made.

These results illustrate Vicat's parity policy driven by promotion on merit.

In accordance with the French law *Liberté de choisir son avenir professionnel* (Freedom to choose a professional future) adopted in August 2018, the Vicat Group has published the results of the gender equality index for its companies in France. Based on either 4 or 5 indicators depending on the size of the company, companies must score at least 75 out of 100 on this index. For instance, the French companies having at least 250 employees all scored above 75 in 2021. The Chairman and Chief Executive Officer has decided to apply this Index to all Group countries. Each Group company has an action plan to achieve the score of 100.

S.A. Vicat: Score = 89/100 (2021)

Béton Vicat: Score = 81/100 (2021)

V.P.I.: Score = 84/100 (2021)

Sigma Béton: Score = 87/100 (2021)

SATM: Score = 81/100 (2021)

For the companies Granulats Vicat, Vicat France Services Support, S.A.T.M.A. and Delta Pompage, this calculation is not possible (owing to current regulations in force).

In addition, since 2018, for the first time in the Group's history and likely in French industry for a group of our size, a woman has held the position of central union representative from Force Ouvrière (the majority union).

In France, another example of an agreement in favor of professional equality is improved parental leave with no change in remuneration. This measure was confirmed by a new agreement when the law authorized an increase in parental leave from 11 to 25 days from 1 July 2021 (32 days for multiple births).

Since 2017, the Company has had one of the youngest female directors on Euronext with Éléonore Sidos (24 years of age in 2021). With this appointment to its Board of Directors, the General Meeting and the shareholders have set an example for young female talent to fast-track towards gaining intensive professional experience and taking on significant responsibilities.

Vicat's Management also decided to bring an employee representative into the Board of Directors starting in 2016, even though by law it was not required to do so until a later date. Given the quality of labor relations, the Works Council's method of appointment is such that it was only natural to have woman fill this role.

Workforce as at December 31, 2021 by gender, category, average age, and average years of service

(in number of employees)	Total	INCLUDING Executives	INCLUDING White-collar staff	INCLUDING Blue-collar staff	Average age	Average years of service
Women	1,097	278	701	118	36.6	7.5
Men	8,418	1,414	2,352	4,652	38.6	9.5
TOTAL	**9,515**	**1,692**	**3,053**	**4,770**	**38.6**	**9.3**

Analysis of the workforce as at December 31, 2021 by gender

(in number of employees)	2021
Women	11.5%
Men	88.5%

Proportion of women as % of workforce

Proportion of women as % of total workforce	2021
Management	16.4%
White-collar staff	23.0%
Blue-collar staff	2.5%
GROUP TOTAL	**11.5%**

Of which France	2021
Management	27.5%
White-collar staff	26.6%
Blue-collar staff	2.7%
GROUP TOTAL	**19.6%**

The proportion of women employed in the Group continued to grow to reach 11.5% in 2021 (10.7% in 2020, 10.6% in 2019, 10.4% in 2018).

In France, the employment of women increased (19.6% in 2021, 18.5% in 2020, 18.7% in 2019) due to growth in the number of women in the Management and White-collar categories. With female workforces of 25% and 21.7%, respectively, Kazakhstan and Italy still rank the highest, along with France. The Ciplan subsidiary is the Brazilian cement company that proportionately employs the most women in this country (11%).

Reflecting the actions taken by management in each country, the percentage of female executives in the Group increased in 2021 to 16.4% (13.9% in 2020 and 2019). The countries where the proportion of female managers is close to or greater than 30% are Italy (50%), Kazakhstan (27.8%) and France (27.5%). France achieved this percentage in 2021 by recording an increase in its proportion of female executives (25.7% in 2020, 25.2% in 2019). Nearly 34% of executive hires in France were female in 2021. Two countries are nearing a proportion of 20% female executives: Brazil (18.4%) and Senegal (17.6%).

3.1.8.5.2 Commitment to diversity

4 QUALITY EDUCATION

"Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all"

Human resources policies are framed by adherence to and promotion of the values that underpin the Group's culture. They take into account social transition issues.

An intergenerational policy for employees, jobs and skills

Recruitment, training, compensation and promotion policies stipulate that the Group cannot discriminate against an employee or applicant on the grounds of age.

The profiles of younger and older candidates hired in 2021 are a direct result of these policies. Taking working conditions into account, the health and safety in the workplace policy backed by management supports the retention of employees over the course of their career.

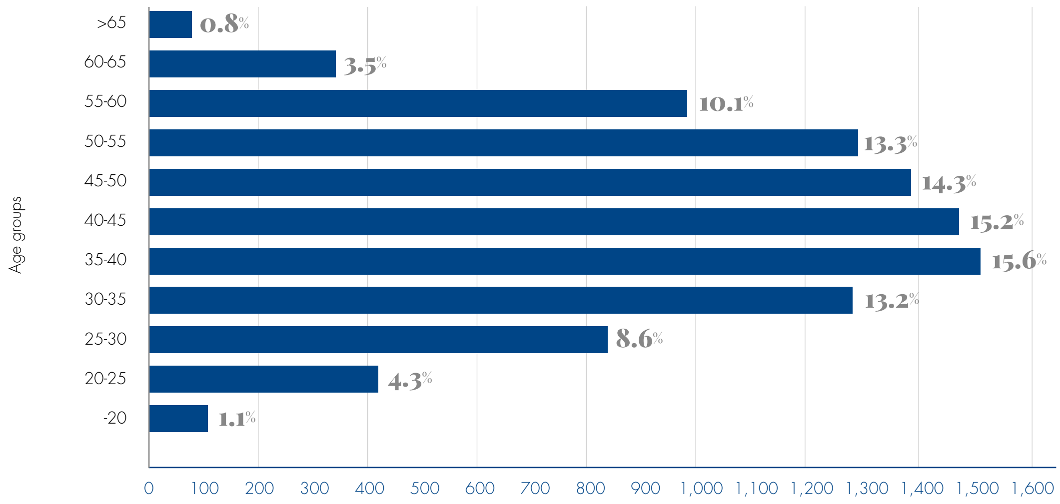
The management teams at the Group's businesses pay particularly close attention to training employees to prevent obsolescence in terms of employability, skills and performance.

New hires are given on-the-ground training to benefit directly from the skills and knowledge of more experienced employees.

In France, in order to bolster training courses in the materials industry, the objective in terms of apprenticeships was to reach 5% of the workforce in 2021. At 5.5%, the Group exceeded this goal. The commitment to achieving parity in this group remained intact in 2021, yielding 40% female talent versus 60% male talent. In 2020 and in 2021, the Group's activities in France were partners of the French government's plan - *France Relance - Les Entreprises s'engagent: 1 jeune, 1 solution*, with the support of the Louis Vicat Foundation.

Other initiatives to help children and young people are listed in the **"In education to improve student facilities and learning" section.**

Age pyramid as at December 31, 2021



In 2021 as in 2020, the Group had a balanced age pyramid.

Nearly 70% of the workforce is under the age of 50 and nearly 30% is over the age of 50.

The underlying trend is team stability. This stability also confirms the absence of a policy that encourages the departure of older workers and the lack of discrimination against this category

In preparation for the impact of retirements, the Group ensures that there is a handover phase with recruitment for the effective transfer of knowledge and life skills between generations.

Change in average length of service and average age workforce

	AVERAGE AGE		AVERAGE YEARS OF SERVICE	
(in number of employees)	**2021**	2020	**2021**	2020
Group	38.6	41.1	9.3	9.2
Of which France	42.5	38.5	10.9	11.4

Situation

The cumulative stability of the average age within the Group and the average length of service reflects the general stability of the workforce and illustrates the responsible sustainability for which the Group strives in terms of employment.

The measures taken by the Group to promote the employment of people alienated from the job market involve concrete actions:

Regular visits to our sites by the long-term unemployed; work experience; and permanent contracts offered to young people with no qualifications so they can receive training (with the CFA (apprentice training center) in France, for example) before starting their new position. Assistance is provided by organizations that promote integration into the workforce (*Missions Locales*, *l'École de la 2e chance*, *Pôle Emploi*, etc.).

Vicat has an active policy to recruit and train people alienated from the employment market in the countries in which it operates. For example, in India almost 400 villagers (often illiterate and uneducated) were trained then hired to work at the Kalburgi and Bharathi cement factories.

Since 2013, Altola, a Swiss Group company, has been working with Oltech GmbH, a not-for-profit company offering socio-professional opportunities for the long-term unemployed. Altola involved an average of six participants from Oltech in 2021 in work on the recycling of electronic waste at its Olten site. These individuals are supervised by socio- professional support workers. Altola has already made two hires via this program.

In 2018, the Vicat Group accepted French President Emmanuel Macron's invitation to join the *La France une chance, les entreprises s'engagent* and "P.A.Q.T.E" (*Pacte avec les Quartiers pour toutes les Entreprises*) initiatives, which are included in the *France Relance* plan, in order in particular to increase the number of apprenticeships, mentorships and hires involving residents in disadvantaged city neighborhoods and areas designated for rural development.

Since 2019, the Vicat Group has become involved with inclusivity clubs in Isère, Alpes-Maritimes, Rhône and Allier. Sophie Sidos, Chair of the Louis Vicat Foundation, was appointed co-leader of the Isère inclusivity club by the Minister of Labor.

Ever closer partnerships with associations focusing on social insertion such as *Sport dans la Ville*, *Tous en Stage*, *Institut Télémaque*, Afiph (*Association Familiale de l'Isère pour personnes handicapées*), *Les entreprises pour la cité* and establishments to help job seekers, such as *Écoles de la 2e chance* and *Missions Locales*, have helped turn these commitments into concrete actions. Permanent positions have been reserved for individuals from disadvantaged city neighborhoods and areas designated for rural development. In 2021, 15 mentorships have been set up between a Vicat Group employee and a young person from the *Sport dans la Ville* association or the *Institut Télémaque*.

In 2021, the partnership with the *Tous en Stage* association (France), and the *Les Entreprises* association (Nice) led to the Group's activities in France hosting interns from high schools within France's priority education network scheme. This experience offers young people a wider and more diversified view of the business.

As part of its intention to include women of all ages and social backgrounds in the Company, the Vicat Group's actions have focused on raising awareness of careers in industry among young women. Young women from the *L dans la Ville* program run by *Sport dans la Ville* were able to meet with Group employees.

In 2021, as part of its apprentice hiring program, two young migrants continued their career within the Group. The teams mobilized to ensure that they had access to the same housing conditions and furnishings (with donations of a refrigerator, a washing machine, dishes, etc.) as the other apprentices.

Measures to promote the integration of disabled people

The Vicat Group applies a proactive policy in relation to disabled people on a country-by-country basis, and this despite the health crisis.

Group companies thus employ disabled workers directly, on all types of permanent, apprenticeship, internship and other contracts, through contacts with specialist organizations.

In France, the Group's approach is supported by organizations including the Disabled Persons' Occupational Integration Fund Management Association (or Agefiph) and the Isère Family Association for the Disabled (or Afiph).

In France, disabled employees represented 2.7% of the workforce in 2021 (versus 2.1% in 2020). Two-thirds of the jobs held by disabled employees are industrial jobs. At the Montalieu cement plant, the Group's flagship industrial facility in France, disabled employees represent 7.7% of the workforce and they all hold industrial jobs.

This policy is also reflected abroad, in particular in Brazil (2.7%), Turkey (2.3%), Mauritania (2.9%), Italy (4.8%) and Egypt (8.6%).

In 2021, the Louis Vicat Foundation focused its efforts on inclusion of persons with disabilities.

A large range of actions are taken to help Group employees find out about, recognize and accept disability.

These actions are requested by General Management and supported by the support services (human resources internally and purchasing department externally), with the support of the Louis Vicat Foundation. All of the France-based teams took part in the European Disability Employment Week held November 15 through 21, 2021. A communications campaign was launched at the Group that week. This communications campaign took the form of posters featuring some of the Group's disabled employees in their work group. The purpose of the campaign is to raise teams' awareness and combat any stereotypes that might persist. For example, the campaign features teamwork success stories, like those of a hard-of-hearing heavy truck driver and an employee who works in our quarries and has a debilitating lung disease.

This campaign will continue in all Group entities and includes "chats" on the topic. In France, the teams' participation in DuoDay (November 2021) wrapped up with three work experience opportunities (two at the Group's headquarters and one in an industrial setting). The Group has rolled out a series of actions targeting research into cystic fibrosis at the initiative of the Chair of the Louis Vicat Foundation: awareness-raising among French customers and partners with a message printed on 200,000 bags of cement; team participation; and financial donations for the *Les virades de l'Espoir* event, which aims to raise funds for cystic fibrosis research.

Partnerships have been developed to combat prejudice which prevents disabled people from finding jobs in industry.

The Group seeks to lead by example. That is why it created a disability committee in 2021. This committee is made up of the chair of the Louis Vicat Foundation and representatives from management, employees and our labor partners. Its main missions are to promote and spearhead initiatives around disability, such as awareness-raising, internal communications, and work relating to workplace adjustments. This committee meets four times a year and is breathing new life into the approach taken by the Group for many years.

42% of the permanent employees of SODICAPEI, a french company specialized in mining and marketing bauxite, are disabled, thereby embodying an innovative, sustainable policy in relation to employment benefits (medical cover, pension, etc.) and social recognition.

The commitment to retaining our disabled employees is demonstrated mainly through workspace adjustments, either by organizing working hours (reduction in or adjustments to working hours), or by adapting our workstations (ergonomic workstation design, adjustments to the workstation in terms of task content, training, etc.).

The development of subcontracting in the sheltered employment sector (assignment of disabled workers to Group companies, provision of services, such as upkeep of green spaces, the removal of certain waste, mail, etc.) is another solution that has been implemented. For example, in 2021, the Group's Purchasing and IT departments subcontracted the recycling of all the obsolete IT equipment from Vicat's headquarters to AfB, a sheltered employment company specializing in the recycling of IT equipment.

The Group continued to pursue our objectives in 2021, with assistance from the Louis Vicat Foundation:

- continue to raise awareness and provide training for people with disabilities (all audiences, all ages);
- retain our disabled employees by developing our partnerships with external specialists: occupational health, associations, etc.;
- increase direct employment, mainly in France, to 3.8% (French national average) in 2022, despite the difficulties we are facing:
  - most of our sites are in rural or suburban areas and require means of transport,
  - our industrial careers are too often wrongly perceived as being incompatible with disability by disabled people and their families;
- develop indirect employment via the development of contracts signed with the protected sector.

3.1.9 Business ethics and compliance

3.1.9.1 Vicat Group vision

Faced with more stringent regulations (and more specifically the Sapin II law in France), the high level of ethics risks in emerging markets, the rapid growth in digital communications, the speed of information on the social networks and, lastly, the growing demand for corporate transparency, the Vicat Group is making every effort to strengthen its culture of integrity and ensure its long-term success.

3.1.9.2 Goal

Share ethical business practices wherever the Vicat Group operates.

3.1.9.3 Position and achievements in 2021

The Vicat Group, which is headquartered in France, is registered on the declaration website of the (French) High Authority for Transparency and Public Life, in charge of monitoring ethics and conflict of interest issues relating to the exercise of public functions.

The Vicat Group has implemented various compliance policies and training courses to prevent certain behaviors that could damage its image and reputation. Its good reputation is integral to its continued economic activity since it gives both its customers and its suppliers and employees a sense of security. A training effort was made in 2021 despite the impacts of the Covid crisis: the training rate among the target group increased from 51% in 2020 to 72%.

These policies aim to:

- prevent and combat corruption, which relies on the dissemination of the code of ethics (a streamlined document that contains the Vicat Group's intrinsic and fundamental values and its principles of action) supplemented by the anti-corruption code of conduct translated into all of its subsidiaries' languages (a more comprehensive document that incorporates the behaviors to adopt to meet the commitments of the code of ethics and that concerns all employees as they perform their day-to-day duties);
- prevent anti-competitive practices;
- prevent and manage risks related to current international sanctions; and
- prevent information security breaches pursuant to the General Data Protection Regulation and manage cyberattacks.

The Vicat Group has a Compliance Department that reports directly to the Chairman and Chief Executive Officer (in accordance with the recommendations of the French anti-corruption agency (AFA)) and that implements and monitors these policies and their effectiveness. It receives assistance from Internal Audit for its operational procedure audits. It leads a network of 13 Compliance Officers present in each country. Backed by this network, the Department can develop a high-quality ethics culture based on employees' commitment to the Group's values and the good judgment of a management team focused on accountability.

- In accordance with its obligation, Vicat Group entities evaluate third parties using the "Third-party evaluation" Group procedure.
- The Vicat Group continues to roll out a communications and training plan. It regularly holds training sessions on competition law conducted by specialized attorneys. These are targeted first and foremost at the operational units and sales executives. In 2021, all members of the French Management Committee underwent this training.
- The Vicat Group ensures the effectiveness of these policies through a reporting process, under which it conducts unannounced checks and audits. An update on actions underway or to be updated is provided at each meeting of the Audit Committee, as well as at meetings of the Compliance Committees. To evaluate its procedures and its entire approach to business ethics, the Vicat Group draws on the expertise of ADIT, an audit firm specializing in compliance and boasting international expertise. The updates to the corruption

risk map, which must be reviewed regularly according to the AFA, were made independently and objectively. The Vicat Group is now undertaking a continuous improvement process in this respect.

- In accordance with its legal obligation, the Vicat Group's ethics system includes a disciplinary sanctions procedure, and a whistleblower hotline has been set up. This allows employees, but also suppliers and customers, to safely report anything that might be considered questionable behavior from a best practices standpoint. All reports are processed and lead to the adoption of appropriate measures.

3.1.10 Responsible purchasing

3.1.10.1 Vicat Group vision

The Vicat Group engages in sustainable sourcing from an environmental, social and economic point of view.

3.1.10.2 Goal

The responsible purchasing policy, which was formalized by the Purchasing Department in 2021 and entered the roll-out phase at the beginning of 2022, aims to balance profitability with corporate social responsibility. The Vicat Group would like its suppliers to adhere to its code of conduct and endeavors to reciprocate.

3.1.10.3 Position and achievements in 2021

The "responsible purchasing" roadmap and its specific targets are being revised to factor in changes in the Group's other environmental and social policies.

The challenges for the Group are as follows: secure its purchasing, reduce the overall footprint of its purchases and contribute to the socioeconomic development of the countries where it operates.

The Group Purchasing Department works with the Energy and Raw Materials Department to supervise and support the implementation by the Group subsidiaries' procurement units of a purchasing approach that combines social, societal and environmental factors with economic factors.

In 2021, training began in France to raise buyers' awareness of CSR and the SDGs. The percentage of buyers trained within the Group is currently 15% and will increase to 100% in early 2022.

The Group Purchasing Department has finalized the "*Group Purchasing Directive*," which aims to define the key rules of the purchasing process. It is now rolling out this new directive.

The Vicat Group's responsible purchasing policy is structured around the following key priorities:

Promoting local purchasing

- The Vicat Group is working toward local purchasing and sourcing (in the country where the need exists). The average percentage of national purchasing is currently 60%.
- The Vicat Group pays particularly close attention to its business relationships with small and medium-sized enterprises in the country. The average percentage of purchases made from small and medium-sized enterprises is estimated at 60%.
- The Group Purchasing Department encourages all Group subsidiaries to give preference to inclusive suppliers, in particular to companies that choose to employ people with disabilities to meet their needs. To date, this newly implemented approach shows a 15% increase in France in revenue, relative to 2020, from ESATs (organizations that help the disabled find work) and sheltered employment companies, which corresponds to about 30 companies.

Managing a group of responsible suppliers

- The Vicat Group seeks to work with suppliers that have implemented CSR approaches. This commitment is reflected in a concrete action plan in the vetting process and throughout the business relationship.
  - In 2021, the Group began the complete overhaul of its supplier code of conduct (developed in 2012 in France) with roll-out to the Group expected in early 2022.
  - In its negotiations with suppliers, it encourages innovative proposals to promote the ecological and energy transition and continuous improvement processes with respect to working conditions (health and safety, ban on child labor). In 2021, 15% of the Vicat Group's purchasing contracts included a specific CSR clause.
- The Vicat Group's efforts also concerned the implementation of an appropriate supplier evaluation procedure.

In 2021, the Group used its initial mapping to identify its main supplier risks, in particular with respect to the following impacts:

- impacts on suppliers' employees exposed to health and safety risks;
- impacts on suppliers' employees exposed to risks related to non-compliance with human rights and labor law;
- impacts on suppliers' local communities exposed to an environmental pollution risk related to suppliers' businesses and products;
- impacts on suppliers' employees exposed to discrimination risks.

3.1.11 Socioeconomic development of the countries

3.1.11.1 Vicat Group vision

In addition to its regulatory corporate responsibility approach, the Vicat Group has chosen to pursue a philanthropy policy, for which it also relies on its two corporate foundations (Louis Vicat in France and Sococim in Senegal). It works to develop countries by giving priority to the themes of community health, education, inclusivity, solidarity, community events, and support for the economic fabric. The Vicat Group helps organize economic, cultural and sports events.

3.1.11.2 Goal

Building on its values, the Vicat Group strives to promote countries' development by sharing the value created over the long term.

Its philanthropy policy aims to make it more common to sign agreements with local associations and institutions so they can engage in a better dialogue to achieve shared goals.

Its philanthropy can take the form of financial assistance, in-kind donations (construction materials) or skills sharing, which encourages employee involvement.

Its goal is a better integration and better understanding of the positive role of the Group's activities.

3.1.11.3 Position and achievements in 2021

In 2021, the amount donated was €5 million, broken down as follows: approximately €3.6 million committed by Group subsidiaries and approximately €1.3 million committed by its subsidiaries in France.

The Vicat Group chose to pay particularly close attention to the most vulnerable stakeholders through a strong commitment to education in the broad sense of the term, namely:

- teaching, training, and learning conditions:
  - the Vicat Group partners with schools, like the La Mache school in France, which trains middle managers in the industrial sector. It participates in multidisciplinary research work mainly through its support of two chairs: the Vulnerabilities Chair at Lyon Catholic University (UCLY) and the Chair for Economic Peace, Mindfulness and Well-being at Work at Grenoble École de Management,
  - The Vicat Group supplies construction materials for school infrastructure as well as educational materials (IT tools, office furniture, manuals). It also awards merit-based scholarships. It has taken a number of actions in this area in India and Senegal, with the Sococim Foundation. No less than 2,000 students benefited from these measures in 2021;
- health education (information, prevention and awareness campaigns for certain diseases such as malaria, autism, and breast cancer as part of Pink October, and disability). The Group is making every effort to facilitate access to local care, in particular in countries where the populations are the most vulnerable. The Vicat Group continues to mobilize against the Covid-19 pandemic;

Ma chance, à moi aussi association (in France)

This is a program that provides academic support to children aged five to seven from disadvantaged neighborhoods. It offers a range of activities at after school clubs, including schoolwork, games, cultural activities, and sports.

- sports initiatives: employees' participation in the *Virades de l'espoir*;
- cultural initiatives, such as support for the Dakar 2021 Carnival, which promoted and highlighted Senegal's cultures and popular traditions. Cultural activities were strongly impacted by the Covid-19 crisis in 2021, and most projects that had face-to-face content were postponed;
- protection of heritage and development of green tourism with Via Rhôna in France (in Isère);
- entrepreneurship initiatives.

The Vicat Group is an economic player that contributes to the overall development of the regions where it operates.

Its strong links with the local communities ensure these initiatives are successful and sustainable. They are initiated by the different local managers but are also widely supported and implemented by all employees who give their time.

Improve student facilities and learning

Vicat's actions target all levels of education, from primary school to university, and support local government policies. They relate to the improvement of learning conditions (supply of materials for maintaining or building the institutions for students); supply of equipment (from IT tools to office equipment); granting of merit-based scholarships; placement of interns and apprentices to train them for long-term jobs, like those offered by the Group; and construction of roads to make schools accessible.

In India, the Vicat Group has created three kindergartens in the state of Andhra Pradesh, just a few kilometers from its Kadapa factory. As a result, 615 young children received the supervision and meal service that they needed. The Group continued to supply the digital tools needed to hold online classes within the Louis Vicat DAV Vidya Mandir school groups (380 students at the Bharathi cement plant and 498 students at the Kalburgi cement plant), which were built at the initiative of the Chief Executive Officer for the Vicat Group's operations in India, Anoop Kumar Saxena. Also at his instigation, material and financial support was provided to the Ambubai school for young girls who are blind.

In Brazil, Ciplan is establishing partnerships with the following three universities to make it easier for students to find jobs: University of Brasilia (UnB), University Center of the Federal District (UDF) and Paulista University (UNIP).

In Kazakhstan, in 2021 the Jambyl Cement Company subsidiary continued its partnerships with South Kazakhstan State University and Taraz Polytechnic High College for training in industrial occupations (chemists, welders, plumbers, mechanics). In 2021, 25 students received a "Jambyl Cement Company" scholarship.

In Turkey, every year the Konya Cimento subsidiary awards 22 scholarships to students who graduated with honors from Konya Anatolian High School so they can go to university.

In France, the Group is closely involved in the government's *1 jeune, 1 solution* initiative with the following actions and support from the Louis Vicat Foundation:

- Each year, it participates actively in *Mon stage de troisième* with the *Tous en stage* association.
- Middle schoolers have opportunities to learn about industrial occupations thanks to the *100,00 entrepreneurs* association, and the Group's female employees routinely participate to help attract young women to the industry.

The Group also regularly organizes site visits to explain its businesses and the challenges of the ecological and solidarity transition. Specific actions are organized around this topic with the *Missions Locales* and *Sport dans la Ville* for young people from disadvantaged city neighborhoods and areas designated for rural development. In 2021, like other leaders of major French groups, Guy Sidos, Chairman and Chief Executive Officer, enlisted the management teams to mentor a young person as part of the government's *1 jeune, 1 mentor* program. The goal is to reach 50 mentorships between 2021 and 2022, with the assistance of the *Sport dans la ville*, *Institut télémaque* and *Article 1er* associations. The SATM subsidiary formed a partnership with the *Ma chance, moi aussi* association, which is involved in providing academic support to children aged five to seven from disadvantaged neighborhoods at after school clubs offering a range of activities including schoolwork, games, cultural activities, and sports. Important subjects such as the value of community life, personal beliefs, ethical values, etc. are also touched on.

In 2021, the Group established a partnership with the largest skills competition in the world, the WorldSkills France Competition. This competition is held every two years under the umbrella of the WorldSkills International association. It gives young professionals from around the world, French champions in their profession, an opportunity to test themselves in an international competition held at a single site. The words that can be used to describe the WorldSkills Competition are youth, sharing, effort, engagement, fair play, excellence, open-mindedness and respect for cultural diversity. As a Skills Partner, the Group pledged to supply construction materials at the National Finals for the skills of: reinforced concrete construction; city planning and pipe networks; and masonry. During the National Finals, which will be held from January 12 to 15, 2022 at Eurexpo in Lyon, competitors will have to build structures that focus on the technical difficulties of each skill, under conditions very similar to real-life situations at companies. Adherence to deadlines and budgets, optimal use of equipment and materials, and safety are just some of the constraints that must be respected, in accordance with existing requirements. These National Finals will bring together the best competitors and signal the start of a global adventure with the WorldSkills Competition Shanghai in 2022, and of an incredible European experience with EuroSkills, which will take place in Saint Petersburg in 2023.

In Senegal, the Group took part in the rehabilitation of the Gouye Mouride primary school in Rufisque. With the support of the Sococim Foundation scholarship, Mr. Ababacar Sadikh Sembene was able to join the Ecole polytechnique in France. Twenty students benefited from this scheme between 2020 and 2021. The Sococim Foundation has also signed research support agreements with the Cheikh Anta Diop University in Dakar.

A partnership was established in 2020 with the NGO Human Right Watch to promote access to education for young girls in Africa. In 2021, this partnership supported Human Rights Watch's action in Tanzania, which culminated in the following historic decision by the Tanzanian government: pregnant young women can continue to go to class and teenage mothers can go back to school after they give birth, which had previously been forbidden.

The Group works alongside architecture and engineering schools to pass on knowledge of its businesses and to develop joint projects on research and innovation. One such example is the partnership with ESTP, a specialized civil engineering school, in Paris.

Facilitating access to care

The Group takes steps to provide access to community care, in particular in the countries in which public infrastructure is not available or is limited: programs to combat malaria, clinics open to local communities, free access to certain care services, free transport by the cement plant ambulance, financial contributions or gifts of medical equipment to local hospitals, telemedicine centers, etc. Every country has such initiatives.

Across its various countries the Group thus participates in October Rose each year, an initiative to raise awareness around breast cancer.

In the United States, National Cement provides financial support to the Magic Moments Society, to enable children with chronically life threatening medical conditions to make their dreams come through.

In 2021, as in 2020, as part of the efforts to combat the Covid-19 pandemic, the Group mobilized in the countries where it operates by distributing kits (gels, masks, gloves) to local communities, by taking action to raise awareness of preventive measures and by the support provided to local medical infrastructure.

In 2021, for example, the Group showcased various actions undertaken in India and Senegal.

Covid-19

The Indian subsidiaries took part in awareness campaigns to combat the pandemic in the villages around their cement plants. They helped provide masks, gels, etc. to these villagers. They funded respiratory equipment for public hospitals in the district of Kalaburagi and for the South Central Railway Hospital in the district of Secunderabad. The subsidiary Kalburgi began renovations (beds and medical equipment) in the Chincholi public hospital of 19 treatment rooms for people suffering from Covid-19.

Doctor visits

In India, the Group established the Electronic Primary Health Center in the village of Chatrasala (close to the cement plant at Kalburgi), which offers teleconsultations, with in particular an international-standard cardiology department. The second medical center is based in Nallalingayapalli (close to the Bharathi cement plant). Rural patients have access to specialist doctors at the "Apollo" hospital in Hyderabad by means of video-conferencing. These two centers have laboratories. In addition, Country management opened a dialysis center near the cement plant at Kalburgi in 2019. In 2021, 20 rural patients got treated with 1,695 visits having taken place since its opening.

Access to drinking water

The Group works to provide access to drinking water in developing countries. For example, in India, close to 2,000 families have access to drinking water thanks to investments by country management. This has led to a significant reduction in illness amongst children and adults in this group.

Access to public toilets

The Group is mindful that access to public toilets has a significant impact on human health and on the education of young girls (so that they can enjoy schooling without a monthly break) in developing countries. In this respect, in India and Senegal, the subsidiaries have contributed to the construction of a total of close to 1,000 public toilets.

Waste management

Waste management in the villages around the Group's cement plants in India is supported by our local teams. Efforts are made to raise the awareness of villagers. Waste collections are organized. In 2021, close to 350 metric tons of dry waste was incinerated in the kilns of these cement plants, and close to 150 metric tons of wet waste was recycled in compost. These efforts thus made it possible to eliminate fly-tipping along with the related pollution.

In Senegal, the Sococim Foundation has played an active role in the Rufisque Marche Propre program since end-2014, to improve living conditions in the center of Rufisque and to develop an integrated waste management system. Some of this waste is recycled in the kilns at Sococim.

Access to food for local communities

Two initiatives are run in parallel in India: provision of food for infants (615 children in 2021) in the villages surrounding the cement plants and for people suffering from AIDS (434 in 2021); the raising of dairy cattle to provide sustainable nutrition locally.

In Senegal, the Sococim Foundation began a program consisting of planting fruit trees in 2015. Since then, close to 9,000 fruit trees have been planted in the Department of Sandiara, benefitting 111 families both to feed them and for use in their business activities.

Handicap

For example, in Kazakhstan, the Vicat Group made a donation (close to €200,000 in 2021) to help build a care center for children with disabilities (50 places) in Taraz.

In Senegal, as they have in previous years, Sococim and the Sococim Foundation continue to support Association pour la Protection des Enfants Déficients Mentaux to ensure these children receive a broad education and professional training that is tailored to their disability.

In France, the subsidiary SATM makes an annual contribution to Association Zigomatic, which works to improve the lives of people with physical and mental disabilities through musical performances. With the Covid-19 pandemic, this association played a critical role during the lockdowns, which were difficult times for people with disabilities who were in care.

Assisting development through sport

The Group sponsors several sports clubs in the countries where it operates. Accordingly, given its local roots in the Lyon area and its particular focus on the development of women's sport, Vicat Group has solid, sustainable ties with the Olympique Lyonnais women's soccer team. A partnership between the women's team of F.C. Grenoble Rugby and Vicat was signed in 2021, on top of the one that already existed with the men's team. In Senegal, Sococim sponsors the Rufisque women's team, which has a number of the national team players, alongside the Rufisque men's football team.

The Group's support also involves providing equipment for the facilities. Gécamines thus provided aggregates free of charge for the Ngoudiane stadium.

Supporting entrepreneurial activity

Due to the nature of its industrial operations, Vicat Group creates numerous jobs both upstream and downstream of its production units. In the industrialized world, for every one direct job in a cement plant there are 10 associated indirect jobs. This is particularly the case in France (data published by the Infociments website) where upstream suppliers and the whole ready-mixed concrete and precast concrete sector are linked to a cement plant operation in the Group's local network. Often more staff are employed on production sites in developing countries than in developed countries. It is less common to outsource the support functions (maintenance, for example) because of a lack of qualified industrial infrastructure for the cement industry. In Mali or Senegal, the cement manufacturing business (Senegal) generates five indirect jobs for every one direct job. In Kazakhstan and India, the ratio of direct jobs to indirect jobs related to the operation of cement plants is one to three.

In developing countries, the Group provides aggregates free of charge or helps fund road building in order to ease transportation. Accordingly, in India, some 15 km of rural roads were built to open up the villages around the subsidiaries' cement plants.

The Group is also involved in various local economic development initiatives.

In 2021, in Senegal, the subsidiary Sococim signed a partnership with *Agence Nationale de la Maison de l'Outil* for the training and placement of 100 young people from the Gouye Mouride district of Rufisque, where the cement plant is located.

The Sococim Foundation, recognized as a public interest foundation by the Decree of October 29, 2010, established by Sococim Industries, works to support the local Senegalese economy through initiatives built around entrepreneurship. The foundation provides specific support to female producer groups, working to combat poverty: some 50 projects have thus been backed, generating over 350 jobs in various sectors (agro-food processing, agriculture, retail, soap production, dying-sewing, production of household linen, production of personal hygiene items, musical production, waste management).

Initiatives by the Sococim Foundation help to boost activity in the Rufisque area by supporting the development of local companies (very often founded by women) that rely on traditional skills in various areas such as the processing of locally-grown cereals, artisan dying and the sale of fabrics.

In India, a free program to teach adult women to read is funded by its subsidiary Kalburgi in order to open doors to their employment or professional development.

In France, through the Chairperson of its subsidiary SATM, the Group chaired for example the Accreditation Committee of Alizé Savoy, a public/private mechanism comprising large companies, institutions, local authorities as well as government agencies. With job creation as its primary aim, Alizé has provided support to small and micro businesses in Savoy for some 20 years through the sharing of the expertise of the partner companies as well as through zero-rate loans. At December 31, 2021, the scorecard showed plans for a further 25 potential jobs during the year with a total of 115 businesses supported and 548 jobs created.

Spotlight on the Louis Vicat Foundation in 2021

The Louis Vicat Foundation is the corporate foundation of Vicat Group. Founded to 2017 to mark the bicentenary of the invention of artificial cement by Louis Vicat, it has set itself three aims. It firstly works to promote scientific and technical culture along with the memory of Louis Vicat and his scientific and industrial achievements. It then works to safeguard and enhance concrete built heritage. Lastly, it is involved in education, inclusion, professional placement and solidarity.

The Foundation's efforts are driven by the Group's employees. The Foundation's work is also incorporated into the Group's CSR policy.

Lookback at 2021 – Year of Women

Program L in the city (Sport dans la ville)

The Louis Vicat Foundation, as part of its partnership with Sport dans la ville, runs workshops to raise awareness amongst young women from disadvantaged urban areas regarding scientific fields and industrial trades. In 2021, the Foundation held a number of these workshops at which it in particular gave young women the opportunity to become familiar with quick-setting natural cement. These workshops were run by Group employees. A quick-setting cement workshop in the premises of Sport dans la ville in Lyon in November 2021.

Virades de l'Espoir (combatting cystic fibrosis)

The Louis Vicat Foundation, through its ambassador Nicolas Berge, is involved with Virades de l'Espoir in Bourgoin-Jallieu. It provides financial backing (purchase of marquees) and technical support (involvement in the organization), and helps raise the event's media profile. In 2021, the Foundation also had a hand in establishing Virades de l'Espoir in Vizille.

Berlioz Festival (AIDA 38)

The Louis Vicat Foundation sponsors Club Benvenuto, the club of the patrons of Berlioz Festival. Sophie Sidos, the Foundation's President, is joint President of the club. This festival provides the Foundation with the opportunity to invite partners, but also to raise the profile of classical music amongst the general public.

Trophées du Handicap (IPRA)

Vicat Group and the Louis Vicat Foundation have partnered with UNIQ event (unique conferences) and Trophées du Handicap, organized by IPRA. As part of this, the Foundation sat on the jury and gave the prize for job retention to Schneider Electric in December 2021.

La Mache school Lyon

The Louis Vicat Foundation has partnered with the La Mache school in Lyon. Sophie Sidos, Foundation chairperson, is also chairperson of the La Mache steering committee.

La Mache is a high school and a training center that works to bring young women into the technical professions. The center also offers tailored support for people with disabilities.

3.2 STATEMENT OF EXTRA-FINANCIAL PERFORMANCE IN FIGURES

Environmental topics

Theme & Indicators	Scope	2021
MATERIALITY		
Provisions and guarantees in respect of environmental risks *(in millions of euros)*	Group	61.2
Environment-related investments *(in millions of euros)*	Group	74.5
MANAGEMENT OF RESOURCES AND THE CIRCULAR ECONOMY		
Total consumption of raw materials *(in millions of metric tons)*	Group	65.4
o/w share of consumed materials stemming from unprocessed natural material extracted (%)	*Group*	*94.5%*
o/w share of consumed materials stemming from substitution materials (%)	*Group*	*5.5%*
Consumption of raw materials for clinker production *(in millions of metric tons)*	Cement	34.1
o/w share of consumed materials stemming from unprocessed natural material extracted (%)	*Cement*	*95.8%*
o/w share of consumed materials stemming from substitution materials (%)	*Cement*	*4.2%*
Consumption of raw materials for cement production *(in millions of metric tons)*	Cement	5.8
o/w share of consumed materials stemming from unprocessed natural material extracted (%)	*Cement*	*76.2%*
o/w share of consumed materials stemming from substitution materials (%)	*Cement*	*23.8%*
Clinker content rate of cement *(%)*	Cement	78.9%
Consumption of raw materials for aggregates production *(in millions of metric tons)*	Aggregates	25.5
o/w share of consumed materials stemming from unprocessed natural material extracted (%)	*Aggregates*	*96.8%*
o/w share of consumed materials stemming from substitution materials (%)	*Aggregates*	*3.2%*
WATER MANAGEMENT		
Total water usage*(in millions of m^3)*	Group	18
Total water waste *(in millions of m^3)*	Group	8.8
Total water consumption *(in millions of m^3)*	Group	9.2
Total water usage*(in millions of m^3)*	Cement	9.9
Total water waste *(in millions of m^3)*	Cement	5.4
Total water consumption *(in millions of m^3)*	Cement	4.5
Specific water consumption *(in liters/metric ton of cement)*	Cement	166
Total water usage*(in millions of m^3)*	Concrete & Aggregates	6.9
Total water waste *(in millions of m^3)*	Concrete & Aggregates	2.4
Total water consumption *(in millions of m^3)*	Concrete & Aggregates	4.5
Specific water consumption *(in liters/m^3 of concrete)*	Concrete	181
Specific water consumption *(in liters/metric ton of aggregates)*	Aggregates	115
Total water usage*(in millions of m^3)*	Other Products and Services	1.1
Total water waste *(in millions of m^3)*	Other Products and Services	1
Total water consumption *(in millions of m^3)*	Other Products and Services	0.1
CO_2 AND ENERGY		
Number of kilns – Clinker production *(units)*	Cement	24

Theme & Indicators	Scope	2021
CO_2 EMISSIONS		
CO_2 emissions – SCOPE 1 – Gross emissions *(in millions of metric tons of CO_2)*	Group	18
CO_2 emissions – SCOPE 2 *(in millions of metric tons of CO_2)*	Group	0.7
CO_2 emissions – SCOPE 3 for 2020 *(in millions of metric tons of CO_2)*	Group	3
CO_2 emissions – SCOPE 1 + SCOPE 2 *(in millions of metric tons of CO_2)*	Cement	18.5
Of which gross emissions of CO_2 process (in millions of metric tons of CO_2)	*Cement*	*17.2*
Gross specific CO_2 emissions *(in kg/mt of clinker)*	Cement	835
Net specific CO_2 emissions *(in kg/mt of cement eq)*	Cement	624
Net specific CO_2 emissions *(in kg/mt of cementitious)*	Cement	619
Net specific CO_2 emissions *(in kg/mt of cement eq)*	Cement Europe	544
Net specific CO_2 emissions *(in kg/mt of cementitious)*	Cement Europe	538
CO_2 emissions – SCOPE 1 + SCOPE 2 *(in millions of metric tons of CO_2)*	Concrete & Aggregates	0.16
CO_2 emissions – SCOPE 1 + SCOPE 2 *(in millions of metric tons of CO_2)*	Other Products and Services	0.02
CONSUMPTION OF THERMAL ENERGY (FUEL)		
Total consumption of thermal energy *(in millions of GJ)*	Cement	74.1
Specific consumption of thermal energy *(in MJ/metric ton of clinker)*	Cement	3,561
Proportion of fossil fuels in energy mix *(%)*	Cement	73.9%
o/w proportion of coal and lignite (%)	*Cement*	*46.4%*
o/w proportion of coke (%)	*Cement*	*24.1%*
o/w proportion of oil and gas (%)	*Cement*	*3.40%*
Proportion of alternative fuel in energy mix *(%)*	Cement	26.2%
o/w proportion of biomass (%)	*Cement*	*10.1%*
o/w proportion of other waste (%)	*Cement*	*16.1%*
Proportion of alternative fuel in energy mix *(%)*	Cement Europe	62.9%
ELECTRICITY CONSUMPTION		
Total electricity consumption *(in GWh)*	Group	2,866
o/w self-produced electricity from renewables (in GWh)	*Group*	*139*
of which electricity that is certified from renewable sources (in GWh)	*Group*	*91*
Proportion of self-produced renewable electricity in overall electricity consumption *(%)*	Group	4.8%
Proportion of renewable electricity in overall electricity consumption *(%)*	Group	8.0%
Proportion of renewable electricity in electricity production *(%)*	Group	26.1%
Total electricity consumption *(in GWh)*	Cement	2,709
Specific electricity consumption *(in kWh/metric ton of cement)*	Cement	99
Total electricity consumption *(in GWh)*	Concrete & Aggregates	110
Specific electricity consumption *(in kWh/m^3 of concrete)*	Concrete	3.2
Total electricity consumption *(in kWh/metric ton of aggregates)*	Aggregates	3.3
Total electricity consumption *(in GWh)*	Other Products and Services	47
OTHER EMISSIONS		
Absolute dust emissions *(in metric tons/year)*	Cement	1,320
Specific dust emissions *(in g/mt of Clinker)*	Cement	64
Absolute SO_2 emissions *(in metric tons/year)*	Cement	4,608
Specific SO_2 emissions *(in grams/metric ton of clinker)*	Cement	222
Absolute NOx emissions *(in metric tons/year)*	Cement	25,689
Specific NOx emissions *(in grams/metric ton of clinker)*	Cement	1,240

HR topics

Topic	Indicator	Scope	2021
Employment	Workforce at December 31	Group	9,515
	Average workforce as at December 31	Group	9,476
	Average workforce by geographical area	France	3,071
		Europe (excluding France)	725
		Americas	2,161
		Asia	1,216
		Africa and the Mediterranean	2,303
	Average number of employees by business	Cement	4,353
		Concrete & Aggregates	3,713
		Other Products and Services	1,410
Change in workforce by type of movement	Natural attrition	Group	1,113
	Redundancies	Group	732
	Changes in consolidation scope	Group	345
	Recruitment	Group	1,876
Change in personnel costs at December 31	Salaries and wages *(in thousands of euros)*	Group	360,373
	Social security contributions *(in thousands of euros)*	Group	116,256
	Employee profit sharing *(in thousands of euros)*	French companies	8,070
	Personnel costs *(in thousands of euros)*	Group	483,699
Health and safety	Number of lost-time occupational accidents	Group	131
	Number of fatal accidents in the workplace	Group	0
	Frequency rate	Group	5.8
	Severity rate	Group	0.24
Training	Training policy	Group	195,269
	Number of employees having attended at least one training course (during the year)	Group	9,476
Diversity and equal treatment	Female employees as a percentage of the workforce	Group	11.5%
	Disabled employees	France	2.7%

3.3 NOTES ON METHODOLOGY

3.3.1 Methodology and scope of the statement of extra-financial performance

This document is prepared in accordance with the provisions of article L. 225-102-1 and R. 225-105 of the French Commercial Code. Its purpose is to describe the business model, the main challenges connected to the Vicat Group's activities, the policies and procedures implemented and the results, including a presentation of the key performance indicators, for the financial year ended December 31, 2021.

The key performance indicators for the financial year ended December 31, 2020 are presented in chapter 3 of the 2020 Universal Registration Document, which can be found on Vicat's website.

The data shown in the Statement of Extra-Financial Performance have been gathered and consolidated on the basis of a common reference framework for all Vicat Group entities, entitled "Reporting Protocol for Social, Environmental and Societal Information" in its version V9. Each year, the Vicat Group's CSR Coordination unit, in association with the General Management, submits the reference framework to the managers responsible for each indicator for evaluation. In 2021, quite apart from the amendments required to ensure compliance with the provisions of article L. 225-102-1 of the French Commercial Code, some major amendments were made to the rules surrounding the collection and consolidation of environmental data due to the rollout of the SiRoCCO2 project and the use of new collection channels specific to the following themes: biodiversity, business ethics and Compliance, responsible purchasing. The data collected for 2021 via these channels will open the door to an initial assessment. Vicat Group has identified a certain number of indicators it wants to ensure are relevant and robust over the coming years. Committed to keep improving, it reserves the right to change them to reflect the actual level of maturity of each country in which it operates and the results of the materiality analysis it undertook in 2021.

The reporting process used to compile the Statement of Extra-Financial Performance covers the full scope of consolidation, i.e. Vicat SA together with its subsidiaries as defined in article L. 233-1 and the companies it controls within the meaning of article L. 233-3 of the French Commercial Code.

The data collected cover the period from January 1 through December 31. In principle, extra-financial data is consolidated from the date of acquisition of a site or sites until their date of disposal. Some may not be, provided that this absence is warranted by the data's unavailability or lack of relevance for the period in question with regard to the business activities pursued.

Environmental data are collected by business and by country and consolidated at Group level. Across all activities taken together, the key performance indicators are most commonly the subject of a specific file regarding their definition. For the preparation of its reporting protocol, Vicat Group relies on the sector guides drawn up by the Global Cement and Concrete Association (GCCA), an association of which it is a member.

Data on health and safety in the workplace are collected by the operating entities and consolidated by the Group's Safety Department, which reports to the Human Resources Department. As with the environmental data, HR data will henceforth be processed directly via the Group's consolidation tool with the Excel workbook being retained for this first year of transition. Among the key performance indicators monitored by the Group are, in particular, the frequency rate and the severity rate. The first measures the frequency of work-related lost-time accidents in relation to the working hours of the entire workforce. It is calculated as follows: (number of occupational lost-time accidents x 1,000,000)/number of hours worked. The severity rate allows the Group to evaluate the seriousness of work accidents based on the numbers of days lost as compared with hours worked. It is calculated as follows: (number of days lost x 1,000)/number of hours worked.

The number of hours worked is calculated as follows: total contractual hours worked plus overtime, minus justified absences by employees, aggregate hours to December 31 of the financial year in question.

The employment data are collected by legal entity then consolidated by the Human Resources Department on the basis of a form drafted with reference to internal guidelines that meet the specific requirements of companies' CSR transparency obligations.

Grant Thornton, an independent third-party firm accredited by COFRAC and which has been appointed to verify data provided by the Group, carries out a review of the Vicat Group's guidelines and reporting procedures as part of its mission. In 2021, all verification work was carried out remotely in accordance with the health regulations in force.

3.3.2 Methodology for identifying and processing significant extra-financial risks

Extra-financial risk management is incorporated into overall risk management. All material business and product-related extra-financial risks to which Vicat Group could be exposed throughout its value chain are already taken into consideration in the financial risk map compiled by the Finance Department and the Compliance Department. These risks are presented in chapter 2 of the Universal Registration Document entitled "Risk factors". Risks which are significant to the Company and important for the success of the Vicat Group's activities are discussed in this Statement of Extra-Financial Performance. The Legal Department, the Finance Department and the CSR Coordination unit, take part in reviewing this risk map. The relevance of the extra-financial risks has been identified and shared with operational managers in the countries in which Vicat Group operates. It should be noted that extra-financial risks may be ranked differently in one or other Group country. The relevance of its risks was assessed by the Group's General Management which approved the risk map.

The policy of preventing and managing these risks is an integral part of the Group's long-term industrial policy. The application of this policy by its operational units and at all levels of its organization means that the Group can support the energy transition process and the development of a low-carbon economy necessary to combat the effects of climate change – to help preserve natural resources which are becoming more scarce as part of a circular economy approach – to guarantee the personal integrity and social and societal commitment of all its entities to inclusivity – to help protect threatened ecosystems and biodiversity and – to strengthen its regional roots as a result of ethical and responsible production, improving the socio-economic vigor of the regions where it operates.

3.3.3 Methodology used for the implementation of the Green taxonomy

The indicators presented in the section on Climate issues cover the period from January 1 to December 31, 2021 and encompass all of Vicat Group's activities including:

- Cement;
- Ready-mixed Concrete;
- Aggregates;
- The Group's Other Products and Services.

(For further details on these activities please see section 1.1. "Description of businesses").

This analysis covers all fully consolidated companies. Disposals and acquisitions impacting the scope of consolidation during the financial year are factored into this analysis from consolidation or deconsolidation.

3.3.3.1 Methodology applied to the calculation of Taxonomy eligible revenue

To determine the Taxonomy eligible revenue, Vicat Group did an analysis of its activities and compared them with the activities referenced in the EU regulation, having recourse in particular to the Taxonomy Compass put online by the EU, which in particular allows companies to be guided by specific NACE codes. The denominator follows the accounting definition, making it possible to reconcile it with the financial statements.

Amongst these eligible activities, gray cement is referenced as an activity that is specifically eligible for the goal of mitigating climate change. It is the only Group activity that is eligible under the regulation as it stands (which for the moment is included in the first two climate-related goals).

The Group thus, on the basis of its consolidated revenue (which can be found in chapter 7 of this Universal Registration Document, note 19), determined the proportion of revenue from cement, a number that is readily available in the Group's accounting and reporting systems. It should be noted that, starting from the total consolidated revenue, the revenue from cement is also consolidated, after taking account of intra-group eliminations. This revenue excludes miscellaneous income that cannot be tied to cement sales (for example, administrative services).

3.3.3.2 Methodology applied to the calculation of Taxonomy eligible CapEx

To determine the Taxonomy eligible CapEx, the Group listed all industrial investments involving the previously identified eligible activities.

Total industrial investments include acquisitions of property, plant and equipment and intangible assets, investment property, use rights under IFRS 16, and exclude depreciation, amortization and impairment, goodwill as well as financial investments.

The Group, starting from the total industrial investments recognized in 2021 (available in chapter 7 of the Universal Registration Document, notes 4, 5, 6 and 7), determines the proportion of investments pertaining to the eligible activities. This figure is available in the Group's reporting tools.

3.3.3.3 Methodology applied to the calculation of Taxonomy eligible OpEx

To determine Taxonomy eligible OpEx, the Group initially listed the types of expenses covered by the regulation, namely all direct expenses associated with the Group's activities including R&D, short-term leases, servicing, as well as all other expenses connected with the day-to-day maintenance of the assets. These expenses are identified *via* the Group chart of accounts in the Group's internal reporting tools.

The Group then determined the proportion of previously identified OpEx pertaining to the eligible activities. This figure is also available in the Group's reporting tools where the expenses are clearly allocated by business segment.

Lastly, the methodology applied by the Group to sketch out the Taxonomy indicators will be revised as there are changes to the activities listed and the technical screening criteria and to reflect the various milestones for the coming into force of the regulation.

3.4 REPORT OF THE INDEPENDENT THIRD-PARTY BODY ON THE CONSOLIDATED STATEMENT OF EXTRA-FINANCIAL PERFORMANCE IN THE MANAGEMENT REPORT

Year ended December 31, 2021

To the shareholders,

In our capacity as Vicat' Statutory Auditors, appointed as an independent third-party body and accredited by COFRAC under number 3-1080 [1], we hereby present our report on the consolidated statement of non-financial performance for the year ended December 31, 2021 (hereinafter the "Statement"), included in the Group management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225- 105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third-party body

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of vigilance law and anti-corruption and tax avoidance legislation;
- the compliance of products and services with the applicable regulations.

(1) Which scope of accreditation is available at www.cofrac.fr.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225 1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, and in accordance with ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the compliance of the Statement with regulatory requirements and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of labor and environmental information set out in Article L. 225-102-1 III;
- we verified that the Statement includes an explanation for the absence of the information required by the second paragraph under Article L. 225-102-1 III;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under Article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement includes a clear and reasoned explanation for the absence of policies concerning one or more of the risks;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with Article L. 233 16 within the limitations set out in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative results that we considered to be the most important, we implemented[2]:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities[3] and covers between 27% and 51% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important[4];
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is enough to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

(2) *Social information: workforce and breakdown by gender, age and geographical area; hires and departures; absenteeism rate; number of training hours; number of employees who received at least one training course; gender equality index for its companies in France; proportion of women in % of the workforce; number of lost-time accidents among Group employees; number of fatal accidents among Group employees; number of days lost for Group employees; frequency rate.*
Environmental information: change in the rate of alternative fuel (Cement business); change in material substitution in the manufacture of clinker, cement and aggregates (Group scope); renewable energy mix table; direct and indirect CO_2 emissions (scope 1 & 2); CO_2 emissions Scope 1 excluding on-site electricity production and finished product transport (Group cement scope); evolution of dust emissions, SOx, NOx; water consumption by material.
(3) *France and Turkey.*
(4) *Qualitative information relating to the following sections: "Climate issues"; "Circular economy"; "Preservation of biodiversity"; "Protection of water resources"; "Air quality"; "HR issues"; "Business ethics and compliance"; "Responsible purchasing"; "Socio-economic development of the territories".*

Means and resources

Our work was carried out by a team of four people between October 2021 and February 2022.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted interviews with the people responsible for preparing the Statement.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respect.

Neuilly-sur-Seine, 11 of February 2022

Independent third-party body

Grant Thornton

French member of Grant Thornton International

Olivier Bochet	Bertille Crichton
Partner	Partner

ABC Grenoble building (France)

4 Capital and shareholding

4.1 COMPANY INFORMATION

4.1.1 General information on the Company

Corporate name

The Company's name is Vicat.

Place of registration and registration number

The Company is registered in the Trade and Companies Register of Vienne under number 057 505 539.

LEI number: 9695009YI1863TOVDP79.

Date of incorporation and duration of the Company

The Company was incorporated in 1853 and registered in the Trade and Companies Register on January 1, 1919 for a term of 99 years, which was subsequently extended by a further 80 years to December 31, 2098 by the Combined General Meeting of May 15, 2009.

Registered office

The Company's registered office is at 4 rue Aristide Bergès, Les Trois Vallons, 38080 L'Isle d'Abeau.

Tel: (+33) 4 74 27 59 00 - Website: https://www.vicat.com/

Legal form and applicable legislation

The company is a public limited company governed by a Board of Directors and subject to French law.

Accounting period

The Company's accounting period begins on January 1 and ends on December 31 of each year.

4.1.2 Corporate purpose (Article 2 of the by-laws)

The Company's corporate purpose is:

- quarry operations currently belonging to the Company and all those which it may subsequently own or to which it may subsequently hold rights;
- the manufacture, purchase and sale of limes, cements and all products of relevance to the Construction business;
- the manufacture, purchase and sale of bags or packaging for hydraulic binders in any material and, more generally, any activity carried out in the plastic and paper industries sector;
- the production and distribution of aggregates and sand;
- the public transport of goods overland, and the leasing of all vehicles;
- in general, all industrial, commercial and financial operations associated with this industry, both in France and the rest of the world.

The Company may also invest in any French or foreign Company or firm, whose business or industry is similar to or likely to support and develop its own business or its own industry; to merge with them, to engage in all industries which would be likely to provide it with outlets and to enter into all commercial, industrial, financial, movable property or fixed asset transactions that could in whole or part be related, directly or indirectly, to its corporate purpose or likely to support development of the Company.

4.1.3 General Meetings

4.1.3.1 Type of General Meeting (article 23 of by-laws)

The General Meeting, properly constituted, represents all the shareholders; its decisions taken in accordance with the law and with the Company's by-laws are binding on all shareholders.

An Ordinary General Meeting must be held each year within six months of the financial year-end. Other General Meetings, whether Ordinary General Meetings held extraordinarily, or Extraordinary General Meetings, can also be held at any time of the year.

4.1.3.2 Form and periods of meeting notice (article 24 of by-laws)

General Meetings are convened and conducted in accordance with conditions set by law. Meetings take place on the day and at the time and place indicated on the convening notice.

4.1.3.3 Attendance and representation at General Meetings (article 25 of by-laws)

Shareholders may attend or be represented at meetings provided they are able to legally justify ownership of their shares with an entry in their own name or in the name of the intermediary duly registered on their behalf, in accordance with applicable law either in the registered share accounts held by the Company or in bearer share accounts held by the accredited financial intermediary, at least two business days prior to midnight Paris time on the date of the meeting.

In the case of bearer shares, such evidence shall take the form of a statement of share ownership (attestation de participation) issued by the accredited financial intermediary in accordance with the law.

Participation in Ordinary General Meetings is subject to proof of the ownership of at least one share.

4.1.3.4 Officers of the meetings – Attendance register – Agenda (article 27 of by-laws)

General Meetings are chaired by the Chairman of the Board of Directors, the Vice-Chairman or, in their absence, by a director especially delegated for this purpose by the Board. Alternatively, the meeting itself shall elect a Chairman; the two shareholders having the greatest shareholdings present at the opening of the meeting, and accepting to do so, shall act as tellers. The secretary is appointed by the officers.

An attendance register is maintained under the conditions stipulated by law.

The agenda for each meeting is drawn up by the person convening the meeting. However, one or more shareholders meeting the legal conditions can, under the conditions stipulated by law, require draft resolutions to be included in the agenda.

4.1.3.5 Minutes (article 28 of by-laws)

The deliberations of the General Meeting are noted in minutes drafted under the conditions prescribed by the applicable regulations; copies or extracts of these minutes are certified according to such regulations.

4.1.3.6 Quorum and majority - Competence (article 29 of by-laws)

Ordinary and Extraordinary General Meetings taking decisions quorate and under the majority conditions prescribed by the provisions governing them respectively shall exercise the powers that are allotted to them by law.

4.1.4 Procedures for modifying shareholders' rights and by-laws

Modification of rights attached to the shares is subject to the requirements of the law. As the Company's by-laws do not stipulate specific provisions, only an Extraordinary General Meeting is qualified to modify the by-laws and rights of shareholders, in accordance with applicable legal provisions.

4.2 SHARE CAPITAL INFORMATION

4.2.1 Issued share capital and number of shares for each class

The issued share capital as at December 31, 2021 was €179,600,000, divided into 44,900,000 shares of €4 each. The Company's shares are fully subscribed, paid up and all of the same class.

To the Company's knowledge, as at December 31, 2021, a total of 4,467,841 Company shares, whose registration is managed by the Company, were pledged in financial instruments accounts; representing 9.95% of the share capital.

4.2.2 Authorized but unissued share capital

Not applicable.

4.2.3 Other securities giving access to the capital or conferring special controlling rights

Not applicable.

4.2.4 Share subscription and purchase options

Not applicable.

4.2.5 Changes to the share capital during the last three years

There have been no changes to the Company's share capital during the last three years.

4.2.6 Securities not representative of the capital

Not applicable.

4.2.7 Shares held by the Company or for its account

At the end of the 2021 financial year, after distributing 49,292 shares to employees, the Company held 669,900.40 of its own shares, or 1.49% of the share capital.

4.2.7.1 Description of the 2021 share buy-back program

Pursuant to the authorization given by the Ordinary General Meeting of April 9, 2021, in 2021 the Company purchased 1,327.30 of its own shares (i.e. 13,273 tenth parts of shares) on the stock exchange (excluding liquidity agreements) at a nominal value of €4 per share and a mean price of €40.91 per share, based on the current share capital.

4.2.7.2 Distribution of transferable securities by purpose

Acquisitions for the purpose of allocation of shares to personnel within the context of employee share ownership and profit-sharing: 1,327.30 shares, representing an acquisition price of €54,304.94.

Acquisitions for the purpose of promoting liquidity of the share through a liquidity agreement in line with the market practice permitted by the AMF: balance of 50,006 shares at December 31, 2020, acquisition of 576,595 shares and sale of 572,996 shares during the year, with a balance of 53,605 shares at December 31, 2021.

4.2.7.3 Volume of shares used by objectives

Shares allocated to personnel under employee share ownership and profit-sharing: 119,900.40 shares.

Liquid trading of the shares and their liquidity through a liquidity agreement in line with the market practice permitted by the AMF: 53,605 shares (see also note 15 to the consolidated financial statements and note 4.2.3. to the individual financial statements).

No shares repurchased have been allocated to other purposes and the Company did not use derivatives to achieve its share buy-back program.

4.2.7.4 Description of the 2022 share buy-back program

The seventh ordinary resolution, the principles of which are listed below, and which is due to be submitted for approval to the General Meeting of April 13, 2022, is intended to allow the Company to trade in its own shares.

The Company may acquire, sell, transfer or swap, by any means, all or part of the shares thus acquired in compliance with current legislative and regulatory provisions and in compliance with changes to the substantive law in order (without order of priority):

(a) to allocate or sell shares to employees and/or officers of the Company and/or of companies which are related to it or will be related to it under the terms and conditions set out in law, particularly for purposes of employee saving schemes, purchase option, free share allocation, and stock ownership plans (notably under the conditions of articles L. 3332-1 et seq. and L. 3344-1 of the French Labor Code);

(b) to foster a liquid trading of the share through a liquidity agreement entered into with an investment services provider in line with the market practice permitted by the Autorité des marchés financiers;

(c) to retain the Company's shares and subsequently use them for payment, exchange or otherwise in the context of external growth transactions within the limit of 5% of the share capital;

(d) to cancel some or all of the shares acquired up to the maximum statutory limit subject to a confirmatory vote by an Extraordinary General Meeting on a resolution for the purpose;

(e) to allow the Company to trade in the Company's shares for any other purpose authorized now or in the future by law or regulations in force. the unit purchase price must not exceed €100 per share (excluding acquisition expenses).

The total shares held shall not exceed 10% of the Company's share capital; this threshold of 10% must be calculated on the actual date when the buy-backs are made. The said limit shall be equal to 5% of share capital as regards the objective specified in (c) above. Taking into account the shares already held by the Company on January 1, 2022, the 10% limit corresponds to a maximum number of 3,766,494.60 shares with a nominal value of €4 each, representing a maximum amount of €376,649,460.

Pursuant to such resolution, within the limits permitted by the regulations in force, the shares may be purchased, sold, exchanged or transferred in one or more transactions, by all means, on all markets and over the counter including by acquisition or sale of blocks, and by means including the use of derivatives and warrants.

Such authorization shall be given for a period not exceeding eighteen (18) months from the date of the General Meeting, including in a public offer period, within the limits and subject to the periods of abstention provided for by law and in the AMF's General Regulation. This authorization supersedes that granted by the General Meeting of April 9, 2021.

4.2.8 Provisions delaying, deferring or preventing a change of control

Not applicable.

4.2.9 Conditions governing changes to the share capital

The share capital can be increased, reduced or amortized in accordance with the laws and regulations in force.

The General Meeting has granted no delegation to the Board of Directors in the area of share capital increases.

4.3 SHAREHOLDING

4.3.1 Distribution of the share capital and voting rights

The Company's share capital as at December 31, 2021 was €179,600,000, divided into 44,900,000 shares of €4 each, fully paid up; shares are in nominee or bearer form at the shareholder's discretion.

Changes in the distribution of the Company's share capital over the past three financial years are listed below:

	At December 31, 2021		AT DECEMBER 31, 2020		AT DECEMBER 31, 2019	
Shareholders	Number of shares	As a % of share capital	Number of shares	As a % of share capital	Number of shares	As a % of share capital
Parfininco	13,734,688	30.59	13,733,388	30.59	13,408,855	29.86
Soparfi[1]	11,939,452	26.59	11,939,452	26.59	11,874,509	26.45
Family	1,966,047	4.38	1,967,294	4.38	1,950,779	4.34
Employees	572,408	1.27	580,117	1.29	588,005	1.31
Public	15,963,900	35.55	15,911,888	35.44	16,425,553	36.58
Treasury shares	723,505	1.61	767,861	1.71	652,299	1.45
TOTAL	**44,900,000**	**100.00**	**44,900,000**	**100.00**	**44,900,000**	**100.00**

(1) Soparfi is 99.99% owned by Parfininco, which is itself controlled by the Merceron-Vicat family.

The statement of employee profit-sharing specified in article L. 225-102 of the French Commercial Code as at December 31, 2021 appears below:

- employee profit-sharing (Vicat + Subsidiaries): 572,408.70 shares, i.e. 1.27% of the share capital;
- employees of the Company and related companies under the employee savings plan (PEE): 528,400.50 shares, i.e. 1.18% of the share capital.

To the knowledge of the Company, there is no shareholder holding more than 5% of the share capital rights.

Changes in the distribution of the voting rights in the Company over the past three financial years, excluding the voting rights attached to treasury shares, are listed below:

	At December 31, 2021		AT DECEMBER 31, 2020		AT DECEMBER 31, 2019	
Shareholders	Number of voting rights	As a % of voting rights	Number of voting rights	As a % of voting rights	Number of voting rights	As a % of total voting rights
Parfininco	27,125,498	36.89	27,122,095	37.02	26,760,211	36.52
Soparfi[(1)]	23,809,595	32.38	23,809,155	32.50	23,695,013	32.33
Family	3,846,300	5.23	3,640,006	4.97	3,628,706	4.95
Employees and Public[(2)]	18,747,693	25.50	18,695,668	25.52	19,197,004	26.20
Treasury shares[(3)]	-	-	-	-	-	-
TOTAL[(4)]	**73,529,086**	**100.00**	**73,266,924**	**100.00**	**73,280,934**	**100.00**

(1) Soparfi is 99.99% owned by Parfininco, which is itself controlled by the Merceron-Vicat family.
(2) There is no distinction between employees and the public with regard to the supervision of voting rights.
(3) Treasury shares do not carry voting rights.
(4) The number of theoretical voting rights, i.e. the number of voting rights attached to the shares issued, including treasury shares, amounted to 74,802,601 at December 31, 2021. The thresholds referred to in article L. 233-7 of the French Commercial Code are calculated based on the theoretical number of voting rights.

4.3.2 Rights, privileges and restrictions attached to the shares

4.3.2.1 Rights and obligations attached to the shares (article 9 of by-laws)

Each share gives a right to a share proportional to the capital that it represents in the earnings and the corporate assets.

If applicable, and subject to the obligatory legal prescriptions, all tax exemptions or charges or any taxation that the Company may bear will be applied to the total number of shares without distinction before making any reimbursement within the lifetime of the Company or at its liquidation, so that all shares of the same category existing at that time receive the same net sum whatever their origin and their date of creation.

Whenever there is a requirement to own a certain number of shares in order to exercise a right, it is the responsibility of the owners who do not have this number of shares to arrange grouping of the required number of shares.

Shares cannot be divided up with respect to the Company.

When a share's usufruct is encumbered, the rights and obligations of the beneficial owner and the bare owner are governed by the law. The rights and obligations attached to the share follow the ownership no matter who acquires it.

As far as the Company is aware, there are no agreements between shareholders which may restrict the transfer of shares.

4.3.2.2 Voting rights (article 26 of by-laws)

Each member of the meeting has as many votes as he has, or represents, shares.

The voting rights attached to shares in capital or rights are proportionate to the share of the capital that they represent and each share confers a right to one vote.

However, voting rights double those conferred on bearer shares are allotted to all paid-up shares for which a personal registration has been proved for at least four years in the name of the same shareholder, at the end of the calendar year preceding the date on which the meeting in question is held.

In the event of a capital increase by incorporation of reserves, profits or issue premiums, double voting rights will be conferred, as of their issue, on registered shares allotted for free to a shareholder pursuant to old shares in respect of which they enjoy this right.

These double voting rights will automatically cease to be attached to any share having been converted to bearer form or on a transfer of title. Nonetheless, the transfer by inheritance, by liquidation of common property held by spouses or by gift inter vivos to the benefit of a spouse or a relation ranking as entitled to inherit does not result in the loss of acquired rights. The same is true in the event of a transfer following the merger or spin-off of a shareholder company.

The list of registered shares with double voting rights is determined by the officers of the meeting.

In the event ownership rights to a share are stripped, the voting right is exercised between the legal owner and the usufructuary according to the conditions set by law. Hence, in the event of an allocation agreement on exercising the voting right at general meetings between the legal owner and the usufructuary, they shall notify the Company by registered letter sent to the registered office.

As far as the Company is aware, there are no agreements between shareholders which may restrict the transfer of voting rights.

4.3.3 Control of the Company

The Company is controlled directly and indirectly, through the holding companies Parfininco and Soparfi, by the Merceron-Vicat family, which holds the majority of the share capital and the voting rights.

4.3.4 Agreements that can lead to a change of control

To the knowledge of the Company, there is no agreement whose implementation could, at a date subsequent to the filing of this Universal Registration Document, lead to a change of control.

4.3.5 Crossing thresholds

4.3.5.1 Crossing thresholds set under the by-laws

In addition to the legal and regulatory provisions in force with respect to the crossing of shareholding thresholds, article 7. III of Vicat's by-laws provides that any natural or legal person acting alone or in concert, who directly or indirectly holds or ceases to hold a fraction – of the capital, of voting rights or securities giving future access to the capital of the Company – equal to or greater than 1.5% or a multiple of this fraction, must notify the Company by registered letter with acknowledgment of receipt within a fifteen-day period from the date this threshold is exceeded, specifying their identity as well as that of the persons acting in concert with them, and the total number of shares, voting rights and shares that give future access to the capital, that they own alone, directly or indirectly, or in concert.

Failure to observe the above provisions results in the loss of voting rights, for any shares exceeding the fraction that should have been disclosed, at any General Meeting for a period of two years from the date the aforementioned notification is duly provided, where this sanction is requested by one or more shareholders holding at least 1.5% of the Company's share capital or voting rights. This request is recorded in the minutes of the General Meeting.

The intermediary who is registered as the shareholder in accordance with article L. 228-1 of the French Commercial Code must make the declarations specified in this article for all shares they have registered, without prejudice to the obligations of shareholders.

Failure to comply with this requirement shall be penalized in accordance article L. 228-3-3 of the French Commercial Code.

On February 5, 2021, Highclere International Investors LLP declared that it had crossed under the threshold of 1.49% of the share capital.

On March 17, 2021, Citigroup Inc. declared that it had crossed over the threshold of 1.50% of the share capital.

On April 7, 2021, Dimensional Fund Advisors LP declared that it had crossed under the threshold of 1.50% of the share capital.

On June 9, 2021, Dimensional Fund Advisors LP declared that it had crossed over the threshold of 1.50% of the share capital.

4.3.5.2 Identification of shares in bearer form

Aside from the legal and regulatory measures, and those prescribed under the by-laws, relating to crossing ownership thresholds, the following measures apply (article 7. II of by-laws):

For the purposes of identifying its shareholders, the Company or its officers, against payment of a fee, are entitled to request, at any time, information on the owners of its securities, from the central custodian responsible for keeping the share registry, or directly from one or more intermediaries mentioned in article L. 211-3 of the French Monetary and Financial Code.

4.3.6 Commitments to retain Company shares

Fourteen commitments to retain shares, relating to a maximum of 22.51% of the Company's share capital, were made as from 2005, and continued in effect until the date of the filing of this Universal Registration Document, in order to take advantage of the provisions of article 787 B of the French General Tax Code allowing the signatories partial exemption from the French inheritance tax (droits de mutation à titre gratuit or DMTG), as indicated in the table below.

Date of signature of the commitment	Term	Renewal procedure	Senior executive signatories pursuant to article 787 B of the French General Tax Code or holding more than 5% of the Company's share capital or voting rights
July 25, 2005	2 years from August 1, 2005	Extension by 3-month periods	Jacques Merceron-Vicat Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
December 8, 2006	2 years starting on December 13, 2006	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
December 8, 2006	2 years starting on December 13, 2006	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
December 11, 2007	2 years starting on December 13, 2007	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
May 25, 2010	2 years starting on May 25, 2010	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
April 28, 2011	2 years starting on May 5, 2011	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Eléonore Sidos Soparfi Parfininco
July 3, 2015	2 years starting on July 9, 2015	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Eléonore Sidos Parfininco Hoparvi SAS
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco

Date of signature of the commitment	Term	Renewal procedure	Senior executive signatories pursuant to article 787 B of the French General Tax Code or holding more than 5% of the Company's share capital or voting rights
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
February 1, 2021	2 years starting on February 1, 2021	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco

4.3.7 Dividends

The Company can decide to distribute dividends for a given year on a proposal from the Board of Directors and following approval from the General Meeting.

In preceding years, the dividends distributed by the Company and the earnings per share were as follows:

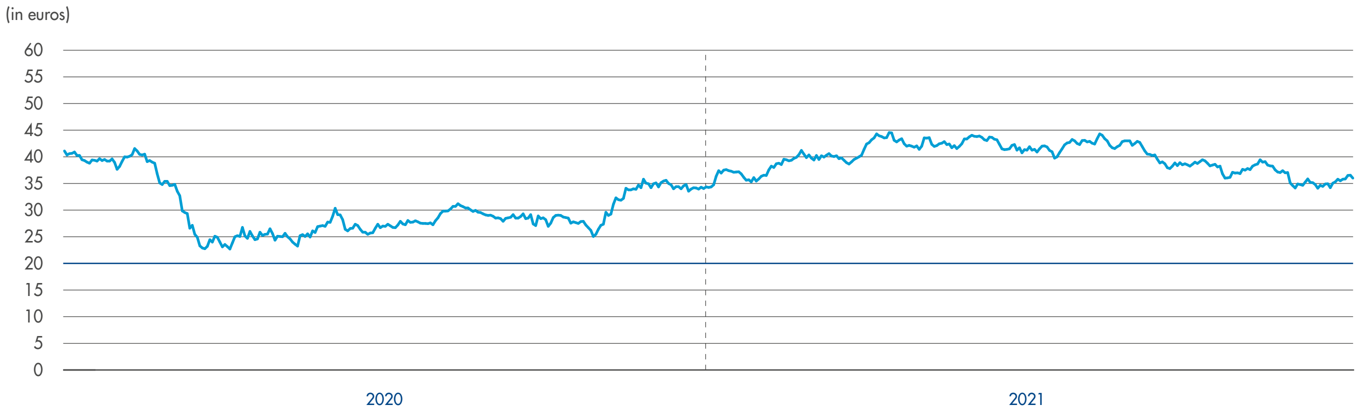
Year	2020	2019	2018
Dividend per share *(in euros)*	1.50	1.50	1.50
Consolidated earnings per share *(in euros)*	3.47	3.31	3.37
Rate of distribution	43%	45%	45%

The factors influencing the distribution and amount of dividends are as follows: results, financial position, funding needs for industrial and financial development programs, the Group's outlook as well as all other determining factors such as the general economic climate.

Regardless of the objective which the Company intends to prioritize, it cannot guarantee that in the future dividends will be paid nor the amount of any future dividend.

4.4 CHANGES TO THE SHARE PRICE

The Company's shares are listed on Euronext Paris, compartment A. The Company's shares have been eligible for deferred payment (SRD: service à règlement différé) since February 2008. The graph below shows the change in the Company's share price from January 1, 2020 to December 31, 2021.



The table below shows the change in the Company's share price in 2021 and 2020 (on the basis of the closing price):

(In euros)	2021	2020
Average price over the year	39.82	30.28
Annual high	44.55	41.50
Annual low	34.10	22.70
Price as at December 31	36.00	34.35

4.5 INVESTOR RELATIONS AND DOCUMENTS AVAILABLE TO THE PUBLIC

Apart from meetings organized upon the publication of the Group's annual results and the General Meeting, the Company undertakes to keep its institutional and individual investors informed on a regular basis and in a timely manner. When the Company engages in personalized communication to meet the specific needs of various types of interlocutors, it does so with the utmost respect for principles of fairness and transparency. In this context, the Company establishes embargo periods each year of two weeks before the quarterly publications and one month before the publication of full-year and half-year results. A new automated procedure to monitor permanent and occasional insiders was also implemented in early 2022. During these periods the Company refrains from contacts with analysts and investors and in particular refuses to provide financial analysts and investors with new information on its business and results.

The Company's press releases and consolidated financial statements are available on the Company's website (www.vicat.com). Regulated information is also communicated to the Autorité des Marchés Financiers and is published on the latter's website (www.amf-france.org). Similarly, the Registration Document and the Universal Registration Document for the most recent financial years are available on the Company's website (www.vicat.com) and from the Autorité des marchés financiers (www.amf-france.org). A copy can be obtained from the Company's registered office (Les Trois Vallons, 4 rue Aristide Bergès, F-38080, L'Isle d'Abeau, France). The Company's by-laws and the minutes of General Meetings, the individual and consolidated financial statements, reports of the statutory auditors, and all other Company documents may be consulted in hard copy at the Company's registered office.

4.5.1 Roadshows and investor conferences

In 2021, the Company maintained its continued commitment to communication by facilitating contacts among investors, financial analysts and the Company. In view of the health crisis, the Company has had to adapt very quickly to ensure that best practices in financial communication and access to information are maintained. Thus, during 2021, the Vicat Group maintained its *roadshow* programs and its participation in conferences organized by banking institutions specializing in intermediation as far as possible, but in a "remote" form in order to comply with health requirements, mainly using video-conferencing tools (such as Webex and Zoom) and of course telephone contacts. The Group also arranged a briefing, known as "Capital Market Day", on November 16, 2021 focused on its greenhouse gas reduction strategy and targets, and more specifically its carbon footprint.

4.5.2 Documents available to the public

All of the Company's latest financial news, including the 2022 financial calendar, all disclosure documents published by the Company, and share price information are available in the "Investors" section of the Vicat website (www.vicat.com).

Legal documents may be consulted at the Company's registered office, Les Trois Vallons, 4 rue Aristide Bergès, F-38080, L'Isle d'Abeau, France. The Company disseminates regulated information in electronic form by enlisting the services of a primary information provider satisfying the requirements set out in the General Regulation of the Autorité des marchés financiers and makes available on its website all regulated information as soon as it is published, in both French and English. Lastly, the Group organizes a conference call to discuss each of its financial publications, which is open to all interested investors, details of which can be found on the Company's website (www.vicat.com) about a week before the event.

4.5.3 Shareholder contacts

Stéphane Bisseuil

Director of Financial Communication and Investor Relations

Tel.: +33 1 58 86 86 05

E-mail: relations.investisseurs@vicat.fr

Cimentalgue project at the Montalieu-Vercieu cement plant (France)

5 Report on corporate governance

5.1 FRAME OF REFERENCE FOR CORPORATE GOVERNANCE

The Board of Directors decided at the meeting on August 2, 2012 to adopt the Chairman's proposal to implement the Middlenext Corporate Governance Code, available at www.middlenext.com.

5.2 GOVERNANCE BODIES

5.2.1 Composition of the Board of Directors, Chairman and General Management

5.2.1.1 Board of Directors

The Company is managed by a Board of Directors composed of at least five and no more than twelve members and appointed by the Ordinary General Meeting for a term of three or six years.

The Board of Directors, at its February 11, 2022 meeting, decided to ask the Extraordinary General Meeting to be held on April 13, 2022 to harmonize the terms of office of all directors to four years and to accordingly amend article 16 of the by-laws. The shareholders will also be asked to resolve that this amendment will not affect the terms of office of sitting directors, who shall remain in office for the term initially specified.

As stipulated in the by-laws, a director's term of office is automatically extended until the first Ordinary General Meeting held following the normal end of his or her term of office. A director having completed his or her term of office may be re-elected. A director appointed to replace another director remains in office only until the end of his or her predecessor's term.

As of the date of filing of this Universal Registration Document, the Company had twelve directors, including five independent directors, as per the criteria set out in the Middlenext Corporate Governance Code and the rules of the Board of Directors.

5.2.1.2 Chairman of the Board of Directors – General Management and limitation of powers

In accordance with the Company's by-laws, the Board of Directors shall elect from among its members a Chairman and set his or her term of office, which cannot exceed that of his or her appointment as director.

At its meeting of March 7, 2014, the Board of Directors opted to combine the roles of Chairman of the Board of Directors and Chief Executive Officer.

On this same date, the Board of Directors appointed Guy Sidos as Chairman and Chief Executive Officer, with effect from the close of the Combined General Meeting held on May 6, 2014, and appointed Jacques Merceron-Vicat as Honorary Chairman of the Company.

Under the Company's by-laws, and on the proposal of the Chief Executive Officer, the Board of Directors can appoint up to five individuals to assist the Chief Executive Officer and who are given the title of Chief Operating Officer.

At its meeting of March 6, 2015, the Board of Directors decided to appoint Didier Petetin as Chief Operating Officer – France, excluding the Paper business, for the duration of the term of the Chairman and Chief Executive Officer.

By decision of October 30, 2020, the Board of Directors decided to appoint Lukas Epple as Chief Operating Officer and Group Strategy Director, for the term of office of the Chairman and CEO.

No limitation has been set concerning the powers of the Chairman and Chief Executive Officer or Chief Operating Officers.

5.2.1.3 Members of the Board of Directors

List of tenures and functions exercised in all companies during the financial year ended December 31, 2021:

Summary of the membership of the Board of Directors and of its committees

Members of the Board of Directors	Independent members	Year of first appointment	Expiry of term of office	Audit Committee	Compensation Committee	CSR Committee	Experience and expertise offered
Jacques Merceron-Vicat Honorary Chairman Board Member	No	February 3, 1968	2022				
Guy Sidos Chairman and CEO	No	June 11, 1999	2027				
Delphine André Board Member	Yes	May 6, 2015	2024	Member			
Bruno Salmon Board Member	Yes	May 15, 2009	2024		Member	Member	
Louis Merceron-Vicat Board Member	No	June 11, 1999	2023				
Sophie Sidos Board Member	No	August 29, 2007	2027			Chair	
Rémy Weber Board Member	Yes	April 9, 2021	2023	Chair	Member		
Xavier Chalandon Board Member	Yes	April 28, 2010	2022	Member	Chair		
Sophie Fegueux Board Member	Yes	May 6, 2014	2023			Member	
Éléonore Sidos Board Member	No	February 24, 2017	2024	Member			
Emmanuelle Salles Board Member	-	May 12, 2016	2022				Director representing employees
Hugues Metz Board Member	-	April 8, 2020	2026				Director representing employees

JACQUES MERCERON-VICAT

Honorary Chairman of the Company and Director

Graduate of the Ecole Spéciale de Travaux Publics.
He joined the Group in 1962.
Age: 84 years of age — **Nationality:** French

Date of first appointment: February 3, 1968

Start date of current appointment:

- April 29, 2016 as director
- May 6, 2014 as Honorary Chairman

Term of office expires:

- As director, at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2021

Other appointments currently or previously held in the Group in the last five years[1]:

- Director of Béton Travaux*
- Director of BCCA*
- Director of National Cement Company*
- Director of Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Bastas Baskent Cimento Sanayi Ve Ticaret A.S.*
- Director of Konya Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Konya Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Sococim Industries*
- Chair of the Board of Directors of Sinaï Cement Company*
- Chair of the Board of Directors of Vicat Egypt for Cement Industry*
- Member of the Supervisory Board of Mynaral Tas Company LLP*
- Director of Kalburgi Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of Mauricim SA*
- Director of Vigier Holding*
- Director of Ciplan Cimento Planalto S.A.*
- Director of Planalto Centro Oeste Transportes S.A.*

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years[1]:

- Chair of Hoparvi SAS*

(1) Current appointments are marked with an asterisk.

GUY SIDOS

Chairman and Chief Executive Officer

Graduate of the Ecole navale. He served in the French Navy before joining the Group in 1999.

Age: 58 years of age — **Nationality:** French

Date of first appointment: June 11, 1999

Start date of the current appointment:

- April 9, 2021 as director
- April 9, 2021 as Chairman and Chief Executive Officer

Term of office expires:

- As director, at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2026
- As Chairman and Chief Executive Officer, at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2026.

Other appointments currently or previously held in the Group in the last five years[1]:

- Chief Executive Officer and director of Béton Travaux*
- Chair of Papeteries de Vizille*
- Chair of Parficim*
- Chair of the Board of Directors of Vigier Holding AG*
- Director of Vigier Management*
- Director of National Cement Company*
- Permanent representative of Parficim, director of Sococim Industries*
- Vice-Chair and director of Sinaï Cement Company*
- Vice-Chair and director of Vicat Egypt for Cement Industry*
- Director of Cementi Centro Sud*
- Director of Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Bastas Baskent Cimento Sanayi Ve Ticaret A.S.*
- Director of Konya Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Konya Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of BCCA*
- Member of the Supervisory Board of Mynaral Tas Company LLP*
- Director of Kalburgi Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of Mauricim SA*
- Sole director of Ravlied Holding AG*
- Director of the Louis Vicat foundation*
- Permanent representative of Parficim, director of Gécamines S.A.*
- Director of Ciplan Cimento Planalto S.A.*
- Director of Planalto Centro Oeste Transportes S.A.*

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years[1]:

- Vice-President for the French section of the Franco-Kazakh Affairs Council of Medef International*
- Director of CCI France*
- Joint Chair of the Environmental and Economic Transition Commission (CTEE) of Medef.*
- Director of Medef International*

(1) Current appointments are marked with an asterisk.

DELPHINE ANDRÉ
Director

Ms. André holds a master's degree in corporate law, tax and accountancy. She served as legal counsel and attorney until 2002, when she assumed the role of Chair and Chief Executive Officer of GCA.

Age: 55 years of age — **Nationality:** French

Date of first appointment: May 6, 2015
Start date of the current appointment: April 9, 2021
Term of office expires:
- General Meeting approving the financial statements for the year ended December 31, 2023

Other appointments currently or previously held in the Group in the last five years[1]:

Not applicable.

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years[1]:

- Manager of ACP*
- Chair of Anvil Finance*
- Director of Banque de Savoie*
- Chair of Charles André*
- Chair of FD Immobilier*
- Chair of Fimholog*
- Manager of Fimo CA*
- Director of GCA Europe* Chair of GCA Lavage*
- Chair of GCA Logistique*
- Chair of GCA Logistique Automobile*
- Director of GCA Route France*
- Director of GCATRANS*
- Manager of HIP*
- Chair of 2 HO*
- Director of TA Europe SA*
- Chair of TEA Holding*
- Chair of SS GCA Agricole*

(1) Current appointments are marked with an asterisk.

BRUNO SALMON

Director

Graduate of the Ecole Supérieure de Commerce de Paris. At Cetelem, he served as Head of the French Network, Deputy Chief Executive Officer, and Chief Operating Officer. After holding the position of Chief Operating Officer and director of BNP Paribas Personal Finance, he served as its Chairman from late 2008 to September 2013.

He was Chair of the Association française des Sociétés Financières (ASF, the French association of specialized financial companies) from May 2010 to June 2013.

Age: 72 years of age — **Nationality:** French

Date of first appointment: May 15, 2009

Start date of current appointment: April 9, 2021

Term of office expires:

- General Meeting approving the financial statements for the year ended December 31, 2023

Other appointments currently or previously held in the Group in the last five years[1]:

Not applicable.

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years[1]:

- Director of BNP Paribas Personal Finance*
- Director of ADIE (Association pour le Développement de l'Initiative Economique)*
- Director of YELLOAN (SAS)*
- Director of ADMICAL (Association)*

(1) Current appointments are marked with an asterisk.

LOUIS MERCERON-VICAT

Director

Graduate of the Ecole des Cadres. He joined the Group in 1996.

Age: 52 years of age — **Nationality:** French

Date of first appointment: June 11, 1999

Start date of the current appointment: April 18, 2017

Term of office expires:

- General Meeting approving the financial statements for the year ended December 31, 2022

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, within the Group in the last five years[1]:

- Chair of the Board of Directors of Béton Travaux*
- Chair of the Board of Directors of BCCA*
- Chair of the Board of Directors of Cementi Centro Sud S.p.A.*
- Director of Konya Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Konya Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Baskent Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of National Cement Company*
- Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Sococim Industries*
- Director of Sinaï Cement Company*
- Director of Konya Hazir Beton Sanayi Ve Ticaret A.S.*

Other appointments currently or previously held outside the Group in the last five years[1]:

Not applicable.

(1) Current appointments are marked with an asterisk.

SOPHIE SIDOS
Director

She held various functions within the Group until 1997.

Age: 53 years of age — **Nationality:** French

Date of first appointment: August 29, 2007

Start date of the current appointment: April 9, 2021

Term of office expires:

- General Meeting approving the financial statements for the year ended December 31, 2026

Other appointments currently or previously held in the Group in the last five years(1):

- Director of Béton Travaux*
- Director of BCCA*
- Director of Konya Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Konya Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Baskent Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Sococim Industries*
- Director of Vigier Holding AG*
- Replacement director of Kalburgi Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of National Cement Company*
- Director of Konya Hazir Beton Sanayi Ve Ticaret A.S.*
- Chair of the Louis Vicat foundation*

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years(1):

- Chair of MEDEF Isère*

(1) Current appointments are marked with an asterisk.

REMY WEBER

Director

Graduate from HEC Paris and from Sciences Po Aix en Provence. He has held management positions and chairmanships within financial institutions. He was Chair of the Board of Directors of La Banque Postale from 2013 to 2020.

Age: 64 years of age — **Nationality:** French

Date of first appointment: April 9, 2021
Start date of current appointment: April 9, 2021
Term of office expires:

- General Meeting approving the financial statements for the year ended December 31, 2022

Other appointments currently or previously held in the Group in the last five years[1]:

Not applicable.

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years[1]:

- Chair of the Board of Directors of Opéra de Lyon*
- Deputy CEO – Head of Financial Services at La Poste SA
- Chair of the Board of Directors of Banque Postale
- Chair of the Supervisory Board of La Banque Postale Asset Management
- Permanent representative of La Banque Postale, manager of CRSF METROPOLE
- Permanent representative of La Banque Postale, manager of CRSF DOM
- Permanent representative of La Banque Postale, manager of SCI Tertiaire Saint Romain
- Director of CNP Assurances SA
- Director of L'envol, the Campus of La Banque Postale
- Director of La Banque Postale Assurance Sante
- Chair of the Board of Directors of SF2 SA
- Director of Poste Immo SA
- Member of the Supervisory Board of La Banque Postale Leasing & Factoring SA
- Chair of the Board of Directors of KISSKISSBANKBANK & CO SAS
- Vice-Chair of Association Française de Banques
- Member of the Executive Committee of the French Banking Federation (FBF)
- Member of the Board of Paris Europlace
- Director and Member of the Compensation Committee of La Banque Postale Assurances IARD
- Chair of the Board of Directors of Ma French Bank SA
- Director of SFIL SA
- Chair and Chief Executive Officer of SOPASSURE SA
- Chair of the Board of Directors of La Banque Postale Prevoyance SA
- Chair of the Supervisory Board of La Banque Postale Credit Entreprises SA

(1) Current appointments are marked with an asterisk.

XAVIER CHALANDON
Director

A graduate of the Institut d'Etudes Politiques de Lyon, he holds a master's degree in law. He has held management positions with various financial institutions. He was Chief Operating Officer of Banque Martin Maurel from 1999 to 2008 and then held the same position at Financière Martin Maurel until 2009. He is a member of the Strategy Committee and the Ethics Committee of Siparex Group.

Age: 72 years of age — **Nationality:** French

Date of first appointment: April 28, 2010

Start date of the current appointment: April 11, 2019

Term of office expires:

- General Meeting approving the financial statements for the year ended December 31, 2021

Other appointments currently or previously held in the Group in the last five years[1]:

Not applicable.

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years[1]:

- Permanent representative of Banque Martin Maurel at SI Participations

(1) Current appointments are marked with an asterisk.

SOPHIE FEGUEUX
Director

Doctor of medicine. She exercises the functions of hospital doctor within the Bichat hospital and expert assessor in Public Health (SPF). She has held positions within the Health Ministry and was a health adviser to the Interministerial Delegate on Road Safety.

Age: 62 years of age — **Nationality:** French

Date of first appointment: May 6, 2014

Start date of the current appointment: April 3, 2020

Term of office expires:

- General Meeting approving the financial statements for the year ended December 31, 2022

Other appointments currently or previously held in the Group in the last five years[1]:

Not applicable.

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years[1]:

Not applicable.

(1) Current appointments are marked with an asterisk.

ÉLÉONORE SIDOS

Director

Graduate from HEC, ENSAE, Sorbonne and Yale. She is a consultant at Roland Berger.

Age: 24 years of age — **Nationality:** French

Date of first appointment: February 24, 2017

Start date of current appointment: April 6, 2018

Term of office expires:

- General Meeting approving the financial statements for the year ended December 31, 2023

Other appointments currently or previously held in the Group in the last five years[1]:

Not applicable.

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years[1]:

Not applicable.

(1) Current appointments are marked with an asterisk.

EMMANUELLE SALLES

Director representing employees

Graduate with a DEA in environmental law from the University of Jean Moulin (Lyon III) and a DESS in Legal Risk Management from the University of Nice-Sophia Antipolis. Since 2006, she has been working as an environmental lawyer in the Legal Department of Vicat.

Age: 47 years of age — **Nationality:** French

Date of appointment by the Works Council: May 12, 2016

Start date of current appointment: May 12, 2016

Term of office expires:

- General Meeting approving the financial statements for the year ended December 31, 2021

Other appointments currently or previously held in the Group in the last five years:

- Director of the Louis Vicat foundation*

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years[1]:

Not applicable.

(1) Current appointments are marked with an asterisk.

HUGUES METZ

Director representing employees

Graduate with a BTS in electrical engineering and a Badge from the École des Mines de Saint-Étienne. Since 1987, he has held various positions at the Vicat de Xeuilley cement plant, where he is currently operations manager.

Age: 56 years of age — **Nationality:** French

Date of appointment by the Works Council: April 8, 2020

Start date of the current appointment: April 8, 2020

Term of office expires:

- General Meeting approving the financial statements for the year ended December 31, 2025

Other appointments currently or previously held in the Group in the last five years:	Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years[1]:
Not applicable.	Not applicable.

(1) Current appointments are marked with an asterisk.

The Board of Directors, at its February 11, 2022 meeting, resolved to ask the General Meeting to reappoint as directors:

- Jacques Merceron-Vicat for a four-year term expiring at the end of the Ordinary General Meeting to be held in 2026 to approve the financial statements for 2025; and
- Xavier Chalandon for a term that will expire, in line with the provisions of article 16 (3) of the by-laws following the Ordinary General Meeting to be held to approve the annual financial statements for the year in which he turns 75, namely following the General Meeting to be held in 2025 to approve the annual financial statements for 2024.

5.2.1.4 Gender parity, diversity and expertise of members of the Board of Directors – Independent directors

Management expertise of members of the Board of Directors

The Board of Directors consists of individuals who have industry knowledge, specific knowledge of the Group's business, technical and/or management experience, as well as corporate and financial experience. Each member of the Board of Directors is selected according to their availability and their integrity.

Personal information concerning the members of the Board of Directors

As of the date of the filing of this Universal Registration Document, no member of the Board of Directors has at any time in the last five years:

- been sentenced for fraud;
- been associated with a bankruptcy, or been put under sequestration or into liquidation;
- been officially incriminated or penalized by a legal or administrative authority, including by designated professional bodies;
- been disqualified by a court from serving as a member of an administrative, management or supervisory body or from being involved in the management or conduct of the affairs of an issuer.

Corporate governance declaration

(article L. 225-37 of the French Commercial Code)

The Company subscribes to a policy of transparency and continuous improvement regarding its disclosures, in particular those relating to its activities and financial matters. Since August 2, 2012, the Company has used and complied with the recommendations of the Middlenext Corporate Governance Code as its frame of reference for good governance.

The Board of Directors of the Company engages in an ongoing analysis of the rules applicable to the Board and their compliance with the recommendations of the Middlenext Corporate Governance Code. In August 2013, internal rules were established for the Board, particularly with a view to the organization of its self-assessment and internal deliberations and to set forth the conditions for the exercise by Board members of their right to information as well as the requirements incumbent on them with respect to professional ethics and confidentiality. These rules were updated by the Board of Directors at its meeting of October 30, 2020.

Similarly, the Board of Directors has adapted the roles and responsibilities of the Board's committees, in particular its Audit Committee, to the provisions of article L. 823-19 of the French Commercial Code.

Given its majority share ownership by members of the founding family and its long-term vision, the Company aims for continuity in its appointments of directors as a guarantee of longevity.

As of the date of the filing of this Universal Registration Document, the Board of Directors had five members deemed independent (namely 50% of its members when directors representing employees are excluded). The Company, referring to the criteria defined by the Middlenext Corporate Governance Code, considers as independent directors those who have no direct or indirect material relationship or special interest with the Company, its subsidiaries, its shareholders or its directors that could compromise the exercise of its freedom of judgment.

Each year, the Board reviews the situation of each of its members and ensures that, in accordance with the Middlenext Corporate Governance Code, they meet the following criteria on an ongoing basis:

- have not been, during the last five years, and not be an employee or executive Company officer of the Company or a Group company;
- not have had a significant business relationship with the Company or the Group (customer, supplier, competitor, service provider, creditor, banker, etc.) over the past two years;
- not be a reference shareholder of the Company or hold a significant percentage of voting rights;
- not have a close relationship or close family ties with a Company officer or reference shareholder;
- not have been a statutory auditor of the Company during the last six years;
- hold no more than five mandates in listed companies or large organizations;
- not be absent from more than 25% of Board or Committee meetings (unless there is a serious reason); and
- not be in a situation of repeated and proven conflict of interest.

In this respect, the Board may consider that a member is independent even though he or she does not meet all the independence criteria and conversely consider that a member is not independent even though he or she meets all the independence criteria.

The independent members are: Sophie Fegueux, Bruno Salmon, Xavier Chalandon, Delphine André and Rémy Weber.

As at the date of this Universal Registration Document, Sophie Sidos, Sophie Fegueux, Delphine André and Éléonore Sidos are members of the Board of Directors, thus bringing the composition of the Board in line with the objectives of French law on gender balance in the boardroom.

Furthermore, since May 2015 the Company has committed itself to the implementation of a Board of Directors assessment in order to bring the Company in line with the requirements of the Middlenext Corporate Code.

5.2.1.5 Conflicts of interests within the administrative, and General Management bodies

To the best of the Company's knowledge, there are not, as of the date of the filing of this Universal Registration Document, any conflicts of interest between the duties of the members of the Board of Directors, the Chairman and Chief Executive Officer and the Chief Operating Officers, with regard to the Company and their private interests and/or other duties.

No arrangement or agreement has been concluded with the main shareholders, customers, suppliers or other parties by virtue of which any of the members of the Board of Directors, the Chairman and Chief Executive Officer or the Chief Operating Officers were selected for their roles.

5.2.1.6 Family ties between directors and managers

Guy Sidos, Chairman and Chief Executive Officer is the son-in-law of Jacques Merceron-Vicat, director and Honorary Chairman, the husband of Sophie Sidos, director, and brother-in-law of Louis Merceron-Vicat, director, and father of Éléonore Sidos, director.

5.2.2 Functioning of the Board of Directors

5.2.2.1 Missions and attributions of the Board of Directors

The Board of Directors determines the policy for the Company's business and supervises its implementation. Subject to the powers expressly granted by shareholders at General Meetings and within the limits of the Company's corporate purpose, it examines any and all matters relating to the efficient operation of the Company and makes decisions on pertinent issues by means of the resolutions it adopts.

Its strategy and actions are informed by the Company's sustainable growth objectives. The Board of Directors is responsible in particular for reviewing and approving all decisions relating to the Company's and its subsidiaries' major economic, social, financial or technological policies and overseeing their implementation, in the context of the Group's general policy defined by the financial holding company Parfininco and the latter's strategic decisions.

The Chairman represents the Board of Directors. He organizes and directs the Board's work and reports on it at the General Meeting.

5.2.2.2 Board meetings

The Board of Directors shall meet, as convened by its Chairman and Chief Executive Officer, as often as required by the interest of the Company, at the registered office or in any other place indicated in the convening notice. However, the Board may also be convened by a group of directors representing at least one-third of Board members, if the Board has not met for more than two months.

The deliberations of the Board of Directors shall be officially recorded in the form of minutes, signed and filed in accordance with regulations.

A quorum of at least one-half of Board members must be present in order for the Board to conduct business. Decisions are taken by a majority vote of the members present or represented. If there is a tied vote, the Chairman shall have the casting vote.

The Board of Directors met four times in 2019, four times in 2020, and four times in 2021.

The dates and the agendas of the Board meetings were as follows:

Meeting of February 12, 2021

- Presentation of the business report.
- Closing of the individual financial statements at December 31, 2020.
- Closing of the consolidated financial statements at December 31, 2020.
- Review of the reports to the Board of Directors by its committees (Audit Committee and Compensation Committee).
- Presentation of 2021 objectives.
- Climate efforts update.
- Proposal to appropriate earnings.
- Review of regulated agreements.
- Review of ordinary agreements.
- Share buy-back program.
- Delegation of powers for the implementation of the share buy-back program.
- Reallocation of treasury shares.
- Reappointment of four Directors.
- Resignation of Jacques Le Mercier as Director.
- Appointment of Rémi Weber as Director to replace Jacques Le Mercier.
- Review of the independence of directors to be reappointed or appointed by the Ordinary General Meeting.
- Compensation policy for Company officers (*ex ante* vote).
- Review of compensation policy for Company officers (*ex post* vote).
- Proposal to set the overall amount of compensation for directors and members of Board Committees.
- Approval of the provisional management documents and the related report.
- Authorization for the Chairman and Chief Executive Officer to provide sureties, endorsements and guarantees.
- Approval of the report on payments made to States or regions where the Group performs extraction operations (article L. 225-102-3 of the French Commercial Code).
- Policy in the area of professional equality and equal pay.
- Delegation to the Chairman and Chief Executive Officer to answer written questions from shareholders at the General Meeting.
- Authorization for a bond issue and delegation of powers
- Ratification of the transfer of the registered office and the corresponding amendment to the by-laws.
- Free Share Plan.
- Convening of the Combined General Meeting and setting of the agenda.
- Approval of the reports of the Board of Directors and the draft wording of the resolutions to be put to the Combined General Meeting.
- Delegation of powers to the Chairman and Chief Executive Officer to determine the procedures for participating in the Combined General Meeting in the event of the continuation of the health emergency.
- Powers.
- Miscellaneous questions.

All the members of the Board attended this meeting, as well as the Company's statutory auditors and the two Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

Meeting of April 9, 2021

- Business update for Q1 2021
- Reappointment of Guy Sidos as Chairman and Chief Executive Officer.
- Reappointment of Didier Petetin as Chief Operating Officer.
- Reappointment of Lukas Epple as Chief Operating Officer.
- Review of potential conflicts of interest.
- Breakdown of directors' compensation.
- Replacement of Jacques Le Mercier as member of the Audit Committee and as member of the Compensation Committee by Rémy Weber.
- Report of the Audit and Compensation Committees.
- Authorization to take arbitration proceedings against the Arab Republic of Egypt and empowering of the Chairman and Chief Executive Officer.
- Authorization to grant free shares to employees and/or Company officers and approval of the terms of the plan determining the general principles.
- Approval of a special top-up profit-share for 2020.
- Miscellaneous questions.

All the members of the Board attended this meeting, as well as the Company's statutory auditors and the two Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

Meeting of July 27, 2021

- Business review and update on the heath emergency.
- Analysis and approval of the individual and consolidated financial statements as at the end of June 2021.
- Review of projected financial statements.
- Audit Committee report.
- Appointments, promotions, organization.
- Establishment of a CSR Committee, approval of its internal rules and appointment of its members.
- Climate action.

- Cement companies benchmark.
- Analysis of voting by shareholders at the Combined General Meeting of April 9, 2021.
- Miscellaneous questions.

All the members of the Board attended this meeting, as well as the Company's statutory auditors and the two Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

Meeting of October 29, 2021

- Presentation of the activity, revenue and press release at the end of September 2021.
- Climate action.
- Approval of the extension to the term of the Louis Vicat Foundation.
- Miscellaneous questions.

All the members of the Board attended this meeting, as well as the Company's statutory auditors and the two Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

Each director had been sent, with the notice convening the Board meetings, all the documents and information necessary to fulfill his or her function. The minutes of the Board meetings were drafted at the end of each meeting.

5.2.2.3 Internal rules of the Board of Directors

At its meeting of August 1, 2013, the Board of Directors adopted internal rules which were updated on October 30, 2020 and available for viewing on the Company's website: www.vicat.fr applicable to all current or future directors, the purpose of which is to complement legal, regulatory and bylaw provisions and to specify:

- the role of the Board;
- the composition of the Board;
- the experience and expertise of the members of the Board – Training;
- the independence criteria for directors;
- the operation of the management bodies;
- the conduct of meetings of the Board of Directors;
- information on members of the Board;
- the compensation of the Board of Directors;
- the Board committees;
- the rights and obligations of directors and conflicts of interest;
- the assessment of the Board's operation;
- changes to the internal rules.

5.2.3 Operating details of the committees

The Board of Directors has an Audit Committee, a Compensation Committee and a CSR Committee. They fulfill their duties under the supervision of the Board of Directors. The Audit Committee consists of four members, two of which are chosen from the independent directors. The Compensation Committee consists of three members, two of which are independent directors appointed by the Board of Directors on the proposal of its Chairman and chosen on the basis of their expertise. The CSR Committee consists of three members, two of which are independent directors appointed by the Board of Directors on the proposal of its Chairman and chosen on the basis of their expertise.

The committee members can be removed at any time by the Board of Directors, which does not have to justify its decision. A committee member may resign his or her role without having to provide reasons for his or her decision.

Each committee is chaired by a Chairman appointed by a majority decision of the committee members. The Chair of the committee ensures the regularity of its proceedings, with particular reference to the convening and conduct of meetings and the provision of information to the Board of Directors.

Each committee appoints a secretary from among its members or from outside the committee and Board of Directors.

5.2.3.1 Composition of committees

As of the date of this Universal Registration Document, the committees are made up of the following members:

- **Audit Committee:**
  - Rémy Weber, Chair of the committee, independent director,
  - Xavier Chalandon, independent director,
  - Delphine André, independent director,
  - Eléonore Sidos.
- **Compensation Committee:**
  - Xavier Chalandon, Chair of the committee, independent director,
  - Bruno Salmon, independent director,
  - Rémy Weber, independent director.
- **CSR Committee:**
  - Sophie Sidos, Committee Chair,
  - Sophie Fegueux, independent director,
  - Bruno Salmon, independent director.

5.2.3.2 Role of committees

- **Audit Committee:**

  The missions of the Audit Committee as defined in its Internal Rules approved by the Board of Directors on July 27, 2020 are as follows:

  - it monitors the process of preparing financial and non-financial information and, where applicable, makes recommendations to ensure its integrity;
  - it monitors the effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit, with regard to:
    - the procedures relating to the preparation and processing of accounting and financial information, without compromising its independence,
    - the procedures relating to the preparation of extra-financial reporting,
    - where applicable: the anti-corruption system and its deployment, the Vigilance Act, the General Data Protection Regulation (GDPR),
    - any other specific provision with which the Company must comply (depending on the laws and regulations in force);
  - it issues a recommendation on the statutory auditors proposed for appointment by the General Meeting. This recommendation to the Board is prepared in accordance with regulations; it also issues a recommendation to the Board when the renewal of the term of office of the statutory auditor is planned under the conditions defined by the regulations;
  - it monitors the performance by the statutory auditors of their duties and takes into account the findings and conclusions of the High Council of the statutory auditors following the audits carried out in application of the regulations;
  - It ensures that the statutory auditor complies with the conditions governing their independence under the conditions and in accordance with the procedures provided for by the regulations;
  - it approves, in advance, the provision of services other than the certification of financial statements in compliance with applicable regulations;
  - it regularly reports to the Board on the performance of its duties. It also reports on the results of the audit engagement, the way in which this engagement contributed to the integrity of the financial information and the role it played in this process. It immediately informs the Board of any difficulties encountered.
- **Compensation Committee:**

  The Compensation Committee is in charge of:

  - examining the compensation of executive directors and employees (fixed portion, variable portion, benefits of any kind, etc.) and in particular their amount and distribution, as well as the compensation and incentive policy for executive directors;
  - reviewing the share subscription or purchase option plans and, in particular as regards their beneficiaries, the number of options that may be granted to them, as well as the term of the options and the subscription price conditions and those of any other form of access to the Company's share capital in favor of executive directors and employees;
  - reviewing certain benefits, such as pension and welfare benefit plans, disability insurance, death insurance, education allowance, civil liability insurance for Company officers and senior executives, etc.;
  - ensure that diversity is at the heart of the Board of Directors' concerns. The Board, on the proposal of the General Management, sets objectives in terms of gender balance for the governing bodies, the Executive Committee and, more broadly, senior management. The committee ensures that the selection process for the renewal or creation of positions ensures the diversity of applications.
- **CSR Committee**

  The CSR Committee is tasked with considering matters of corporate social and environmental responsibility within VICAT Group. It provides the Board with its views, suggestions and recommendations regarding the implementation of CSR commitments within VICAT Group.

5.2.3.3 Operating details of the committees

- Audit Committee: three times a year and more often at the request of the Board of Directors.
- Compensation Committee: once a year and more often at the request of the Board of Directors.
- CSR Committee: once a year and more often at the request of the Board of Directors.

Committees proposals are adopted by simple majority of the members present, each member having one vote. The members may not be represented by proxies at committee meetings.

The deliberations of the committees are recorded in minutes entered in a special register. Each committee reports to the Board of Directors on its work. The Board of Directors may allocate compensation to the members of the committees.

5.2.3.4 Committee meetings

The Audit Committee met four times in 2021 and examined the following points:

Meeting of February 5, 2021

- Financial calendar.
- Significant events of the year and 2020 annual financial statements.
- Group financing.
- Delegation of authorizations to carry out assignments.
- Reappointment of the Statutory Auditors of the subsidiaries.
- Financial information production process.
- Accounting developments.
- Update on the work of the statutory auditors.

All members of the Audit Committee attended this meeting.

Meeting of April 8, 2021

- Action plan/compliance situation.
- Audit plan and internal audit missions.
- Accounting policies/recent developments: free share plan & pension obligations.
- Update of the procedure to monitor non audit fees.
- ERP roadmap.

All members of the Audit Committee attended this meeting.

Meeting of July 23, 2021

- Presentation of the financial statements at June 30, 2021.
- European Taxonomy.
- Update on compliance initiatives.
- Work of the statutory auditors.

All members of the Audit Committee attended this meeting.

Meeting of October 26, 2021

- Compliance update.
- Accounting update:
  - Individual financial statements of Vicat;
  - ESEF reporting;
  - Green taxonomy.
- Tax update: CBCR.
- Country updates:
  - Spotlight on Turkey;
  - Spotlight on Egypt;
  - Recovery plans.
- Financing.
- Capital Market Day.

All members of the Audit Committee attended this meeting.

The Compensation Committee met once in 2021 with a 100% attendance rate. It considered the following issues:

Meeting of February 4, 2021

- Change in compensation for 2020.
- Breakdown of compensation in 2020.
- Gender Equality Index.
- Compensation of the main senior executives in 2020.
- Compensation of Company officers:
  - Compensation policy for executive Company officers and Company officers;
  - Spotlight on Article 39/Free Share Plan;
  - Equity Ratio.
- Update on labor law reforms.

The CSR Committee, established by the July 27, 2021 meeting of the Board of Directors, did not meet this year.

5.2.4 Operation of the management bodies

The Chairman and CEO is responsible for the General Management of the Company. He has the broadest powers to act in all circumstances in the name of the Company, within the limitations of the corporate purpose and subject to the powers expressly attributed by law to Shareholders General Meetings. He represents the Company in its relations with third parties.

As of the date of the filing of this Universal Registration Document, the Chairman and Chief Executive Officer is assisted by two Chief Operating Officers and by five Deputy Chief Executive Officers operating, by delegation, in the following areas:

Chief Operating Officer: France (excluding the Paper business): Didier Petetin.

Other corporate offices held by Didier Petetin:

- Chair of Béton Vicat.
- Chair of Granulats Vicat.
- Chair of SATMA.
- Chair of Vicat France Service Support.
- Chair of VPI.
- Manager of Béton 74.
- Director of Monaco Béton.
- Permanent representative of Granulats Vicat as a member of the Management Committee of Sablières de Sainte-Hélène.
- Permanent representative of Vicat as Director of Segy.

Chief Operating Officer – Group Strategy Director: Lukas Epple

- in charge of managing and consolidating the Group's strategy in terms of environmental transition and digital transition;
- in charge of overseeing the Development Department.

Other corporate offices held by Lukas Epple:

- Chair of the Board of Directors of Vigier Holding SA, Deitingen.
- Chair of the Board of Directors of Pro Beton SA, Geneva.

Deputy Chief Executive Officers:

- United States: **Eric Holard**.
- Legal Affairs Management: **Philippe Chiorra**.
- Innovation and Industry Department: **Éric Bourdon**.
- Finance Department: **Hugues Chomel**.
- Human Resources Department: **Christophe Bérenger**.

Name	Age	Brief biography
Didier Petetin	55 years of age	Mr. Petetin is a graduate of the Ecole Nationale Supérieure d'Arts et Métiers. He joined the Group in 2010 after having worked for Lafarge.
Lukas Epple	57 years of age	Mr. Epple is a graduate from the University of St. Gall (Switzerland) and Alumnus of Harvard Business School (Boston, United States). He joined the Group in 2013 after having worked for Holcim.
Éric Holard	61 years of age	Mr. Holard is a graduate of the Ecole Nationale Supérieure d'Arts et Métiers and holds an MBA from HEC. He joined the Group in 1991 after having worked for Arc International.
Philippe Chiorra	65 years of age	Mr. Chiorra holds a graduate degree (DESS) in legal advisory services. He joined the Group in 2000 after working for Chauvin Arnoux.
Éric Bourdon	54 years of age	Mr. Bourdon is a graduate of the Ecole Nationale Supérieure d'Arts et Métiers. He joined the Group in 2002 after having worked for Polysius.
Hugues Chomel	60 years of age	Mr. Chomel holds a degree in Chartered Accountancy and a Master's degree in Business Law from the Université Pierre Mendès-France (Grenoble II). He joined the Group in 2004 after having worked for Schneider Electric.
Christophe Bérenger	51 years of age	Mr. Bérenger holds a DESS in Human Resources. He joined the Group in 2008 after having worked for CMA CGM.

The Deputy Chief Executive Officers, having an operational role, have responsibility for managing activities and earnings.

5.2.5 Information on the service agreements binding the members of the Company's administration and management bodies

To the best of the Company's knowledge, there are no service agreements binding the members of the Board of Directors, the Chairman and Chief Executive Officer or the Chief Operating Officers to the Company or to any of its subsidiaries and granting benefits to such persons.

5.2.6 Provisions concerning members of the Company's administrative and management bodies

5.2.6.1 Composition of the Board of Directors (article 15 of by-laws)

The Company is administered by a Board of Directors with at least five and no more than twelve members, appointed by the General Meeting, except where this number is exceeded for legal reasons.

5.2.6.2 Term of office of directors – Age limit – Reappointments – Co-option – Employee director (article 16 of by-laws)

1) Directors are appointed for a term of three or six years. They can be re-elected. If one or more seats are unfilled, the Board can, under the conditions set by the law, co-opt members for temporary appointments, subject to ratification at the next General Meeting.
2) Subject to the provisions of items 3 and 4 below, all terms of office expire at the close of the Ordinary General Meeting called to approve the financial statements for the year during which the term of three or six years has ended.
3) When a natural person has been appointed as a director and will turn 75 before the expiration of the three- or six-year term mentioned above, the term of office is limited, in any case, to the period of time between the said director's appointment and the Ordinary General Meeting called to approve the financial statements for the year during which this director turns 75.
4) However, the Ordinary General Meeting at the close of which the term of office of said director expires may, if the Board of Directors so moves, re-elect the director for a further three- or six-year term, although it should be noted that at no time may the Board of Directors have more than one-third of its members over the age of 75.
5) Subject to the exceptions provided by law, all directors must own at least ten shares before the expiry of the period set by law and continue to hold these shares throughout their term of office.
6) In addition to the directors whose number and appointment procedures are described in article 15 above, the Board of Directors shall include one or two employee directors, depending on whether the number of Board members appointed by the General Meeting shall or shall not exceed the legal threshold.

The Company's Central Economic and Social Committee appoints the employee director(s) for a renewable term of six years.

The Company's Central Economic and Social Committee appoints the employee director(s) in accordance with the applicable legal provisions, with particular reference to the employee's status at the time of appointment, their training and the conditions of their term of office.

Termination of the employment contract shall end the term of office of the director appointed by the company's central economic and social committee.

If a vacancy arises due to a death, resignation, removal, termination of the employment contract or for any other reason, the vacant Board seat shall be filled according to the conditions set out in law.

Subject to the provisions of this article and legal provisions, each employee director shall have the same status, powers and responsibilities as the other directors.

Where the term of office of one or more employee directors is abolished whether as a result of changes in the relevant legislation or regulations, or through changes in the structure of the Company's workforce, such abolition shall become effective upon its having been formally noted by the Board of Directors meeting at the expiry of the term of office of the employee director(s) so appointed.

The Board of Directors, at its February 11, 2022 meeting, decided to ask the Extraordinary General Meeting to be held on April 13, 2022 to harmonize the terms of office of all directors to four years and to accordingly amend article 16 of the by-laws.

5.2.6.3 Chairmanship and secretariat of the Board of Directors (article 17 of by-laws)

The Board of Directors shall elect from its members a Chairman and, if it considers it useful, a Vice-Chairman. It determines their term of office which may not exceed either their term of office as director, or the period of time between their appointment as Chairman or Vice-Chairman and the close of the Ordinary General Meeting called to approve the financial statements for the financial year during which they turn 85.

Subject to these provisions, the Chairman of the Board of Directors or the Vice-Chairman can always be re-elected. He organizes and directs the work of the Board, reports on this work to the General Meeting, and carries out its decisions. He oversees the regularity of proceedings on the Company's governance bodies and ensures that the directors are capable of discharging their duties.

The Board of Directors can appoint a secretary for each meeting who can be selected from outside the directors.

5.2.6.4 Meetings – Convening notices – Deliberations – Attendance register (article 18 of by-laws)

The Board of Directors meets at the Chairman's behest as often as required to serve the Company's interests, either at the registered office, or in any other place indicated in the convening notice. The agenda is set by the Chairman at any time, including at the time of the meeting.

Moreover, a group of directors representing at least one-third of Board members may request the Chairman to convene a meeting on a particular agenda, if the Board has not met for more than two months. The Chief Executive Officer may also ask the Chairman to convene a Board meeting on a particular agenda.

Meetings are chaired by the Chairman or the Vice-Chairman or, failing this, by a director appointed at the start of the meeting.

Decisions are taken pursuant to the quorum and majority conditions prescribed by the law. If there is a tied vote, the Chairman shall have the casting vote.

The minutes are drawn up and copies or extracts are delivered and certified in accordance with the law.

The Board of Directors can include as present, for the calculation of the quorum and the majority, any directors attending Board meetings by video-conference or any other appropriate telecommunication method in accordance with applicable laws and regulations.

Decisions within the remit of the Board of Directors, restrictively listed by the law, can be taken by consulting the directors in writing.

5.2.6.5 Powers of the Board of Directors (article 19 of by-laws)

The powers of the Board of Directors are those which are conferred on it by law. The Board shall exercise its powers within the limit of the corporate purpose and subject to those which are expressly granted by law to the meetings of shareholders.

5.2.6.6 Compensation of the Board of Directors (article 20 of by-laws)

The Board of Directors receives as compensation for its service an annual fixed sum, the amount of which is determined by the General Meeting and remains at that level unless otherwise decided.

The distribution of this compensation among its members is determined by the Board of Directors under the conditions provided for by law.

5.2.6.7 General Management (article 21 of by-laws)

General Management structure

In accordance with the legal provisions, the General Management of the Company is assumed either by the Chairman of the Board of Directors or by another individual appointed by the Board of Directors who takes the title of Chief Executive Officer.

This option as to the way in which General Management is to be structured is taken by the Board of Directors and remains valid until another option is selected. Resolutions of the Board of Directors are adopted by a majority of directors present or represented.

Resolutions adopted by the Board of Directors are communicated to shareholders and third parties in accordance with applicable regulations.

The Board of Directors can decide at any time to change its General Management structure.

General Management

Depending on the option chosen by the Board of Directors, in accordance with the provisions above, the General Management of the Company is provided either by the Chairman of the Board, or by a Chief Executive Officer, an individual appointed by the Board of Directors.

In the event that the roles of Chairman of the Board and of Chief Executive Officer are separated, the resolution of the Board of Directors appointing the Chief Executive Officer must set his or her term of office, determine his or her compensation and, if necessary, limit his or her powers.

Subject to legal limitations, the Chief Executive Officer, whether or not he also serves as Chairman of the Board, has the broadest powers to act in any circumstance in the name of the Company. However, by way of internal rules, and without this limitation being enforceable on third parties, the Board of Directors may limit the extent of his or her powers.

The age limit for the appointment of a Chief Executive Officer is set at 75 years; the term of office of a Chief Executive Officer shall expire at the close of the first Ordinary General Meeting following the date of his or her 75th birthday.

The Chief Executive Officer may be dismissed at any time by the Board of Directors.

On the proposal of the Chief Executive Officer, the Board of Directors can appoint up to five individuals to assist the Chief Executive Officer and who are given the title of Chief Operating Officer.

The age limit for the appointment of a Chief Operating Officer is set at 75 years; the term of office of a Chief Operating Officer shall expire at the close of the first Ordinary General Meeting following the date of his or her 75th birthday.

5.3 COMPENSATION POLICY FOR COMPANY OFFICERS

5.3.1 Determination, review and implementation of the compensation policy

The compensation policy for all Company officers of Vicat (hereinafter "the Company") is set by the Board of Directors in accordance with the recommendations of the Compensation Committee, and is reviewed annually to, in particular, consider changes in legislative and regulatory provisions, market practices, the Middlenext Code and shareholder votes.

The compensation policy for 2022 was approved by the Board of Directors at its meeting of February 11, 2022 based on recommendations by the Compensation Committee, which met on February 3, 2022, and in accordance with the provisions of article L. 20-10-08 of the French Commercial Code.

The Board of Directors makes sure that the compensation policy in place complies with the corporate interests of the Company, that it is adapted to the strategy of the Company and the context in which it operates, and it takes account of the environmental transition (reduction in carbon intensity and biodiversity, in particular) and shows solidarity (occupational health and safety, inclusion and sharing of profits, in particular). In the context of these issues, it makes sure that it helps to promote its performance (economic, industrial, commercial and CSR/ESG), its viability and its competitiveness in the short, medium and long terms.

Vicat's compensation policy aims to:

- support its short, medium and long-term strategy;
- align the interests of its directors with those of shareholders, employees and all stakeholders;
- ensure that short-term results contribute to the attainment of medium- and long-term results;
- reward financial, commercial, industrial and CSR/ESG performance by encouraging ongoing improvements from one year to the next, backed up by its corporate culture and values;
- motivate and reward results, initiatives and innovations in environmental transition matters (reduction of CO_2 and other greenhouse gas emissions, preservation of biodiversity, resource savings, circular economy) and in matters of solidarity (occupational health and safety, inclusion, diversity and gender parity);
- further its commercial strategy;
- motivate and reward results, initiatives and innovations regarding the digital transition (process digitalization, Customer digital experience, etc.), while avoiding any digital divide within the teams;
- play a role in team engagement, a source of value creation;
- encourage innovation within the teams;

- reward individual and collective performances, and build loyalty in teams;
- participate actively in employer-employee dialogue, and the cohesion and commitment of teams;
- be competitive and to perform well in order to attract, develop and continually motivate talent whilst maintaining a balanced financial structure.

In accordance with the provisions of article L. 22-10-8 of the French Commercial Code, the Shareholders General Meeting of April 13, 2022 will be asked to approve the compensation policy for Company officers. This compensation policy will apply during 2022 to any person who is a Company officer within Vicat.

5.3.2 Compensation Policy for executive Company officers

5.3.2.1 The general principles for determining the compensation policy for executive Company officers

The compensation policy for executive Company officers is fixed by the Board of Directors upon recommendation of the Compensation Committee and is reviewed annually. This committee calls upon external advisers specialized in executive compensation. It is also attentive to comments from shareholders.

The compensation policy for executive Company officers is based on the following principles:

- no executive Company officer is linked to the Company by an employment contract;
- the benefits in kind awarded to executive Company officers correspond to the usual benefits for this type of function (company car, etc.);
- the compensation policy for executive Company officers of the Company complies with applicable law and regulations and the recommendations of the Middlenext Code;
- studies are regularly carried out, notably with the support of external consulting firms, to measure levels and structures of compensation compared to a range of comparable companies (in terms of size and international scope) from both French and international markets (market leaders);
- all elements of compensation and benefits of any kind are analyzed comprehensively, firstly with an “element by element” approach, then by an analysis of overall coherence in order to reach the best possible balance between fixed and variable, individual and collective, and short- and long-term compensation;
- consideration is given to being able to attract, motivate and retain the talent the Company needs, as well as the requirements of shareholders and other stakeholders, particularly in matters of corporate social and environmental responsibility (environmental transition and solidarity), transparency and how this links to performance;
- performance conditions are demanding and correspond to the key factors for profitable and sustainable growth of the Vicat Group and are generally aligned with its published objectives in the short, medium and long terms including CSR/ESG commitments;
- this compensation policy aims for a balance between short, medium and long-term performance in order to promote the development of the Company for all of its stakeholders. Therefore, with the aim of preserving their interests, the Company endeavors to maintain coherence between the overall compensation of each Company officer and performance within their scope;
- the compensation policy is governed by simple, clear and transparent rules. The Compensation Committee oversees the proper application of all of these principles as part of its work, and in its recommendations to the Board of Directors, when preparing and implementing the compensation policy and when determining the amounts or valuations of compensation or other benefits.

The compensation of executive Company officers has the following main components:

- **Definition of relevant scope.**
- **Annual fixed gross compensation:** paid over 13 months and set in line with:
  - the company’s culture and values;
  - level and complexity of the duties and responsibilities attached to this function;
  - competence, experience, expertise and career of the holder of the function;
  - market analyses and studies on the compensation paid for a similar Company office in companies in the same or comparable sectors.
- **Annual variable gross compensation based on individual performance:** determined by performance with respect to financial, commercial and industrial criteria (70%) and CSR/ESG criteria (Environment Section (reducing carbon intensity, biodiversity, circular economy: 10%); Social and Corporate Section (occupational health and safety, inclusion, diversity, gender parity): 10%), and management assessment (10%), for the scope and period in question.

- **Special gross bonus:** may be awarded to executive Company officers in the following circumstances:
  - the delivery during the financial year of extraordinary deals to accelerate the Group's growth and performance (acquisitions, disposals, mergers, etc.). The amount is determined on the basis of the complexity and scale of the deals delivered. The merger and acquisitions policy of the relevant scope rarely generates good-sized deals;
  - management of one or more extraordinary large crises (health risks, labor trouble outside the Group impacting its smooth operation, armed conflict, cyberattacks, etc.) within the relevant scope. The amount is determined on the basis of the complexity and extent of the crisis or crises managed.
- **Supplemental health, insurance and pension benefits:** they are compensated by the Company in respect of their Company office on the same terms and conditions as Company managers;
- **Benefits in kind:** These include company cars, club membership, job loss insurance, etc.
- **Retirement indemnities:** If they are compensated by the Company in respect of their office, executive Company officers, assuming they retire at the statutory age and finish up their career at the Group, may receive a retirement indemnity on the same terms and conditions as other Group managers, the amount of which will be determined in accordance with the collective bargaining agreement applicable to the Company:
  - after 5 years' service: Gross annual salary/12
  - after 10 years' service: (Gross annual salary/12) x 2
  - after 20 years' service: (Gross annual salary/12) x 3
  - after 30 years' service: (Gross annual salary/12) x 4
  - after 35 years' service: (Gross annual salary/12) x 5
  - after 40 years' service: (Gross annual salary/12) x 6

  The gross annual salary is equal to the sum of the last 12 gross monthly wages paid.

  The length of service corresponds to the length of service in the Group.
- **Compensation of Directors:** when they also serve as Company director, executive Company officers may receive compensation in respect of these roles in accordance with the terms of paragraph 5.4.8.

The executive Company officers are not subject with regard to their respective offices to any: non-compete clause; multi-annual gross variable compensation; supplementary pension plans (in 2021, the Company terminated the so-called "article 39" supplementary defined-benefit pension plan previously enjoyed by its executive Company officers and some high-level Group managers, but not Lukas Epple); share-based compensation (aside from the free share plan, as described in section 5.4.7., introduced by the Board of Directors on April 9, 2021, on the authorization of the General Meeting the same day to partly make up for the loss of the so-called "article 39" supplementary defined-benefit pension plan; or golden parachute.

5.3.2.2 Compensation policy applicable to Guy Sidos, Chairman and Chief Executive Officer

At the request of the Compensation Committee, the 2021 compensation of the Chairman and Chief Executive Officer, Guy Sidos, was compared with the results of a benchmarking study conducted by an independent consultancy (Deloitte, data for 2020) involving two panels of companies of a similar size to Vicat SA: Panel 1, CAC Mid60 and Panel 2, 11 industrial firms with revenue of between €1.5 and €5 billion. This benchmark does not include supplementary pension plans, free share plans to partly make up for the termination of a supplementary pension plan, benefits in kind or directors' compensation.

For 2021, the annual fixed compensation of the Chairman and Chief Executive Officer (€858,420) is close to the 3rd quartile of Panel 1 (€910,000) and of Panel 2 (€775,000) in a comparison of the gross annual salaries of Chairmen and Chief Executive Officers of the companies included in the Deloitte benchmark.

The gross variable component (performance) of his compensation paid in 2021 in respect of 2020 (€350,000 euros) is below the 1st quartile of Panel 1 (€416,000) and close to the 1st quartile of Panel 2 (€296,000) in terms of gross variable components.

Including the gross extraordinary bonus, the total gross annual compensation received by the Chairman and Chief Executive Officer (€1,367,100) is within the 1st quartile of Panel 1 (€1,009,000) and of Panel 2 (€909,000) for total target compensation and the median of Panel 1 (€1,855,000) and of Panel 2 (€1,667,000) for target total gross annual compensation.

The compensation of the Chairman and Chief Executive Officer for 2022 would break down as follows:

- **Relevant scope: Vicat Group.**
- **Annual fixed gross compensation**

  Subject to a justified individual increase, the increase in the annual fixed gross compensation of the Chairman and Chief Executive Officer (Vicat part and Parfininco part) will be in line with the overall increase for Vicat SA employees.

  Before general and individual increases that may apply during 2022, the annual fixed gross compensation is:

  €859,209 in 2022 (€854,084 in 2021 plus the application of the general increase of +0.6% at March 1, 2021).

  Breaking down as follows:
  - annual fixed gross compensation in respect of his position as Chairman and Chief Executive Officer of Vicat SA and paid by the latter:

    €818,137 in 2022 (€813,257 in 2021 plus the application of the general increase of +0.6% at March 1, 2021);
  - annual fixed gross compensation in respect of his position as Chief Operating Officer of Parfininco and paid by the latter:

    €41,072 in 2022 (€40,827 in 2021 plus the application of the general increase of +0.6% at March 1, 2021).

In respect of 2022:

- the general increase in salaries applied in Vicat SA and Parfininco is +2% at January 1, 2022 and +1% on March 1, 2022;
- having regard to the change in the size and complexity of Group operations and in light of the benchmarks on the compensation of Chairmen and Chief Executive Officers of large Groups and of identical or comparable sectors, an individual increase of +2.8% at January 1, 2022 by the Company, on top of the aforementioned general increase.

- **Annual variable gross compensation based on individual performance**

  For 2022, the amount of this bonus will be determined on the basis of **80%** of the gross annual fixed compensation at 100% of the targets achieved (for a maximum amount of 50% of the previous gross annual fixed compensation). The rationale for this increase is alignment with the practices of the compensation policies for Chairmen and Chief Executive Officers of similarly sized groups in identical or comparable sectors.

  It is calculated in the table below.

Relative weighting of each performance indicator (quantitative and qualitative indicators)/Scope	Minimum	Target (Objective 100% achieved consequently Weighting of indicator =)	Maximum (Objective exceeded consequently maximum Weighting of indicator =)
Financial, commercial and industrial performance (quantitative indicator)	0%	70%	85%
CSR/ESG performance Environmental section: reduction in CO_2 and greenhouse gas emissions, biodiversity protection, saving of resources, circular economy (quantitative indicator)	0%	10%	15%
CSR/ESG performance Social and Corporate section: occupational health and safety, gender equality, increased female representation in teams, inclusion, diversity (quantitative indicators)	0%	10%	15%
Management assessment (qualitative indicator)	0%	10%	15%
TOTAL	**0%**	**100%**	**130%**

The criteria used to determine the annual individual performance bonus are set carefully by the Board of Directors but are not published for confidentiality reasons.

By law, the payment of this bonus is subject to approval by the Ordinary General Meeting to be held in 2023 and deliberating on the compensation paid or allotted to the Chairman and Chief Executive Officer for 2022.

- **Special gross bonus**

  For 2022, the amount of the special gross bonus that may be awarded to the Chairman and Chief Executive officer under the compensation policy for executive Company officers may not exceed **30%** of the gross annual fixed compensation (30% for the previous year).

  By law, the payment of this bonus is subject to approval by the Ordinary General Meeting to be held in 2023 and deliberating on the compensation paid or allotted to the Chairman and Chief Executive Officer for 2022.

- **Benefits in kind:** company car and club memberships.
- **Insurance against job loss:** not applicable.
- **Supplemental health, insurance and pension benefits:** on the same terms and conditions as Company managers.
- **Retirement indemnities:** no retirement expected in 2022.
- **Supplementary pension plan:** not applicable.
- **Compensation in shares or other financial instruments:** no new free share plan in 2022. No share-based compensation, the award of which would be subject to performance conditions.
- **Directors' compensation:** as a member and Chairman of the Board of Directors of the Company in accordance with the compensation policy for non-executive Company officers (see 5.4.8).

5.3.2.3 Compensation policy applicable to Chief Operating Officers

It should be noted that, at present, this compensation policy only applies to Didier Petetin.

Lukas Epple, appointed Chief Operating Officer at the Company as from October 30, 2020 does not receive compensation for his position. Should it be decided to award him compensation in respect of his position as Chief Operating Officer of the Company (or in the event of the appointment of a new Chief Operating Officer), the compensation policy applicable to Chief Operating Officers described in paragraph 5.3.2.3 would apply.

At the request of the Compensation Committee, the 2021 compensation Didier Petetin received in his role as Chief Operating Officer was compared with the results of a benchmarking study conducted by an independent consultancy (Deloitte, data for 2020) involving a panel of companies of a similar size to Vicat SA: Panel 1, CAC Mid60. This benchmark does not include supplementary pension plans, free share plans to partly make up for the termination of a supplementary pension plan, benefits in kind or directors' compensation.

For 2021, the gross annual fixed compensation of this Chief Operating Officer (€347,211) is close to the median of Panel 1 (€382,000) in a comparison of the gross fixed annual compensation of Chief Operating Officers of the companies included in the Deloitte benchmark.

The gross variable component (performance) of his compensation paid in 2021 (€71,000) is below the 1st quartile of Panel 1 (€329,000) in terms of variable components.

Including the special gross bonus, the gross annual total compensation of the Chief Operating Officer (€471,722) is below the 1st quartile of Panel 1 (€594,000) for gross total target compensation.

The compensation of Didier Petetin, Chief Operating Officer, for 2022 would break down as follows:

- **Relevant scope: Vicat Group in France excluding Papeteries de Vizille.**
- **Annual fixed gross compensation**

  Subject to a justified individual rise, it will be in line with the overall increase of the Vicat SA employees.

  The annual fixed compensation of Didier Petetin in respect of his position as Chief Operating Office is set at **€347,530** (€345,427 in 2021 plus the application of the general increase of +0.6% at March 1, 2021).

  In respect of 2022:

  - the general increase in salaries applied in Vicat SA is +2% at January 1, 2022 and +1% on March 1, 2022.
- **Annual variable gross compensation based on individual performance**

  For 2022, the amount of this bonus will be determined on the basis of **50%** of the annual fixed compensation at 100% of the targets achieved (for a maximum amount of 40% of the previous annual fixed compensation). The rationale for this increase is alignment with the practices of the compensation policies for Chief Operating Officers of similarly sized groups in identical or comparable sectors.

  It is calculated in the table below.

Relative weighting of each performance indicator (quantitative and qualitative indicators) / Scope	Minimum	Target (Objective 100% achieved consequently Weighting of indicator =)	Maximum (Objective exceeded consequently maximum Weighting of indicator =)
Financial, commercial and industrial performance (quantitative indicator)	0%	70%	85%
CSR/ESG performance Environmental section: reduction in CO_2 and greenhouse gas emissions, biodiversity protection, saving of resources, circular economy (quantitative indicator)	0%	10%	15%
CSR/ESG performance Social and Corporate section: occupational health and safety, gender equality, increased female representation in teams, inclusion, diversity (quantitative indicators)	0%	10%	15%
Management assessment (qualitative indicator)	0%	10%	15%
TOTAL	**0%**	**100%**	**130%**

The criteria used to determine the annual individual performance bonus are set carefully by the Board of Directors but are not published for confidentiality reasons.

By law, the payment of this bonus is subject to approval by the Ordinary General Meeting to be held in 2023 and deliberating on the compensation paid or allotted to Didier Petetin for 2022.

- **Special gross bonus**

  For 2022, the amount of this special bonus may not exceed **20%** of the gross annual fixed compensation (20% for the previous year).

  By law, the payment of this bonus is subject to approval by the Ordinary General Meeting to be held in 2023 and deliberating on the compensation paid or allotted to Didier Petetin for 2022.
- **Benefits in kind:** company car and insurance against job loss described below.
- **Insurance against job loss:** the Company has taken out a private insurance policy against job loss (along the lines of what is offered by GSC) on behalf of Didier Petetin (who had an employment contract with the Company before being appointed Chief Operating Officer) to protect him in the event of the involuntary loss of his position. The period covered is 24 months with effect from the date of losing his employment. The compensation is 55% of the net tax salary (post-income tax).
- **Supplemental health, insurance and pension benefits:** on the same terms and conditions as Company managers.
- **Retirement indemnities:** no retirement expected in 2022.
- **Supplementary pension plan:** not applicable.
- **Compensation in shares or other financial instruments:** No new free share plan in 2022. No share-based compensation, the award of which would be subject to performance conditions.
- **Directors' compensation:** not applicable.

5.3.3 Compensation policy for non-executive Company officers

Non-executive Company officers are members of the Board of Directors of the Company, with the exception of the Chairman of the Board of Directors who combines his functions with an appointment as Chief Executive Officer.

The Shareholders General Meeting sets the overall amount of annual compensation allocated to members of the Board of Directors in respect of their positions as directors and as members of Board committees.

The Board of Directors distributes this sum amongst its members in line with the compensation policy approved by the General Meeting, having regard in particular to the effective attendance of each director at Board meetings and, as the case may be, of the committees on which they sit.

At its April 9, 2021 meeting, the General Meeting, at the behest of the Board of Directors, resolved to set the overall amount of directors' compensation at €446,000 to give scope for the establishment, should it be desired, of any new committee.

The rules for the allocation of this compensation amongst the members of the Board of Directors and of its committees were established by the Board of Directors, on the recommendation of the Compensation Committee, as follows:

	Annual fixed portion	Additional fixed portion for the Chairman
Member of the Board of Directors	€30,000	€30,000
Member of the Audit Committee	€8,000	-
Member of any other Committee	€4,000	-

The Board of Directors may also allocate exceptional compensation for specific missions assigned to certain directors in line with applicable legal provisions.

Lastly, the Board of Directors may also authorize the reimbursement of certain travel expenses and expenses disbursed by the directors in the interest of the Company.

- Appointment or end of term of office

In the case of an appointment or departure of a director during the year, these same principles would be applied *prorata temporis* for the period of exercise of his/her functions.

5.4 ELEMENTS OF COMPENSATION PAID OR ALLOCATED PURSUANT TO 2021

5.4.1 Elements of compensation paid or allocated to executive Company officers

(in euros)	**2021**	2020
Guy Sidos ***Chairman and Chief Executive Officer***		
Compensation paid during the year	1,447,100	1,236,206
Valuation of options granted during the year	Not applicable	Not applicable
Valuation of performance shares granted during the year (4.8.2.4)	5,037,432	Not applicable
Didier Petetin ***Chief Operating Officer***		
Compensation paid during the year	471,722	449,389
Valuation of options granted during the year	Not applicable	Not applicable
Valuation of performance shares granted during the year (4.8.3.4)	457,960	Not applicable
Lukas Epple ***Chief Operating Officer – Group Strategy Director***(1)		
Compensation paid during the year(2)	614,455	553,868
Valuation of options granted during the year	Not applicable	Not applicable
Valuation of performance shares granted during the year	Not applicable	Not applicable

(1) Swiss contract with Vigier Management AG.
(2) In 2021, in respect of the position of Group Strategy Director, Vigier Management AG.
In 2020, in respect of the position of CEO, Vigier Holding AG, and subsequently Group Strategy Director, Vigier Management AG.
2021 average exchange rate: €1 = 1.0814 CHF.
2020 average exchange rate: €1 = 1.0703 CHF.

5.4.2 Elements of compensation paid or allocated to Guy Sidos, Chairman and Chief Executive Officer

The details of elements of compensation paid or allocated during 2021 to Guy Sidos are given in the tables presented below. These various elements of compensation were established in accordance with the compensation policy for Company officers, approved by the shareholders at the General Meeting of April 9, 2021 (Ninth resolution).

5.4.2.1 Detailed table of the compensation of Guy Sidos, Chairman and Chief Executive Officer

	2021			2020		
Gross annual amounts *(in euros)*	Amounts allocated	Amounts paid	% of total paid	Amounts allocated	Amounts paid	% of total paid
Guy Sidos – Chairman and Chief Executive Officer						
Fixed compensation	858,420	858,420	59.3%	852,526	852,526	69.0%
Variable compensation	429,210	350,000	24.2%	350,000	245,000	19.8%
Exceptional compensation	270,790	150,000	10.4%	150,000	55,000	4.4%
Directors' compensation[1]	80,000	80,000	5.5%	75,000	75,000	6.1%
Benefits in kind	8,680	8,680	0.6%	8,680	8,680	0.7%
TOTAL	**1,647,100**	**1,447,100**	**100%**	**1,436,206**	**1,236,206**	**100%**

(1) Including directors' compensation as a member of the Board of Directors of Parfininco.

<table>
<tr><th>Elements of compensation allocated or paid in respect of the financial year ended December 31, 2021</th><th>Amounts paid or allocated (gross)</th><th>Comments</th></tr>
<tr><td>Annual fixed gross compensation</td><td>€858,420</td><td>Paid over 13 months of which:
• €817,386 in respect of his Company office as Chairman and Chief Executive Officer of the Company, paid by the latter;
• €41,034 in respect of his position as Chief Operating Officer of Parfininco, paid by the latter.</td></tr>
<tr><td>Annual variable gross compensation based on individual performance</td><td>€429,210</td><td>The gross annual variable compensation was determined in accordance with the compensation policy approved by the General Meeting of April 9, 2021 and the individual performance criteria set for 2021, namely:
<table>
<tr><th>Relative weighting of each performance indicator (quantitative and qualitative) Scope</th><th>Minimum</th><th>Target (Objective 100% achieved consequently Weighting of indicator =)</th><th>Level of achievement</th><th>Weighting of indicator recorded</th><th>Gross amount (in euros)</th><th>Decision</th></tr>
<tr><td>Financial, commercial and industrial performance (Group) (quantitative indicators)</td><td>0%</td><td>70%</td><td>120%</td><td>84.0%</td><td>€360,537</td><td rowspan="4">Reminder: Amount of this bonus capped at 50% of the fixed annual gross compensation</td></tr>
<tr><td>Group CSR/ ESG performance Environmental section: reduction in CO_2 and greenhouse gas emissions, biodiversity protection, saving of resources, circular economy (quantitative indicators)</td><td>0%</td><td>7.5%</td><td>80%</td><td>6.0%</td><td>€25,753</td></tr>
<tr><td>Group CSR/ ESG performance Social and Corporate section: occupational health and safety, gender equality, inclusion, diversity (quantitative indicators)</td><td>0%</td><td>7.5%</td><td>100%</td><td>7.5%</td><td>€32,191</td></tr>
<tr><td>Management assessment (qualitative indicator)</td><td>0%</td><td>15%</td><td>110%</td><td>16.5%</td><td>€70,820</td></tr>
<tr><td>TOTAL</td><td>0%</td><td>100%</td><td></td><td>114.0%</td><td>€489,300</td><td>€429,210 50%</td></tr>
</table>
This bonus represents 50% of the fixed annual gross compensation for 2021 (maximum: 50% of this compensation).
Subject to the approval of the General Meeting of April 13, 2022 of all elements of his compensation (Fourteenth Resolution), it will be paid to him at end-April 2022.</td></tr>
</table>

Elements of compensation allocated or paid in respect of the financial year ended December 31, 2021	Amounts paid or allocated (gross)	Comments
Special gross bonus	**€270,790**	The Board of Directors, acting on the recommendation of the Compensation Committee and in line with the compensation policy approved by the General Meeting of April 9, 2021, decided to award a special bonus to Guy Sidos for: • his management for the second year of the health emergency and its consequences; • the strategy of acquisitions and mergers in France and abroad (Switzerland primarily), undertaken in 2021. This bonus represented 31.5% of the fixed annual gross compensation for 2021, exceeding the maximum originally set (30% of this compensation) by virtue of the exceptional nature of 2021. Subject to the approval of the General Meeting of April 13, 2022 of all elements of his compensation (Fourteenth Resolution), it will be paid to him at end-April 2022.
Supplementary pension plan	**Not applicable**	In 2021, the Company terminated the supplementary defined-benefit pension plan (so-called "article 39") previously enjoyed by its executive Company officers, including Guy Sidos and a number of high-level Group managers.
Retirement indemnities	**Not applicable**	No retirement in 2021.
Directors' compensation	**€60,000**	As a member and Chairman of the Board of Directors of Vicat, Guy Sidos receives compensation in the form of an annual fixed sum in respect of his position as director and as Chairman of the Board of Directors, determined by the Board of Directors in line with the compensation policy approved by the General Meeting of April 9, 2021.
	€20,000	As member of the Board of Directors of Parfininco, Guy Sidos receives compensation in the form of a fixed annual sum, for directors' fees, freely determined by the Board of Directors.
Benefits in kind	**€8,680**	Company car and club memberships.

5.4.2.2 Free shares awarded to Guy Sidos during the past year

Pursuant to the decisions made on April 9, 2021, the Board of Directors acting on the authorization of the Ordinary and Extraordinary General Meeting decided to allocate a total of 117,697 free shares to Guy Sidos to partly make up for the termination of the supplementary defined-benefit pension plan (article 39). Explanations in 5.4.7.

2021 Free Share Plan	Number of 2021 Free Shares awarded during the year	Valuation of 2021 Free Shares based on the method chosen for the consolidated financial statements[1]	Term Vesting Period	Date of availability
Tranche 1	13,078	€559,738	April 9, 2022	April 9, 2027
Tranche 2	13,078	€559,738	April 9, 2023	April 9, 2028
Tranche 3	13,078	€559,738	April 9, 2024	April 9, 2029
Tranche 4	13,078	€559,738	April 9, 2025	January 1, 2030
Tranche 5	13,077	€559,696	April 9, 2026	January 1, 2030
Tranche 6	13,077	€559,696	April 9, 2027	January 1, 2030
Tranche 7	13,077	€559,696	April 9, 2028	January 1, 2030
Tranche 8	13,077	€559,696	April 9, 2029	January 1, 2030
Tranche 9	13,077	€559,696	January 1, 2030	January 1, 2030
TOTAL	**117,697**	**€5,037,432**		

(1) This value corresponds to the value of options and financial instruments when awarded as used for the purposes of the application of IFRS 2, after factoring in, in particular, any discount linked to the performance criteria and the likelihood of being with the company at the end of the vesting period, but before the effect of staggering, under IFRS 2, of the expense over the vesting period.

It should be noted that the Board of Directors, deliberating in accordance with the provisions of article L. 225-197-1 of the French Commercial Code, resolved that Guy Sidos should retain in registered form at least fifty (50) percent of the 2021 Free Shares that vest and become available at the end of each holding period until such time as he leaves his post.

5.4.2.3 Free shares awarded to Guy Sidos and becoming available during the past year

Not applicable.

5.4.3 Elements of compensation paid or allocated to Didier Petetin, Chief Operating Officer

The details of elements of compensation paid or allocated during 2021 to Didier Petetin are given in the tables presented below. These various elements of compensation were established in accordance with the compensation policy for Company officers, approved by the shareholders at the General Meeting of April 3, 2020 (Ninth resolution).

5.4.3.1 Summary table of compensation for Didier Petetin

	2021			2020		
Gross annual amounts *(in euros)*	Amounts allocated	Amounts paid	% of total paid	Amounts allocated	Amounts paid	% of total paid
Didier Petetin – Chief Operating Officer						
Fixed compensation	347,211	347,211	73.6%	344,827	344,827	76.7%
Variable compensation	135,000	71,000	15.1%	71,000	61,700	13.7%
Exceptional compensation	15,000	34,000	7.2%	34,000	24,000	5.3%
Directors' compensation	Not applicable	Not applicable		Not applicable	Not applicable	
Benefits in kind	19,511	19,511	4.1%	18,862	18,862	4.2%
TOTAL	**516,722**	**471,722**	**100%**	**468,689**	**449,389**	**100%**

Elements of compensation allocated or paid in respect of the financial year ended December 31, 2021	Amounts paid or allocated (gross)	Comments
Annual fixed gross compensation	**€347,211**	Paid over 13 months
Annual variable gross compensation based on individual performance	**€135,000**	The gross annual variable compensation was determined in accordance with the compensation policy approved by the General Meeting of April 9, 2021 and the individual performance criteria set for 2021, namely:

Relative weighting of each performance indicator (quantitative and qualitative) Scope	Minimum	Target (Objective 100% achieved consequently Weighting of indicator =)	Level of achievement	Weighting of indicator recorded	Gross amount *(in euros)*	Decision
Financial, commercial and industrial performance (Group) (quantitative indicators)	0%	70%	100%	70.0%	€97,219	Reminder: Amount of this bonus capped at 40% of the fixed annual gross compensation
Group CSR/ESG performance Environmental section: reduction in CO_2 and greenhouse gas emissions, biodiversity protection, saving of resources, circular economy (quantitative indicators)	0%	7.5%	77%	5.8%	€8,021	
Group CSR/ESG performance Social and Corporate section: occupational health and safety, gender equality, inclusion, diversity (quantitative indicators)	0%	7.5%	85%	6.4%	€8,854	
Management assessment (qualitative indicator)	0%	15%	100%	15.0%	€20,833	
TOTAL	**0%**	**100%**		**97.2%**	**€134,926**	**€135,000 38.9%**

This bonus represents 38.9% of the fixed annual gross compensation for 2021 (maximum: 40% of this compensation).
Subject to the approval of the General Meeting of April 13, 2022 of all elements of his compensation (Fourteenth Resolution), it will be paid to him at end-April 2022.

Special gross bonus	**€15,000**	The Board of Directors, acting on the recommendation of the Compensation Committee and in line with the compensation policy approved by the General Meeting of April 9, 2021, decided to award a special bonus to Didier Petetin for: • his management for the second year of the health emergency and its consequences on this scope. This bonus represents 4.3% of the fixed annual gross compensation for 2021 (maximum: 20% of this compensation). Subject to the approval of the General Meeting of April 13, 2022 of all elements of his compensation (Fourteenth Resolution), it will be paid to him at end-April 2022.

Elements of compensation allocated or paid in respect of the financial year ended December 31, 2021	Amounts paid or allocated (gross)	Comments
Supplementary pension plan	**Not applicable**	In 2021, the Company terminated the supplementary defined-benefit pension plan (so-called "article 39") previously enjoyed by its executive Company officers, including Didier Petetin and a number of high-level Group managers.
Retirement indemnities	**Not applicable**	No retirement in 2021.
Directors' compensation	**Not applicable**	
Benefits in kind	**€19,511**	Company car and insurance against job loss.

5.4.3.2 Free shares awarded to Didier Petetin during the past year

Pursuant to the decisions made on April 9, 2021, the Board of Directors acting on the authorization of the Ordinary and Extraordinary General Meeting decided to allocate a total of 10,700 free shares to Didier Petetin to partly make up for the termination of the supplementary defined-benefit pension plan (article 39). Explanations in 5.4.7.

2021 Free Share Plan	Number of 2021 Free Shares awarded during the year	Valuation of 2021 Free Shares based on the method chosen for the consolidated financial statements[(1)]	Term Vesting Period	Term Holding Period
Tranche 1	824	€35,267	April 9, 2022	April 9, 2027
Tranche 2	823	€35,224	April 9, 2023	April 9, 2028
Tranche 3	823	€35,224	April 9, 2024	April 9, 2029
Tranche 4	823	€35,224	April 9, 2025	April 9, 2030
Tranche 5	823	€35,224	April 9, 2026	April 9, 2031
Tranche 6	823	€35,224	April 9, 2027	April 9, 2032
Tranche 7	823	€35,224	April 9, 2028	April 9, 2033
Tranche 8	823	€35,224	April 9, 2029	January 1, 2034
Tranche 9	823	€35,224	April 9, 2030	January 1, 2034
Tranche 10	823	€35,224	April 9, 2031	January 1, 2034
Tranche 11	823	€35,224	April 9, 2032	January 1, 2034
Tranche 12	823	€35,224	April 9, 2033	January 1, 2034
Tranche 13	823	€35,224	January 1, 2034	January 1, 2034
TOTAL	**10,700**	**€457,960**		

(1) This value corresponds to the value of options and financial instruments when awarded as used for the purposes of the application of IFRS 2, after factoring in, in particular, any discount linked to the performance criteria and the likelihood of being with the company at the end of the vesting period, but before the effect of staggering, under IFRS 2, of the expense over the vesting period.

It should be noted that the Board of Directors, deliberating in accordance with the provisions of article L. 225-197-1 of the French Commercial Code, resolved that Didier Petetin should retain in registered form at least fifty (50) percent of the 2021 Free Shares that vest and become available at the end of each holding period until such time as he leaves his post.

5.4.3.3 Free shares awarded to Didier Petetin and becoming available during the past year

Not applicable.

5.4.4 Elements of compensation paid or allocated to Lukas Epple, Chief Operating Officer since October 30, 2020

Summary table of the compensation of Lukas Epple

For reference, Lukas Epple does not receive any benefits in kind in respect of his position as Chief Operating Officer of Vicat. The following elements are solely associated with his status of employee as Group Strategy Director at Vigier Management AG for 2021 and as CEO of Vigier Holding AG for 2020.

	2021			2020		
Gross annual amounts *(in euros)*	Amounts allocated	Amounts paid	% of total paid	Amounts allocated	Amounts paid	% of total paid
Lukas Epple – Chief Operating Officer - Group Strategy Director(1)						
Fixed compensation(2)	469,762	469,762	76.5%	421,689	421,689	76.1%
Variable compensation(2)	138,709	138,709	22.6%	140,148	126,133	22.8%
Exceptional compensation	Not applicable	Not applicable		Not applicable	Not applicable	
Directors' compensation	Not applicable	Not applicable		Not applicable	Not applicable	
Benefits in kind(2)	5,984	5,984	1.0%	6,046	6,046	1.1%
TOTAL	**614,455**	**614,455**	**100%**	**567,883**	**553,868**	**100%**

(1) Swiss contract with Vigier Management AG.
(2) In 2021, in respect of the position of Group Strategy Director, Vigier Management AG.
In 2020, in respect of the position of CEO, Vigier Holding AG, and subsequently Group Strategy Director, Vigier Management AG.
2021 average exchange rate: €1 = 1.0814 CHF.
2020 average exchange rate: €1 = 1.0703 CHF.

5.4.5 Summary tables of indemnities and benefits accruing to executive Company officers

The table below summarizes certain elements relating to the benefits granted to executive Company officers in 2021:

	Employment contract		Supplementary pension plan		Compensation or benefits due or likely to be due as a result of termination or change of duties		Compensation relating to a non-compete clause	
Executives and Company officers	Yes	No	Yes	No	Yes	No	Yes	No
Guy Sidos Chairman and Chief Executive Officer								
Didier Petetin Chief Operating Officer								
Lukas Epple(1) Chief Operating Officer								

For Guy Sidos and Didier Petetin: with respect to indemnities or benefits they may receive upon termination, these constitute retirement indemnities; see paragraph 5.3.2.1. for details.
(1) Lukas Epple has a non-compete clause in his Swiss employment contract:
"The employee undertakes to refrain from competing in any way during the period of this contract and for 12 months following its termination, (…):
– The non-compete clause covers all economic sectors in which Vigier operates and covers the whole of Switzerland.
– In consideration for this non-compete clause, the employee receives a non-compete indemnity equal to 3% included in his annual gross salary. (…)"

5.4.6 Equity ratio between the level of compensation of the executive Company officers and the average and median compensation of employees of Vicat SA

This presentation shows the ratio between the compensation of executive Company officers (Guy Sidos and Didier Petetin) and the average and median compensation on a full-time equivalent basis of employees of Vicat SA other than Company officers.

The ratios below were calculated based on the fixed and variable compensation of the executive Company officers, paid during the years mentioned.

(in euros)	Year 2021	Year 2020	Year 2019	Year 2018	Year 2017
Chairman and Chief Executive Officer (Guy Sidos)	**1,358,420**	**1,152,526**	**1,039,077**	**824,782**	**811,666**
% change in the compensation of the Chairman and Chief Executive Officer	*17.9%*	*10.9%*	*26.0%*	*1.6%*	*8.9%*
R1 ratio to average compensation	25.1	21.6	20.2	16.1	16.4
R1 change in % year N vs. year N-1	*16.1%*	*7.1%*	*25.2%*	*-1.7%*	*10.1%*
R2 ratio to median compensation	31.6	26.8	24.9	19.9	20.1
R2 change in % year N vs. year N-1	*17.8%*	*7.7%*	*25.2%*	*-1.2%*	*9.2%*
R3 annual minimum wage ratio	71.2	62.4	56.9	45.9	45.7
R3 change in % year N vs. year N-1	*14.1%*	*9.7%*	*24.0%*	*0.4%*	*8.0%*
Chief Operating Officer (Didier Petetin)	**452,211**	**430,527**	**383,534**	**333,149**	**332,366**
% change in the compensation of the Chief Operating Officer	*5.0%*	*12.3%*	*15.1%*	*0.2%*	*17.5%*
R1 ratio to average compensation	8.3	8.1	7.4	6.5	6.7
R1 change in % year N vs. year N-1	*3.5%*	*8.4%*	*14.4%*	*-3.1%*	*18.7%*
R2 ratio to median compensation	10.5	10.0	9.2	8.0	8.2
R2 change in % year N vs. year N-1	*5.0%*	*9.0%*	*14.4%*	*-2.5%*	*17.8%*
R3 annual minimum wage ratio	23.7	23.3	21	18.5	18.7
R3 change in % year N vs. year N-1	*1.8%*	*11.0%*	*13.5%*	*-1.1%*	*16.1%*
Financial criteria					
EBITDA *(consolidated in millions of euros)*	619	557	526	492	444
% change vs. previous year	*11.1%*	*5.9%*	*6.9%*	*10.8%*	
Net Income *(consolidated in millions of euros)*	222	172	160	159	156
% change vs. previous year	*29.1%*	*7.5%*	*0.6%*	*1.9%*	

Employees at Vicat receive annual salaries that systematically exceed the annual minimum wage. The annual minimum wage ratio is provided for reference in line with the MIDDLENEXT code.

The equity ratios of the Chairman and Chief Executive Officer and the Chief Operating Officer (Didier Petetin) of Vicat are among the lowest in the benchmark based on SBF 120 companies whose revenue is close to that of Vicat. The average equity ratio for the SBF 120 is 65, with a median of 41. Benchmark: Proxinvest, date for 2020 reported in 2021.

5.4.7 History of free share awards

On April 9, 2021, the Board of Directors, acting on the authorization of the Ordinary and Extraordinary General Meeting the same day, decided to award 271,497 free shares (the "**2021 Free Shares**") representing 0.6% of the total number of shares in the share capital to employees and/or executive Company officers of the Company and of companies associated with it pursuant to article L. 225-197-2 of the French Commercial Code, which benefited before the entry into force of Ordinance No. 2019-697 of July 3, 2019 from the supplementary defined-benefit pension plan (article 39). This plan is intended to partly make up for the loss of the supplementary defined-benefit pension plan (co-called "article 39") enjoyed by Guy Sidos, Didier Petetin and some very high-level Group managers.

To reflect the principle of the progressive vesting of entitlement under the supplementary pension plan, the 2021 Free Shares thereby awarded will vest for each beneficiary at an annual rate from the date of award up to the date of their retirement, set in principle at the year in which they turn 67 subject to their being an employee or executive Company officer of the Company or any company associated with the Company pursuant to article L. 225-197-2 of the French Commercial Code, at the expiry of each vesting period.

Guy Sidos and Didier Petetin, who benefitted from this "article 39" plan, will thus be awarded free Company shares in line with the conditions set out in articles L. 225-197-1 et seq. and L. 22-10-59 et seq. of the French Commercial Code.

The termination of the "article 39" supplementary pension plan combined with the establishment of the "2021 Free Share" plan (to provide partial compensation), generated savings of close to €10 million for the Company. The beneficiaries of this plan contributed different amounts to these savings.

Guy Sidos was the main contributor to these savings: the shares awarded to him are valued at close to 33% less than the valuation of the "article 39" plan, representing a reduction of close to €3 million.

The savings of close to €10 million were primarily invested in reducing the carbon intensity of industrial facilities, the reminder being distributed in the form of employee savings to the Group's teams in France.

INFORMATION ON FREE SHARE AWARDS

		Maximum vesting period	Maximum holding period	Number of shares that can vest in respect of each vesting period (rounded)
Date of the General Meeting	April 9, 2021			
Date of the meeting of the Board of Directors	April 9, 2021			
Total number of shares awarded free	271,497	17	17	
Total number of shares awarded to Company officers	128,397			
Guy Sidos	117,697	9	9	13,077
Didier Petetin	10,700	13	13	823
Number of shares vesting at December 31, 2021 (most recent date)	0			
Aggregate number of shares that have lapsed or been cancelled	0			
Remaining free shares at December 31, 2021	271,497			

5.4.8 Compensation paid to non-executive Company officers

Non-executive Company officers are members of the Board of Directors of the Company, with the exception of the Chairman of the Board of Directors who combines his functions with an appointment as Chief Executive Officer.

In 2021, the nominal total of directors' compensation was €434,000 distributed equally among the directors (i.e. €30,000) with the exception of the Chairman and Chief Executive Officer, who for 2021 received twice the compensation received by the other members of the Board of Directors (i.e. €60,000).

In addition, for 2021, the additional compensation allocated to each of the committee members of the Board of Directors amounted to €8,000 for members of the Audit Committee and €4,000 for members of the Compensation Committee.

The total amounts paid to non-executive Company officers during 2020 and 2021 were the following:

(in euros)	**Amounts paid during 2021**	Amounts paid during 2020
Jacques Merceron-Vicat ***Director and Honorary Chairman***		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Louis Merceron-Vicat ***Director***		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Bruno Salmon ***Director***		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	4,000	3,700
Sophie Sidos ***Director***		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Jacques Le Mercier ***Director***		
Directors' compensation	7,500	30,000
Compensation for functions exercised on committees of the Board of Directors	8,000	12,000
Rémy Weber ***Director***		
Directors' compensation	22,500	-
Compensation for functions exercised on committees of the Board of Directors	4,000	-
Éléonore Sidos ***Director***		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	8,000	8,000
Xavier Chalandon ***Director***		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	12,000	12,000
Sophie Fegueux ***Director***		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Delphine André ***Director***		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	8,000	8,000
Emmanuelle Salles ***Employee Director***		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	-	-
Hugues Metz ***Employee Director***		
Directors' compensation	30,000	22,500
Compensation for functions exercised on committees of the Board of Directors	-	-
TOTAL	**374,000**	**366,500**

5.5 DRAFT RESOLUTIONS ON COMPENSATION SUBMITTED TO THE COMBINED GENERAL MEETING OF APRIL 13, 2022

Resolutions within the remit of the Ordinary General Meeting

Tenth resolution *(Approval of the compensation policy for the Company officers – "ex ante" vote)*

The Ordinary General Meeting, acting in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance, approves the compensation policy for the Company's officers in this report.

Eleventh resolution *(Approval of the information given in the corporate governance report, pursuant to article L. 22-10-9 of the French Commercial Code – "ex post" vote)*

The Ordinary General Meeting, acting in accordance with the provisions of article L. 22-10-34 (I) of the French Commercial Code, having reviewed the report on corporate governance prepared by the Board of Directors, approves the information contained therein pursuant to the provisions of article L. 22-10-9 (I) of the French Commercial Code.

Twelfth resolution *("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2021 to Guy Sidos, Chairman and Chief Executive Officer)*

The Ordinary General Meeting, acting in accordance with the provisions of article L. 22-10-34 (II) of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- approves the elements making up the total compensation and benefits of all kinds paid or allocated in respect of the financial year ended December 31, 2021 to Guy Sidos, Chairman and Chief Executive Officer;
- consequently, notes that the elements of variable and exceptional compensation allocated to Guy Sidos, Chairman and Chief Executive Officer for the financial year ended December 31, 2021, will be paid to him.

Thirteenth resolution *("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2021 to Didier Petetin, Chief Operating Officer)*

The Ordinary General Meeting, acting in accordance with the provisions of article L. 22-10-34 (II) of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- approves the elements making up the total compensation and benefits of all kinds paid or allocated in respect of the financial year ended December 31, 2021 to Didier Petetin, Chief Operating Officer;
- consequently, notes that the elements of variable and exceptional compensation allocated to Didier Petetin, Chief Operating Officer for the financial year ended December 31, 2021, will be paid to him.

Fourteenth resolution *("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2021 to Lukas Epple, Chief Operating Officer)*

The Ordinary General Meeting, acting in accordance with the provisions of article L. 22-10-34 (II) of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- approves the elements making up the total compensation and benefits of all kinds paid or allocated in respect of the financial year ended December 31, 2021 to Lukas Epple, Chief Operating Officer;
- acknowledges that Lukas Epple is not compensated for his office as Chief Operating Officer.

5.6 COMPENSATION POLICY FOR NON-EXECUTIVE COMPANY DIRECTORS

The Chairman and Chief Executive Officer ensures compliance with the following principles:

A) Definition

Like the principles applied with respect to the compensation of Company officers, the current compensation policy for non-executive Company officers is in the company's best interests. It is adapted to the strategy of the Company and the context in which it operates, and it takes account of the environmental transition (reduction in carbon intensity and biodiversity, in particular) and shows solidarity (occupational health and safety, inclusion and sharing of profits, in particular). In the context of these issues, the Chairman and Chief Executive Officer makes sure that it helps to promote its performance (financial, industrial, commercial and CSR/ESG), its viability and its competitiveness in the short, medium and long terms.

B) Completeness

The compensation of non-executive Company directors was determined and evaluated overall for each of them. Depending on the situations, it includes:

- fixed gross compensation;
- variable gross compensation;
- directors' compensation;
- share-based compensation;
- benefits in kind.

There is a rationale for each element of compensation and it is in the company's best interests.

For the record, no non-executive Company officer receives share options, a new free share plan, or severance payments qualifying as golden parachutes.

C) Benchmarking/business

At the meeting of the Compensation Committee on February 3, 2022, the compensation of non-executive Company directors was compared to the compensation indicated in the benchmarking conducted by an independent consulting company (Deloitte, 2021 data), the results of which showed that almost all current compensation is lower than the average compensation noted.

D) Consistency

The consistency of compensations between the various non-executive Company directors could be checked on the basis the following criteria:

- professional experience and training;
- seniority;
- level of responsibility.

E) Clarity, simplicity and stability of the rules

The low portion of variable compensation compared to fixed compensation and the absence of an allocation of share options or free allocation of shares allow for simplicity and stability in the rules for setting compensation.

F) Measurement

The compensation of the non-executive Company officers, taking into account the amount and the fact that it is largely of a fixed nature, fairly balance the general interests of the Company, market practices and management performance.

5.7 SHAREHOLDING OF THE COMPANY OFFICERS AND TRANSACTIONS CONDUCTED BY MEMBERS OF THE BOARD OF DIRECTORS IN THE COMPANY'S SHARES

5.7.1 Shareholding of the Company's officers and members of the Board of Directors in the Company as of December 31, 2021

Shareholder	Number of shares	Percentage of share capital	Number of voting rights	Percentage of voting rights
Jacques Merceron-Vicat	41,483	0.09	82,966	0.11
Soparfi (Company of which Jacques Merceron-Vicat is Chairman)	11,939,452	26.59	23,809,595	32.38
Parfininco (Company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	13,734,688	30.59	27,125,498	36.89
Hoparvi (Company of which Jacques Merceron-Vicat is Chairman)	33,743	0.08	46,219	0.06
Guy Sidos	10,029	0.02	13,968	0.02
Louis Merceron-Vicat	6,094	0.01	12,189	0.02
Xavier Chalandon	100	-	200	-
Delphine André	10	-	20	-
Sophie Sidos	2,913	0.01	4,826	0.01
Bruno Salmon	65,912	0.15	237,764	0.32
Éléonore Sidos	3,360	0.01	3,370	-
Sophie Fegueux	203	-	406	-
Didier Petetin	8	-	16	-
Emmanuelle Salles	311	-	541	-
Hugues Metz	4,529	0.01	8,375	0.01
Rémy Weber	10	-	10	-

5.7.2 Transactions by members of the Board of Directors in the Company's shares in 2020 and 2021

	Transactions in 2021	Transactions in 2020
Soparfi (Company of which Jacques Merceron-Vicat is Chairman)	Purchase of 0 shares	Purchase of 64,943 shares
Parfininco (Company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	Purchase of 1,300 shares	Purchase of 324,533 shares
Hoparvi (Company of which Jacques Merceron-Vicat is Chairman)	Purchase of 0 shares	Purchase of 7,101 shares
Guy Sidos	Purchase of 0 shares	Purchase of 6,550 shares
Sophie Sidos	Purchase of 0 shares	Purchase of 1,000 shares
Éléonore Sidos	Purchase of 0 shares	Purchase of 3,350 shares

In addition, a certain number of commitments to retain shares have been entered into under the Dutreil law by some Company officers.

5.8 POLICY OF ALLOCATING SHARE OPTIONS AND FREE ALLOCATIONS OF SHARES

The Company has not implemented a share option policy.

The Extraordinary General Meeting of April 9, 2021 resolved to establish a free share plan comprising existing shares, in accordance with the conditions set out in articles L. 225-197-1 et seq. and L. 22-10-59 et seq. of the French Commercial Code and subject to the following conditions:

- Category of beneficiaries:
  - Employees of the Company or companies associated with it pursuant to article L. 225-197-2 of the French Commercial Code who before the entry into force of Order No. 2019-697 of July 3, 2019 benefited from the supplementary defined-contribution pension plan (article 39);
  - Executive Company offices of the Company or companies associated with it pursuant to article L. 225-197-2 of the French Commercial Code who before the entry into force of Order No. 2019-697 of July 3, 2019 benefited from the supplementary defined-contribution pension plan (article 39);

  (hereinafter the "Beneficiaries").
- Term of the authorization:

  12 months.
- Caps:
  - the maximum number of shares that may be allocated pursuant to this authorization may not exceed 1% of the share capital on the allocation date,
  - the number of shares allocated to executive Company officers may not exceed 50% of the total number of free shares allocated.
- Vesting and retention periods:

  The duration of the vesting and retention periods of the free shares allocated to the Beneficiaries will be determined by the Board of Directors, within the following limits:

  (i) the allocation of shares to the Beneficiaries will be definitive after a minimum period of one (1) year (the "Vesting Period"), subject to fulfilling any conditions or criteria set by the Board of Directors, these conditions and criteria may be different depending on the Beneficiaries;

  (ii) the term of the obligation to retain the shares definitively allocated at the end of the Vesting Period (the "Retention Period") will, if applicable, be set by the Board of Directors;

  (iii) the cumulative term of the Vesting Period and the Retention Period may not be less than two (2) years.

5.9 REPORT ON THE COMPANY'S POLICY ON PROFESSIONAL AND WAGE EQUALITY (ARTICLE 225-37-1 OF THE FRENCH COMMERCIAL CODE)

As in previous years, Vicat implemented a proactive policy in 2021 in terms of professional equality and equal pay as part of its CSR approach, in line with the United Nations Sustainable Development Goals.

Driven by its values and its culture, Vicat is an inclusive company which has long recognized the importance of gender balance. Gender equality remains one of the basic elements of its human resources policy. Appropriate measures are adopted to ensure equal access to jobs and training and equal treatment in terms of compensation and promotion between men and women. All actions and results are supported by the Louis Vicat Foundation, with the Chairman's constant commitment to gender equality.

Developing and promoting female talent in each socio-professional category (SPC)

A coaching and mentoring process for developing and promoting female talent of all ages has been in place for nearly 10 years. This action continues with high-level external consultants (an example being Anne Cullerre, Rear-Admiral and currently the woman who has held the highest military rank, who supports a number of female and male employees in the France and Corporate Departments).

The Company is a member of several networks that promote professional and pay equality, including "Entreprises Réseau Egalité", a network supported by the Minister Delegate to the Prime Minister, in charge of gender equality, diversity and equal opportunities.

As an example of actions carried out for all SPCs, the skills-development plan is reviewed before final validation to ensure that female staff receive training leading to qualifications to develop their skills and employability and to attract them to industrial trades whenever possible.

Nearly 45% of the corporate management team surrounding the Chairman and Chief Executive Officer is made up of women.

Since 2017, the Company has had one of the youngest female directors in the Euronext with Éléonore Sidos (24 years of age in 2021). With this appointment to its Board of Directors, the General Meeting has set an example for young female talent to fast-track towards gaining intensive professional experience and taking on significant responsibilities.

Compensate fairly and without discrimination

The continuity of Vicat's parity policy, driven by merit-based promotion, helps to guarantee equal treatment in terms of compensation. The salary policy pays particular attention to the equal treatment of women and men.

Since 2017, to exceed the targets set out in the agreement on gender equality with regard to pay (approved by its labor partners), the Company has embarked on a detailed salary review together with its labor partners to identify potential gender pay gaps on a "post-by-post" basis and has agreed in principle to a special remedial budget. The study revealed that the gap was close to 0% in terms of amount and value. The necessary adjustments have therefore been made.

	W/M deviation	W/M deviation
VICAT excluding Parfininco	20/21	19/20
S1 (€80,000 < SB < €100,000)	-0.50%	-2.30%
S2 (€100,000 < SB < €165,000)	-5.30%	-3.40%
S3 (€165,000 < SB < €300,000)	-1.60%	0.70%
H.C. (SB > €300,000)	Not applicable	Not applicable

In this respect, the Compensation Committee emphasized in its 2021 report:

"Looking at equal qualifications, the Committees notes that average pay gap for male and female managers is not significant. These results illustrate Vicat's pay parity policy driven by promotion on merit. The change in S2 between 2020 and 2021 was due to a female manager being transferred from S1 to S2 (threshold for S2)."

Vicat scored 89 in the men/women equality index in 2021 (92 in 2020, 89 in 2019, 87 in 2018). This score, which has dropped slightly, nevertheless remains above the French average (85/100) and most other cement companies in France. The continuity of Vicat's gender parity policy, driven by merit-based promotion, helps to maintain small gaps between 2020 and 2021. In line with the aggressive plan put in place by Management, two women were in Vicat's top ten salaried positions as of 2020. Internal promotion and external hiring initiatives are continuing in order to achieve parity in the top ten salaried positions. The action plan thus continues with a view to achieving a score of 100 in the medium term. The Chairman and Chief Executive Officer decided to apply this tool to the Group's foreign companies since 2019.

Overcoming obstacles

All of these actions are carried out despite the constraints imposed by the industrial nature of the Group's activities and jobs. Because of prejudice, industrial jobs remain very much the preserve of men (especially among blue-collar staff). One of the main obstacles is the lack of women in training courses for most industrial jobs (among mechanics for instance). These constraints explain the number of women as a proportion of Vicat's workforce: 199 out of a total of 961 (excluding Company officers).

	Total	Executives	Female white-collar staff	Female blue-collar staff
Percentage of women in the workforce at December 31, 2021	21%	33%	21%	3.50%

Despite these constraints, technical, scientific or industrial management positions are often filled by women. The same applies to Deputy grades and other posts (assistant instrumentation engineer, new works assistant, R&D, laboratory, product quality, environmental engineer, security, etc.). In 2021, 34.4% of new hires were women: 47% for managerial positions, 45.6% for employees, technicians, designers and first-line supervisors and 8.2% for blue collar positions.

In addition, 97% of female staff (excluding apprentices) were on permanent contracts in 2021, demonstrating the Group's secure employment policy.

Another example of the Company's commitment: with the backing of the Chair of the Louis Vicat Foundation, a 2-year partnership was renewed in 2021 with the association Sport dans la Ville ("Sport in the City") to enable young girls from disadvantaged neighborhoods to explore trades in the materials industry while eradicating prejudices.

Furthermore, the absence of cases of discrimination, bullying, sexual harassment and sexism against women illustrates the effectiveness of Company actions and provides female talent with an environment favorable to their development.

Starting in 2019, Vicat SA has appointed and trained "sexual harassment, bullying and sexist activities" advisers. A training course on relational harmony at work is run annually for managers at all levels to in particular help them pick up early warning signs.

Lastly, the female employee appointed to the Board of Directors in 2016 after being nominated by the Central Works Committee still does not count towards the mandatory quota of women directors under France's Copé-Zimmermann law. Labor partners, staff, management and the Board of Directors are still unable to comprehend this regulatory situation.

An inclusive approach together with the labor partners

These results are also owing to the joint efforts undertaken over many years by management, managers and labor partners.

In accordance with agreements on equality at work, targets have been set to ensure a growing proportion of women in recruitment, training and promotions, and to ensure equal treatment of men and women in terms of compensation and professional development.

All of these commitments are subject to regular monitoring, particularly with regard to compensation, with labor partners.

The objectives defined for each of these issues in the recent agreement ended April 2016 were met.

In 2019, Vicat signed a new and particularly ambitious professional equality agreement with its labor partners covering the coming years. This proactive policy led to the setting of objectives for each socio-professional category.

The share of women amongst the elected representatives in our Economic and Social Committee has tracked the changes to the share of women in our workforce, representing 19% of our elected representatives (versus 14% at the end of the last election). The central union representative for the Company is one of the rare cases of high-level female representation in the French industrial union world.

Recruit female talent in each SPC to reach gender parity in the workforce

The awareness of managers has been strengthened by the introduction of the guide for effective and inclusive recruitment (with an associated e-learning), in which teams are asked to achieve parity, by systematically setting at least one female profile for each recruitment *short-list* (externally and internally).

Furthermore, to increase the share of women in its workforce, the Company has a proactive female apprenticeship policy: of the 44 apprenticeships available in 2021, 20 were filled by women, taking the percentage of female apprentices at December 31, 2021 to 45.5% (52% at December 31, 2020).

Annual results:

Three-year agreement	April 2013 – April 2016 Agreement	April 2016 – April 2019 Agreement	2017 results	2018 results	May 2019 – April 2023 Agreement	2019 results	2020 results	2021 results
Female employees as a percentage of the workforce	Objective 14%	Objective 18%	16.6%	18.0%	Objectives: Management 33.0% Employees, technicians, designers and first-line supervisors 25.0% Blue-collar staff 5.5% **TOTAL 22.0%**	Management 30.4% Employees, technicians, designers and first-line supervisors 19.3% Blue-collar staff 2.7% **TOTAL 18.7%**	Management 30.8% Employees, technicians, designers and first-line supervisors 18.6% Blue-collar staff 2.4% **TOTAL 19%**	Management 33% Employees, technicians, designers and first-line supervisors 21% Blue-collar staff 3.5% **TOTAL 20.7%**
Average percentage of women in recruitment	Objective 17%	Objective 26%	35.1%	34.4%	Objectives: Management 33.0% Employees, technicians, designers and first-line supervisors 50.0% Blue-collar staff 20% **TOTAL 35%**	Management 30.4% Employees, technicians, designers and first-line supervisors 44.7% Blue-collar staff 25.7% **TOTAL 35.6%**	Management 40.4% Employees, technicians, designers and first-line supervisors 54.5% Blue-collar staff 0% **TOTAL 35.9%**	Management 47.1% Employees, technicians, designers and first-line supervisors 45.6% Blue-collar staff 8.2% **TOTAL 34.4%**

5.10 REPORT OF THE STATUTORY AUDITORS DRAWN UP PURSUANT TO THE PROVISIONS OF ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE AND THE REPORT ON CORPORATE GOVERNANCE

See the "Report on corporate governance" section in the statutory auditors' report on the annual financial statements in chapter 7.2.3 of this Universal Registration Document.

5.11 OPERATIONS WITH RELATED PARTIES

5.11.1 Contracts and transactions with related parties

Parties related to the Group include mainly the Company's shareholders, its unconsolidated subsidiaries, associated companies accounted for by the equity method, and entities over which the Group's various managers have a significant influence.

Transactions with companies that are unconsolidated or accounted for by the equity method are not significant during the years in question, and were carried out under normal market conditions.

	December 31, 2021				DECEMBER 31, 2020			
(in thousands of euros)	**Sales**	**Purchases**	**Receivables**	**Debts**	Sales	Purchases	Receivables	Debts
Associates	3,359	1,424	3,542	2,294	2,780	2,615	3,226	4,152
Other related parties	29	1,200	1		84	1,207	12	148
TOTAL	**3,388**	**2,624**	**3,543**	**2,294**	**2,864**	**3,822**	**3,238**	**4,300**

5.11.2 Intra-group operations

The Group's financial policy concentrates the financing lines in the parent Company.

In addition, the intra-group flows and internal margins have been eliminated in the Group consolidation operations. For 2021, intra-group cement sales amounted to €399 million, sales of aggregates to €103 million, and transport services to €82 million. For the same period, intra-group financial income amounted to €12 million.

5.11.3 Procedure pertaining to regulated agreements

The Board of Directors, at its February 12, 2020 meeting, approved the establishment of an internal charter establishing a procedure that allows for the ongoing monitoring of ordinary agreements entered into on arm's length bases and to classify the regulated agreements involving the Company and the Group's French entities.

The Legal Department must be informed of any draft agreement that may be classified as a regulated agreement or an ordinary agreement and, with the support where necessary of the Finance Department and/or internal audit, review the draft agreement, to determine whether it falls under the regulated agreements procedure or conversely whether it meets the criteria for ordinary agreements entered into on arm's length bases. It should be noted that any person with a direct or indirect interest in the agreement cannot be involved in reviewing it.

The findings of this review must be passed on to the Chairman of the Board of Directors and to the Audit Committee in a timely manner, which, should, in light of said findings, share the draft agreements identified with the Board of Directors without delay.

5.11.4 Statutory auditors' report on regulated agreements

General Meeting to approve the financial statements for the year ended December 31, 2021

To the General Meeting of shareholders of Vicat SA,

In our capacity as statutory auditors of your company, we hereby report to you on the regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the principal terms and conditions and the reasons of interest for the company of the agreements and commitments of which we were notified or which we have identified during our audit work, although it is not our role to determine whether they are beneficial appropriate or to ascertain whether other agreements or commitments exist. It is your responsibility, pursuant to article R. 225-31 of the French Commercial Code, to evaluate the benefits arising from these agreements prior to their approval.

In addition, it is our responsibility, if applicable, to inform you of the information specified in article R. 225-31 of the French Commercial Code relating to the performance during the past year of agreements already approved by the General Meeting.

We have performed the procedures we considered necessary in accordance with the professional code of practice of the National Society of statutory auditors, in relation to this work.

Agreements submitted to approval by the General Meeting

Agreements authorized and concluded during the past financial year

We hereby inform you that we have not been notified of any agreements authorized and concluded during the past financial year to be submitted to the approval of the General Meeting in application of the provisions of Article L. 225-38 of the French Commercial Code.

Agreements already approved by the General Meeting

We hereby inform you that we have not been notified of any agreements already approved by the Shareholders' Meeting whose execution would have been continued during the past financial year.

The statutory auditors

Paris La Défense, February 17, 2022	Chamalières, February 17, 2022
KPMG Audit	**Wolff & Associés S.A.S.**
A division of KPMG S.A.	
Philippe Grandclerc	Grégory Wolff
Partner	*Partner*

Laying of SmartUP cement, Pont de Thouaré (France)

6 Comments over the year

6.1 KEY FIGURES

Balance sheet items

(in millions of euros)	2021	2020*	2019
Total assets	5,714	5,240	5,578
Shareholders' equity	2,606	2,420	2,596
Net financial debt *(excluding options)*	1,318	1,202	1,290

* *Data adjusted for the decision of the IFRS IC pertaining to obligations under defined-benefit plans (see note 16.1.1. in chapter 7 Financial Information).*

Income statement items

(in millions of euros, unless otherwise indicated)	2021	2020	2019
Consolidated sales	3,123	2,805	2,740
EBITDA(1)	619	557	526
EBIT(2)	360	298	267
Financial income	(30)	(35)	(38)
Consolidated net income	222	172	160
Group share of net income	204	156	149
Net earnings per share *(in euros)*	4.55	3.47	3.31
Dividend per share *(in euros)*	1.65	1.50	1.50

(1) Earnings Before Interest, Taxes, Depreciation and Amortization: gross operating income plus other ordinary income and expenses. EBITDA has no standard definition under GAAP. Since EBITDA is calculated differently from one company to another, the data provided in this Universal Registration Document and related to the Group's EBITDA might not be comparable to EBITDA data reported by other companies.

(2) Earnings Before Interest and Taxes: EBITDA less depreciation, amortization and operating provisions. EBIT has no standard definition under GAAP. Since EBIT is calculated differently from one company to another, the data provided in this Universal Registration Document and related to the Group's EBIT might not be comparable to EBIT data reported by other companies.

Net investments disbursed

(in millions of euros)	2021	2020	2019
Industrial investments	376	300	223
Financial investments(1)	67	22	354

(1) Including changes in consolidation scope.

Cash flows

(in millions of euros)	2021	2020	2019
Operating cash flow	488	461	425
Cash flows from operating activities	439	528	382
Cash flows from investing activities	(443)	(322)	(577)
Cash flows from financing activities	66	(138)	261
Free cash flow	63	228	159

Consolidated financial ratios

	2021	2020	2019
Net debt/total shareholders' equity *(%) (gearing)*	50.6	49.9	49.7
Net debt/EBITDA *(leverage)*	2.12	2.16	2.45
Coverage of net financial expenses			
by EBITDA	21.8	15.1	15.8
by EBIT	12.7	8.1	8.0

Non-financial indicators

	2021	2020	2019
Sales volumes			
Cement *(in millions of metric tons)*	28.1	25.0	22.4
Concrete *(in millions of m^3)*	10.5	9.3	9.1
Aggregates *(in millions of metric tons)*	24.0	22.7	23.0
USE OF ALTERNATIVE FUELS (CEMENT BUSINESS)	**26.2%**	**25.8%**	**26.5%**
WORKFORCE AS AT DECEMBER 31	**9,515**	**9,829**	**9,947**

6.2 EXAMINATION OF THE FINANCIAL POSITION AND RESULTS

Investors are advised to read the following financial information, together with the audited consolidated financial statements for the three years covered in this Universal Registration Document, and the notes relating thereto in chapter 7 "Financial information" of this Universal Registration Document, as well as all other financial information contained in this Universal Registration Document.

6.2.1 Summary of 2021 results and comparison with 2020

			CHANGE *(%)*	
(in millions of euros)	**2021**	2020	Reported	At constant scope and exchange rates
Consolidated sales	**3,123**	**2,805**	**+11.3%**	**+16.2%**
EBITDA[1]	**619**	**557**	**+11.1%**	***+14.5%***
Net margin (%)	*19.8%*	*19.9%*		
EBIT[2]	**360**	**298**	**+20.8%**	**+24.1%**
Net margin (%)	*11.5%*	*10.6%*		
Consolidated net income	**222**	**172**	**+29.1%**	**+31.8%**
Net margin (%)	*7.1%*	*6.1%*		
Group share of net income	**204**	**156**	**+30.9%**	**+33.3%**
Operating cash flow	**488**	**460**	**+5.9%**	**+8.9%**

(1) EBITDA is calculated as the sum of gross operating income and other ordinary income and expenses on ongoing business.
(2) EBIT is calculated as EBITDA less net depreciation, amortization and provisions on ongoing business.

The principal indicators used by the Group for measuring financial and industrial performance are EBITDA and EBIT, which are shown in the published income statement. These aggregates are defined in the notes to the consolidated financial statements in chapter 7, while the relations between gross operating income, EBITDA, EBIT and operating income are presented in the consolidated income statement. Segment information is set out in the notes to the consolidated financial statements in section 7.1 of this Universal Registration Document.

The main indicators which will be commented upon are as follows:

- sales, which is mainly composed of billings for products delivered and services rendered during the period, in particular the transport of goods re-invoiced to the customer;
- the non-accounting indicators mentioned above.

Consolidated income statement

In 2021, the Group's business grew sharply given the dynamic trends in its markets and a favourable pricing environment, almost completely offsetting the steep rise in energy costs recorded in the second half of the year. Certain markets continued to experience disruption as a result of the persistent pandemic situation in 2021, but the construction sector was able to continue operating as a result of the measures introduced.

Overall, the Group's **consolidated sales** totalled €3,123 million, up from €2,805 million in 2020, representing an +11.3% rise on a reported basis and a +16.2% increase at constant scope and exchange rates.

The trend in consolidated sales on a reported basis reflects:

- organic business growth of +16.2%, supported by dynamic market conditions across all the Group's business areas and supportive pricing trends;
- an unfavourable currency effect of -3.6%, representing a negative impact of €(102) million over the full year as a result of the appreciation of the average rate of the euro and the depreciation of the Turkish lira;
- and a scope effect of -1.2%, resulting in a negative impact of €(34) million, chiefly reflecting the sale of Créabéton Matériaux in Switzerland, partly offset by small acquisitions within concrete in France.

The Group's operational sales totalled €3,558 million, up +11.5% on a reported basis and up +16.3% at constant scope and exchange rates. Each of the Group's businesses contributed to this positive trend. In the Cement business, sales (€1,914 million) rose +14.4% on a reported basis and +18.8% at constant scope and exchange rates. In the Concrete & Aggregates business, operational sales (€1,191 million) rose by +10.0% on a reported basis and by +13.1% at constant scope and exchange rates. Lastly, the Other Products & Services business (€453 million) increased by +4.3% on a reported basis and up +14.8% at constant scope and exchange rates.

The Group's consolidated **EBITDA** totalled €619 million in 2021, representing an increase of +11.1% on a reported basis and of +14.5% at constant scope and exchange rates. EBITDA margin was 19.8%, stable versus 2020. Reported EBITDA reflects an unfavourable currency effect of nearly €(17) million, a negative scope effect of slightly over €(2) million and, lastly, organic growth of close to €81 million.

At constant scope and exchange rates, the increase in EBITDA was driven by:

- dynamic business trends across all markets;
- generally favourable pricing trends, which largely offset the inflation in energy costs (+18% over the full year);
- a steep reduction in the operating loss previously recorded in Egypt.

EBIT totalled €360 million compared with €298 million in 2020. This represented an increase of +20.8% on a reported basis and of +24.1% at constant scope and exchange rates. The EBIT margin on consolidated sales came to 11.5%, an increase of +90 basis points (9.7% in 2019).

The Group's operating profit totalled €336 million, representing a rise of +21.2% on a reported basis and of +24.0% at constant scope and exchange rates. This performance was largely attributable to improvements in operating profitability at both EBITDA and EBIT levels. It also reflects an additional write-off of nearly €16 million on loans linked to investments in Egypt.

The €(5) million improvement in **net financial expense** (to €(30) million in 2021 from €(35) million in 2020) largely reflects the reduction in the Group's average cost of debt, as well as the positive change in hedging instruments, given the rise in interest rates over the last few months of 2021.

Tax expense rose by €(15) million as a result of the higher pre-tax income. The effective tax rate was lower than at 31 December 2020, falling from 30.7% to 29.1% in 2021. The key factors behind the reduction in the tax rate were the decline in the tax rate in France and a favourable country mix.

Consolidated net income was €222 million in 2021, representing a large rise of +31.8% at constant scope and exchange rates and of +29.1% on a reported basis. The Group share of net income stood at 7.1%, 100 basis point up to 2020 (5.8% in 2019)

Net income, Group share rose to €204 million, up by +33.3% at constant scope and exchange rates and +30.9% on a reported basis.

Cash flow came to €488 million, up +5.9% on a reported basis and up +8.9% at constant scope and exchange rates, reflecting the sharp increase in EBITDA generated over the year.

6.2.2 Group income statement analyzed by geographical region

Income statement France

(in millions of euros)	2021	2020	CHANGE *(%)* Reported	CHANGE *(%)* At constant scope and exchange rates
Consolidated sales	1,074	963	+11.5%	+10.7%
EBITDA	201	171	+17.9%	+17.8%
EBIT	118	92	+27.8%	+28.4%

The Group's performance in France increased during the year, although the pandemic was once more a limiting factor. Strong growth in the first six months was followed by a moderate dip in the second half as a result of an unfavourable basis of comparison and the growing impact of a steep rise in energy costs. As a result, EBITDA posted an increase over the year as a whole, with a clear improvement in the EBITDA margin on consolidated sales to 18.7% from 17.7% in 2020.

- In the Cement business, operational sales rose +9.4% at constant scope. Underpinning this performance was strong growth in the first six months, which helped to offset the contraction recorded in the second six months of the year as a result of an unfavourable basis of comparison. Amid a still supportive sector environment, prices moved higher and the EBITDA generated by the business rose +12.2% over the year.
- The operational sales recorded by the Concrete & Aggregates business rose +13.7% at constant scope. This performance reflects higher deliveries of concrete and aggregates and sustained prices. Overall, the EBITDA generated by the business rose +21.8% at constant scope in 2021.
- In the Other Products & Services business, operational sales advanced +16.0% at constant scope over the period. The EBITDA recorded by the business climbed +48.5% over the year.

Income statement for Europe (excluding France)

			CHANGE (%)	
(in millions of euros)	**2021**	2020	Reported	At constant scope and exchange rates
Consolidated sales	394	423	-7.1%	+3.8%
EBITDA	89	97	-8.7%	-5.2%
EBIT	55	55	0.0%	+1.4%

The Swiss market, barely affected by the pandemic in 2020, recorded solid growth in 2021. Italy, which benefited from a highly favourable basis of comparison at the start of the year given the very challenging pandemic and macroeconomic situation in the first six months of 2020, recorded a positive performance throughout the year, supported by favourable trends in the construction market. EBITDA for the region as a whole declined -5.2% at constant scope and exchange rates given a non-recurring item recorded in Switzerland during the first half of the year.

In **Switzerland**, the Group's consolidated sales rose +3.0% at constant scope and exchange rates (down -8.3% on a reported basis as a result of the sale of Créabéton Matériaux effective 30 June 2021). Business there continued as normal with no significant impact on sector conditions from the pandemic. The EBITDA margin on consolidated sales stood at 23.2%

- In the Cement business, operational sales grew +1.5% at constant scope and exchange rates, supported by healthy performance of the markets and waste recovery activities. As a result of a non-recurring item recorded at the beginning of the year, the EBITDA generated by the business declined -13.5% at constant scope and exchange rates.
- In the Concrete & Aggregates business, operational sales declined -5.8% at constant scope and exchange rates due to less favourable weather conditions at the beginning of the year and lower prices, especially in aggregates. Overall, the EBITDA generated by the business fell -9.9% at constant scope and exchange rates.
- In the Other Products and Services business, operational sales rose +9.2% at constant scope and exchange rates (-23.0% on a reported basis, taking into account the sale of Créabéton Matériaux on 30 June 2021 and its deconsolidation in the second half). The EBITDA generated by the business rose +56.3% at constant scope and exchange rates

In **Italy**, consolidated sales moved up +22.3% over the period. They were boosted by a favourable basis of comparison in the first half and a supportive environment throughout the year. Overall, business trends and prices improved throughout the year. EBITDA moved up +108.0% compared with 2020.

Income statement for the Americas

			CHANGE (%)	
(in millions of euros)	**2021**	2020	Reported	At constant scope and exchange rates
Consolidated sales	672	636	+5.7%	+11.0%
EBITDA	140	141	-1.3%	+3.8%
EBIT	84	86	-3.3%	+2.0%

In the United States and in Brazil, business trends remained favourable despite a challenging pandemic situation. After a sharp acceleration in business trends in Brazil from the third quarter of 2020, the second half of 2021 saw a far less favourable basis of comparison. The sector environment remained supportive, however. Overall, the Americas region's sales and EBITDA both recorded growth.

In the **United States**, the macroeconomic and sector environment remained favourable during the year. It should be noted that first-half 2021 performance in California was impacted by an unfavourable basis of comparison given the record volumes delivered during the same period of 2020. In all, the Group's consolidated sales rose +4.9% at constant scope and exchange rates to €485 million over the full year. EBITDA totalled €96 million for the year, up +1.4% at constant scope and exchange rates.

The construction of a new 5,000-tonne/day kiln at the Ragland plant in Alabama continued in 2021. The new line, due to be commissioned in the first half of 2022, will increase the plant's capacity and therefore help meet the strong market demand, significantly reduce production costs and play a real role in reaching the Group's carbon emission targets.

- In the Cement business, operational sales rose +1.8% at constant scope and exchange rates in 2021 thanks to upbeat trends in the markets in which the Group operates, especially the South-East, and a steep rise in prices over the period. Against this backdrop, the EBITDA generated by the business grew +2.3% at constant scope and exchange rates.

In the Concrete business, operational sales rose +8.6% at constant scope and exchange rates thanks to a supportive sector environment, especially in the South-East region, and to higher average selling prices. The EBITDA generated by the business edged down -1.4% at constant scope and exchange rates during the year given the inflation in costs, especially transport costs as a result of the steep hike in fuel prices.

In Brazil, consolidated sales reached €187 million, up +29.7% at constant scope and exchange rates. Even though the pandemic situation was critical, and the basis of comparison was unfavourable in the second half, business trends remained dynamic. EBITDA recorded solid growth throughout the year, rising to reach €43 million, up by +9.1% at constant scope and exchange rates.

- In the Cement business, operational sales totalled €151 million, up from €128 million in 2020, representing an increase of +27.6% at constant scope and exchange rates. This performance reflects the dynamic conditions in the markets in which the Group operates and positive pricing trends. Overall, given the steep increase in energy costs during the second half, EBITDA reached €37 million over the year compared with €38 million in 2020, a shift which represents a rise of +5.5% at constant scope and exchange rates.
- In the Concrete & Aggregates business, operational sales reached €55 million, an increase of +42.6% at constant scope and exchange rates. The improvement in market conditions was accompanied by a rise in prices, both in concrete and in aggregates. Overall, the EBITDA generated in the period moved up +36.3% at constant scope and exchange rates.

Income statement for Asia (India and Kazakhstan)

			CHANGE *(%)*	
(in millions of euros)	**2021**	2020	Reported	At constant scope and exchange rates
Consolidated sales	428	348	+23.0%	+27.9%
EBITDA	122	103	+18.4%	+23.2%
EBIT	88	68	+28.7%	+34.0%

The Asia region, and particularly India, was again affected by the pandemic, which was a drag on the macroeconomic and sector environment.

In **India,** after a first half boosted by a highly favourable basis of comparison, the second half brought a macroeconomic environment which continued to be favourable, but was affected by very strong cost inflation, especially in energy prices, and more volatile pricing trends towards the end of the year. As a result, the Group posted consolidated sales of €363 million over 2021 as a whole, up +31.0% at constant scope and exchange rates.

Overall, EBITDA came to €100 million, representing an increase of +25.3% at constant scope and exchange rates. The EBITDA margin on consolidated sales reached 27.5%.

Consolidated sales in **Kazakhstan** came to €65 million, up +13.6% at constant scope and exchange rates. This performance was achieved through further expansion in the Group's business in its domestic market, which made up for the drop in exports. Given this favourable geographical mix and the dynamic trends in the Kazakh market, prices rose significantly.

EBITDA moved up +15.1% at constant scope and exchange rates to reach €22 million during the year.

Income statement for the Mediterranean (Egypt and Turkey)

			CHANGE *(%)*	
(in millions of euros)	**2021**	2020	Reported	At constant scope and exchange rates
Consolidated sales	228	173	+31.8%	+59.2%
EBITDA	3	(11)	n.a.	n.a.
EBIT	(15)	(29)	+49.8%	+51.2%

The Mediterranean region, hit by the adverse macroeconomic and sector conditions, recorded growth in both Turkey and Egypt. Overall, taking these factors into account, the Group recorded an improvement in its EBITDA in 2021.

In **Turkey**, even though the steady depreciation and very high volatility in the Turkish lira since August 2018 continued to impact the macroeconomic and sector environment, the construction market recovered further. Consolidated sales totalled €150 million, up +58.0% at constant scope and exchange rates. EBITDA recorded a significant increase over the year as a whole to €13 million, up from €8 million in 2020.

- In the Cement business, the improvement in the sector environment since the end of 2020 carried through into 2021 with activity volumes and prices recording a clear increase. As a result, operational sales totalled €109 million, up +58.5% at constant scope and exchange rates. Overall, the EBITDA generated by the business came to €10 million, representing an increase of +63.1% at constant scope and exchange rates. The increase in prices helped make up for the strong cost inflation, reflecting currency depreciation and the substantial spike in energy costs.
- The operational sales recorded by the Concrete & Aggregates business came to €70 million, up +62.7% at constant scope and exchange rates. The business was boosted during the year by the continuing improvement in market conditions and a steady and significant price increase. EBITDA, which had been at breakeven point in 2020, reached €2 million in 2021.

In Egypt, consolidated sales totalled €78 million, up +62.3% at constant scope and exchange rates. Following the market regulation agreement by the Egyptian government with all the manufacturers that entered force in July 2021, the sector environment became healthier during the second half, paving the way for a steady increase in prices amid favourable market trends. While these factors seem to be the first signs of a longawaited reversal in trend, the EBITDA recorded in Egypt was again €(10) million in negative territory over the full year (versus €(19) million in 2020), reflecting a clear improvement in the second half.

Income statement for Africa (Senegal, Mali, Mauritania)

			CHANGE *(%)*	
(in millions of euros)	**2021**	2020	Reported	At constant scope and exchange rates
Consolidated sales	327	262	+25.1%	+24.9%
EBITDA	65	56	+15.2%	+15.0%
EBIT	30	25	+20.0%	+19.8%

In Africa, the Group continues to benefit from a favourable sector environment, without any impact from regional geopolitical crises, supported by performance improvements at the Rufisque plant and by the commercial ramp-up in Mali.

- In the Cement business, operational sales in the region grew +25.1% at constant scope and exchange rates, with a boost provided by the dynamic trends in the West African market. Prices in Senegal were stable over the year as a whole. They are increasing in Mali and Mauritania. Given these factors, the EBITDA generated by the business moved up +14.3% at constant scope and exchange rates in 2021.
- The Aggregates business in Senegal recorded consolidated sales of €30 million, up +23.6% over the period as a result of the gradual resumption of major government construction projects amid positive pricing trends. As a result of these factors, EBITDA increased by +19.9%.

6.2.3 Income statement broken down by business segment

Cement business

			CHANGE *(%)*	
(in millions of euros)	**2021**	2020	Reported	At constant scope and exchange rates
Volume *(in thousands of metric tons)*	28,141	25,043	+12.4%	
Operational sales	1,914	1,673	+14.4%	+18.8%
Consolidated sales	1,633	1,421	+14.9%	+19.4%
EBITDA	456	415	+9.9%	+13.2%
EBIT	300	264	+13.5%	+16.9%

Concrete & Aggregates business

(in millions of euros)	2021	2020	CHANGE *(%)* Reported	CHANGE *(%)* At constant scope and exchange rates
Concrete volumes *(in thousands of m^3)*	10,472	9,309	+12.5%	
Aggregates volume *(in thousands of metric tons)*	23,998	22,713	+5.7%	
Operational sales	1,191	1,083	+10.0%	+13.1%
Consolidated sales	1,158	1,050	+10.3%	+13.2%
EBITDA	133	121	+10.4%	+12.3%
EBIT	49	34	+45.8%	+47.2%

Other Products and Services

(in millions of euros)	2021	2020	CHANGE *(%)* Reported	CHANGE *(%)* At constant scope and exchange rates
Operational sales	453	434	+4.3%	+14.8%
Consolidated sales	332	334	-0.6%	+11.9%
EBITDA	30	21	+39.0%	+51.9%
EBIT	11	0	n.a.	n.a.

6.2.4 Elements having an impact on results

As at the date of filing of this Universal Registration Document, the Group considers that the principal factors having a significant impact on its financial performance are the following:

Elements having an impact on operational sales

(A) Economic conditions in the countries where the Group operates

The materials produced by the Group, cement, concrete and aggregates, are major components of construction and infrastructure in general.

Demand for these products depends on the economic conditions specific to each country and market that are in turn determined by the rate of demographic growth, the level of economic growth and the level of urbanization. These factors influence the level of local public and private sector investment in housing and infrastructure, and therefore the sales achieved by the Group in each market where it operates. More generally, the level of public and private sector investment in housing and infrastructure is affected by the general political and economic situation in each country.

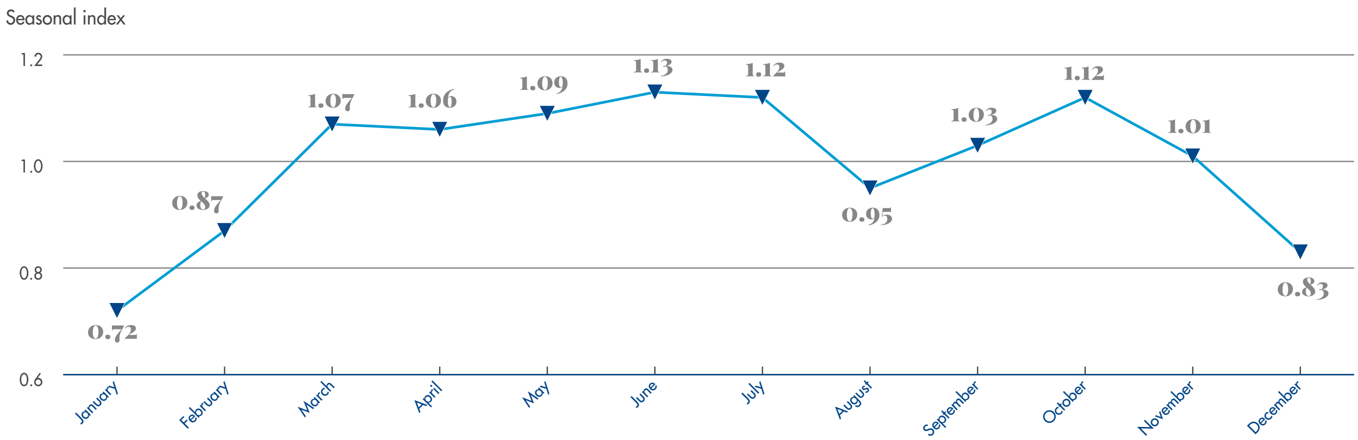
The price levels applicable to each market are determined by the production costs of existing operators and the competitive intensity of the product markets.

(B) Seasonality

Demand in the Cement, Ready-Mixed Concrete & Aggregates businesses is seasonal and tends to decrease in winter in temperate countries and during the rainy season in tropical countries. The Group therefore generally records falling revenue in the first and fourth quarters, during the winter season in the principal markets of Western Europe and North America. In the second and third quarters, in contrast, revenue is higher, due to the summer season being more favorable for construction work.

The following image shows the changes in the monthly average seasonality coefficient during the year, calculated from the seasonality of revenue recorded during the last five years. Thus, for a monthly average equal to 1, the seasonality factor varied from 0.72 on average in January to almost 1.13 on average in June or October.

Seasonality of Vicat operational sales



The seasonality varies depending on countries. Thus, the Group's activities in Senegal, despite reduced winter activity from August to October, and in the United States, were less affected by seasonality than Western Europe. Turkey similarly did not see a fall in its activity in August, unlike France and Italy. The Group's business is subject to very high levels of seasonality in India, owing to the monsoon season, and in Kazakhstan, given the very low temperatures between November and February. The phenomenon is the same in Brazil between October and March with the rainy season.

Elements having an impact on production costs

The principal components of production costs are energy, raw materials, maintenance, and provisions for depreciation of production facilities, transport costs and personnel costs.

The cost of energy is most significant in the Cement business, representing, in total, more than one third of the cost price of cement. The cost of energy includes electricity, whose price depends in particular on the generation capacity available in each market and also fuels, whose prices depend on the overall market conditions for each fuel. The effect of changes in fuel prices varies in particular according to the mix of fuels used, the energy efficiency of each factory, and the capacity to use alternative fuels. The impact of energy price fluctuations has a delayed and reduced impact on the income statements, in view of the inventories held and the existing forward supply agreements.

As the Group's products are heavy, the share of costs relating to transport can prove to be high. The locations of the factories and their proximity to markets are thus determining factors in the competitive position and have a direct effect on the selling prices net of transport obtained by the companies.

Elements having an impact on net financial income

The consolidated financial income depends mainly on the Group's indebtedness, as well as on the interest rates applied and fluctuations in the exchange rates of the currencies in which the Group has debt or has a cash surplus. The sensitivity to these fluctuations in interest and exchange rates is limited by the hedging instruments used.

The Group's activities are run by entities which operate primarily in their own country and their own currency, both for sales and for purchases. The Group's exposure to exchange rates is thus limited.

Nevertheless, import and export transactions by the companies in currencies different from their accounting currency are generally hedged by forward buying and selling currency transactions. Financing is usually subject to exchange rate hedging by Group companies when the loan currency differs from the operating currency.

Elements having an impact on the Group's income tax

The Group's tax burden depends on the tax laws in force in each country in which the Group operates and on exemption agreements from which some subsidiaries (Senegal) benefit.

In Senegal, in February 2021, the State signed an amendment to the mining agreement with Sococim Industries granting it tax exempt status because of its major investment program, the main benefits of which are 50% relief from corporate income tax, a capping of the occupational and land taxes, relief on import duties and a fiscal stability clause for a period of 6 years (hence to the end of 2026).

6.2.5 Impact of the change in consolidation scope and change in foreign exchange rates

Changes in the consolidation scope

The disposal at June 30, 2021 of Créabéton Matériaux SA in Switzerland to the Müller Steinag Holding Group is the only major change in consolidation scope over the period.

Change in foreign exchange rate

The Group's international operations expose its results to fluctuations in the currencies of each country where the Group is established relative to the euro , as well as fluctuations in the currencies used by its subsidiaries for their business activities relative to their operating currencies (ii).

i. On the closing of each year's accounts, the income statements of the subsidiaries are converted into euros at the average exchange rates for the period. The fluctuations from one period to another between the different currencies in which the Group operates relative to the euro result in fluctuations in revenue and, more generally, income and expenses in euros, even though such fluctuations do not reflect changes in the Group's performance. For the purposes of comparison, the Group presents, in note 4 to the 2021 consolidated financial statements, revenue restated at constant scope and exchange rates compared to 2020. In addition, the balance sheets of the subsidiaries are translated into euros at the year-end exchange rates. Fluctuations in these currencies result in conversion adjustments allocated to shareholders' equity (see note 2.3 to the consolidated financial statements).
ii. Profits or losses recorded by the Group's subsidiaries when carrying out transactions in currencies different from their operating currencies are recorded in net financial income as exchange rate gains or losses.

6.2.6 Comparison of earnings for 2020 and 2019

The comparative analysis of the earnings for 2020 and 2019 is presented in the 2020 Universal Registration Document in section 5.2.1 and 5.2.2, pages 137-143 and is incorporated by reference in this Universal Registration Document.

6.3 CASH FLOW AND EQUITY

6.3.1 Share capital

At the date of filing of this Universal Registration Document, the Company's share capital was €179,600,000 divided into 44,900,000 shares, each with a nominal value of €4 fully subscribed and paid up.

(in millions of euros)	December 31, 2021	December 31, 2020*
Share capital	180	180
Additional paid in capital	11	11
Translation reserves	(580)	(641)
Consolidated reserves	2,801	2,690
Treasury shares	(52)	(54)
Shareholders' equity – Group share	**2,359**	**2,186**
Minority interests	247	234
Consolidated shareholders' equity	**2,606**	**2,420**

* *Data adjusted for the decision of the IFRS IC pertaining to obligations under defined-benefit plans (see note 16.1.1. in chapter 7 Financial Information).*

Consolidated shareholders' equity at December 31, 2021 rose €186 million compared to December 31, 2020. It includes a Group share of €2,359 million and minority interests of €247 million, mainly related to the cement subsidiaries in India, Brazil, Egypt, Kazakhstan and Turkey.

For a detailed description of shareholders' equity in the Company, please refer to the statement of changes in consolidated shareholders' equity and note 15 to the consolidated financial statements in section 7.1.2 "Notes to the 2021 consolidated financial statements" of this Universal Registration Document.

6.3.2 Cash flows

Cash flows are analyzed by category for each financial year:

- operational activity;
- investment activity;
- financing activity.

Cash flows relating to operational activities are primarily generated by earnings for the period (other than income and expenses not affecting }cash flow or not related to the business) as well as by the change in the working capital.

Cash flows relating to investment activity result mainly from outflows for the acquisition of intangible assets and property, plant and equipment and other long-term assets, as well as for the acquisition of equity instruments in other entities and participations in joint ventures. They also include loans granted to third parties. Inflows related to divestments and/or redemptions of these assets are deducted from these outflows.

Cash flows related to financing activities result from inflows and outflows having an impact on the amount of the shareholders' equity and borrowed capital. In application of IFRS 16, these include from January 1, 2019, the repayment of lease liabilities.

Net cash, the change in which is presented in the statement of cash flows, consists of cash and cash equivalents less any bank overdrafts.

Cash flow history

(in millions of euros)	2021	2020	2019
Operating cash flow	488	461	425
Change in WC (excl. exchange rate and consolidation scope effects)[1]	(49)	68	(43)
Net operating cash flows	439	529	382
Net investment cash flows	(443)	(322)	(577)
Net financing cash flows	66	(138)	261
Impact of exchange rate fluctuations on cash resources	9	(38)	-
CHANGE IN CASH POSITION	**71**	**30**	**67**

(1) Working capital.

Analysis of the change in free cash flow and gross and net indebtedness

Industrial investments and free cash flow are presented and distinguished between "maintenance" and "strategic" industrial investments, which are linked to operational development decisions and restated according to the economic context.

"Maintenance" industrial investments are made annually to sustain the technical performance of the Group's existing production facilities.

"Strategic" industrial investments break down into two categories:

- Investment linked to the Group's reduced CO_2 footprint and implemented as part of the Climate Strategy unveiled at Capital Markets Day on November 16, 2021. Investment driving forward targets to reduce greenhouse gas emissions;
- Growth investment, linked to overall projects, particularly to expand capabilities including the new Ragland Kiln. However, note that the share of projects directly attributable to a CO_2 footprint reduction are recognized in the first category – "investments to reduce CO_2 footprint."

(in millions of euros)	2021	2020	2019
"Maintenance" Capex	155	129	162
"Strategic" Capex	232	190	76
O/W Capex to reduce CO_2 footprint	*75*	*51*	*23*
O/W growth capex	*156*	*139*	*52*
TOTAL OUTLAYS OF CAPITAL EXPENDITURE	**387**	**319**	**238**
Free cash flow (before "strategic" Capex)	295	418	234
Free cash flow (calculated from all Capex)	63	228	159

Maintenance capex amounted to €155 million in 2021, compared with €129 million in 2020.

On this basis, free cash flow (before strategic capex) came to €295 million, compared with €418 million in 2020 and €234 million in 2019.

A large portion of the €156 million in growth capex committed in 2021 reflects the continuing construction of the new Ragland kiln in the United States.

Lastly, the Group's capex to reduce the carbon footprint totalled €75 million in 2021, reflecting a steady rise since 2019 as it accelerated the pace of projects launched as part of the Climate strategy. In this regard, the Group can restate that the amount of capital expenditure to be committed to reducing its carbon footprint is estimated at €800 million until 2030, or €80 million p.a. on average.

Cash flow from operations made it possible, despite the increase in working capital and in industrial and financial investments net of disposal, of €116 and €76 million respectively, to limit the increase in the Group's net indebtedness to €116 million in 2021.

6.3.2.1 Net cash flows generated from operating activities

Net cash flows from operating activities posted by the Group in 2021 amounted to €439 million, down €89 million compared to 2020.

Despite the €27 million increase in operating cash flow, reflecting the improvement in the Group's operating profitability, the decline in cash flows generated from operating activities was due to a deterioration in working capital of €116 million, attributable to stronger sales and higher raw material costs.

The components of the working capital by category are as follows:

(in millions of euros)	WC at December 31, 2019	Change in WC 2020	Other Changes(1)	WC at December 31, 2020	Change in WC 2021	Other Changes(1)	**WC at December 31, 2021**
Inventories	401	(25)	(22)	355	94	(19)	429
Customers	417	51	(27)	441	11	(15)	436
Suppliers	(333)	(33)	16	(350)	(80)	4	(426)
Other receivables & payables	(92)	(61)	17	(136)	24	14	(98)
WC	**393**	**(68)**	**(16)**	**309**	**49**	**(16)**	**342**

(1) Consolidation scope and miscellaneous.

The increase in working capital is mainly due to inventory cost inflation, other items still under control.

6.3.2.2 Net cash flows from investing activities

The following is a breakdown of cash flows from investing activities:

(in millions of euros)	**2021**	2020
Investments in intangible assets and property, plant and equipment	(387)	(319)
Disposals of intangible assets and property, plant and equipment	11	19
Net investments in shares of consolidated companies	(31)	(3)
Other net financial investments	(36)	(19)
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	**(443)**	**(322)**

6.3.2.2.1 Investments and disposals of property, plant and equipment and intangible assets

They include disbursements for industrial investments, essentially corresponding to investments made in the United States, France and Senegal.

For further details, see section 6.4. "Investments" of this Universal Registration Document.

In 2021, 70% of these investments were made in the Cement business (70% in 2020), 25% in the Concrete & Aggregates business (25% in 2020) and the remaining 5% in the Other Products and Services business (5% in 2020).

Disposals of property, plant and equipment and intangible assets generated total cash inflows of €11 million in 2021 and €19 million in 2020.

6.3.2.2.2 Net investments in shares of consolidated companies

Transactions for the acquisition of consolidated companies carried out in 2021 resulted in a total outflow of €31 million (total outflow of €3 million in 2020), net of the disposal of Créabéton Matériaux SA. These share acquisitions mainly concerned an equity stake in Ciplan in Brazil, further vertical integration in France and Switzerland in Concrete and Aggregates, and the acquisition of a majority stake in Béton Direct in France, an e-commerce platform.

6.3.2.2.3 Other net financial investments

Other net financial investments resulted in a net cash outflow of €36 million in 2021 and €19 million in 2020.

6.3.2.3 Net cash flows from financing activities

Net cash flows from financing activities conducted by the Group in 2021 were €66 million, compared with €(138) million in 2020.

Net cash flows relating to financing activities comprise primarily:

- cash outflows for the payment of dividends to the Company's shareholders and to the minority interests in consolidated companies [€(74) million in 2021 and 2020];
- the draw down on or the issue of, net of repayments, credit lines or borrowings taken out by the Group amounting to €138 million in 2021 [compared to €(60) million in 2020], including payment of annual installments relating to IFRS 16 lease liabilities;
- the net cash inflow from the sale of treasury stock by the Company: €2 million in 2021 and €(4) million in 2020.

6.3.3 Debt

At December 31, 2021, the Group had a solid financial structure, with:

- significant shareholders' equity (of €2.6 billion), up €186 million over the year;
- a net indebtedness of €1,318 million at December 31, 2021, up €116 million over the year.

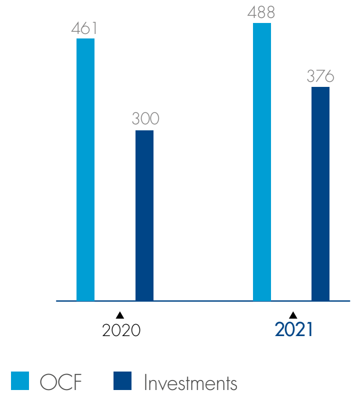
6.3.3.1 Group financial policy

The Group's financial policy is set by the General Management. This policy aims at maintaining a balanced financial structure characterized by the following:

- a net financial indebtedness/shareholders' equity (*gearing*) under control (see section 6.3.3.4 "Net indebtedness" of this Universal Registration Document);
- satisfactory balance sheet liquidity characterized by the availability of both cash surpluses and confirmed and available medium-term lines of financing.

This policy should make it possible to finance industrial investments from operating cash flow (OCF), available surplus financial resources being used by the Group to reduce its indebtedness, and financing in whole or in part external growth transactions.

Change in the Group's operating cash flow and net industrial investments disbursed between 2020 and 2021
(in millions of euros)



To secure resources in excess of its operating cash flow, the Group has set up confirmed medium-term lines of credit and medium and long-term borrowings.

These financings guarantee the Group, in addition to the liquidity of its balance sheet, even in the case of disrupted markets situations, the means immediately necessary for the realization of larger operations such as exceptional industrial investments, significant external growth operations or the acquisition of Vicat shares.

These lines are mainly carried by Vicat SA, but some of the Group's foreign subsidiaries also have medium and long-term lines of credit or borrowings available directly to meet any needs.

Liquidity management

In addition to available cash, the Group has medium-term/long-term lines of credit and borrowings to meet any liquidity needs of the entities. At December 31, 2021, the Group had a total of €462 million in unused confirmed lines of financing:

Lines at December 31, 2021	Borrower	Starting year	Currency	AUTHORIZATION *(in millions)* Foreign currencies	€	Utilization *(€M)*	Not drawn	Maturity	Type of rate
US private placement	Vicat SA	2011	USD	120	91	91	-	2022	FR
	Vicat SA	2020	EUR	175	175	175	-	2035	FR
	Vicat SA	2021	EUR	100	100	100	-	2031	FR
Schuldschein - 5 / 7 / 9 years	Vicat SA	2019	EUR	290	290	290	-	2024/26/28	FR/VR
Total private placement lines					**655**	**655**	**-**		
Syndicated Loan	Vicat SA	2018	EUR	550	550	550	-	2025	VR
Bank bilateral lines	Vicat SA	2017	EUR	240	240	15	225	2024	VR
Total bank lines[1]					**790**	**565**	**225**		
TOTAL CORPORATE FINANCING LINES					**1,445**	**1,220**	**225**		
Syndicated Loan	Switzerland	2020	CHF	200	194	24	169	2025	VR
Bank bilateral lines	Switzerland	2020	EUR	50	50	-	50	2025	VR
Bank loan	Switzerland	2020	CHF	17	16	16	-	2022/2025	
Bank bilateral lines	Turkey	2020/21	TRL	541	36	36	-	2022/2023	VR/FR
Bank bilateral lines	Egypt	2019	EGP	1,754	95	89	6	2022	VR
Bank bilateral lines	Senegal	2021	CFAF	57,000	87	87	-	2022	FR
Medium-term loan	Senegal	2019	CFAF	35,006	53	51	2	2024	FR
Other lines	Africa	2018			10	10	-	2022/2023	FR
Bank loan	Brazil	2018	BRL	247	39	39	-	2033	FR
Bank bilateral lines	United-States		USD	12	10	-	10		VR
TOTAL FINANCING LINES OF FOREIGN SUBSIDIARIES					**589**	**352**	**237**		
Other liabilities						57			
TOTAL FINANCIAL LIABILITIES EXCLUDING IFRS 16						**1,629**			
Lease liabilities						215			
TOTAL GROSS INDEBTEDNESS[2]					**2,035**	**1,845**	**462**		

(1) The line "Bank lines" corresponds to all confirmed credit lines which benefit the Company and of which the authorized amount is €790 million. These lines are used according to the Company's financing needs, by drawing down or by hedging the liquidity risk of the Neu Commercial Papers program, bearing in mind that the total amount of the draw downs and the Neu Commercial Papers issued must not exceed the authorized total.
(2) The amount of gross indebtedness used does not include the liability relating to put options (€16.9 million).

6.3.3.1.1 Private placements of Vicat SA

US private placement

A loan for an initial US$450 million and €60 million was subscribed by American investors under a private placement (USPP) in 2010. The 7-year and 10-year maturities were repaid in 2017 for US$100 million and €60 million then for US$230 million in 2020. The twelve-year tranche of US$120 million will mature in 2022.

To eliminate the exchange rate risk on the principal and the interest, this loan was converted into a fixed-rate synthetic debt in euros by a cross currency swap.

In November 2020, a US private placement, denominated in euros, was set up for an amount of €174.6 million. This loan is at a fixed rate of 2.07% and has a maturity of 15 years.

In November 2021, the Group agreed a private placement with US investors for €250 million split into two tranches, for €100 and €150 million euros respectively. The first tranche, which was fully drawn down upon issuance, has a fixed rate of 1.27% and a maturity of 10 years. The second, drawn down on 15 February 2022, at a rate of 1.57% will mature in November 2036.

Schuldschein financing

In 2019, the Company arranged a €290 million *Schuldschein* loan with international investors with five-, seven-, and ten-year terms, €164.5 million at variable rate interest and €125.5 million at fixed-rate.

6.3.3.1.2 Vicat SA bank lines

Syndicated loan

The five-year credit line, at a variable rate, was placed by the Company with a syndicate of international banks. Its original maturity was January 2023 but two additional one-year options have been activated, postponing the maturity to January 2025. The interests are payable at the Euribor rate for the drawdown period plus a margin. At December 31, 2021, €550 million of this line was allocated to hedge liquidity risk on commercial paper.

Bank bilateral lines

Vicat SA's bilateral lines for €240 million were renewed in December 2017, by the Company, with banks for a five-year term, plus two additional one-year extension options that have been activated, postponing the maturity to December 2024. The interests are payable at the Euribor rate for the drawdown period.

At December 31, 2021, €15 million of this lines had been used.

Commercial paper

The Company has a program for issuing commercial paper of €550 million, fully drawn down as of December 31, 2021. Commercial papers which constitute short-term credit instruments are backed by the lines of credit confirmed for the issued amount and are treated as such in medium-term financial debts in the consolidated balance sheet.

6.3.3.1.3 Subsidiaries' bank debt

This indebtedness breaks down as follows:

Senegal

Sococim Industries has three lines for CFAF 11, 12 and 20 billion, all initially having 12-month maturities. As at December 31, 2021, they were drawn down for a total amount of CFAF 42.5 billion.

Two bank bilateral lines of CFAF 16 billion each were put in place with local banks in 2019. These five-year, fixed-rate lines, had been drawn down for a total amount of CFAF 30.7 billion at December 31, 2021.

The Aggregates subsidiaries in Senegal have CFAF 14 billion in term bank lines that were fully drawn down at December 31, 2021. They also have a term loan, arranged in November 2021, for CFAF 2 billion that will mature in 2024.

Switzerland

In October 2020, Vigier set up a syndicated line of credit of CHF 200 million and bilateral line of €50 million maturing in 2025. Interest is payable at the Libor rate (SARON rate in 2022) for the drawdown period plus a margin.

At December 31, 2021, €24 million of these lines had been used.

Turkey

Financing lines were arranged for 541 million Turkish lira. These were fully drawn down at December 31, 2021. the Group's companies also have unconfirmed bank credit lines.

Brazil

When Ciplan was acquired, in 2019, a term loan line with final maturity in 2033 and a residual amount of 247 million Brazilian real at December 31, 2021 was assumed by Vicat Group.

Egypt

SCC has 1,754 million Egyptian pounds of bank loans renewable annually at variable rate. At December 31, 2021, 1,646 million Egyptian pounds of these lines had been used.

United-States

NCC has variable-rate revolving bilateral lines for US$12 million. At December 31, 2021, these lines were not used.

6.3.3.1.4 Credit risk managed by the Group

The Group is exposed generally to a credit risk in the event of the failure of one or more of its counterparties. The risk related to the financing activities themselves, however, is limited by their dispersion and their distribution over several banking or financial institutions, either within the framework of a syndication, *Schuldschein* or private placement, or by setting up several bilateral lines. This risk is reduced by rigorous selection of the counterparties, who are always banks or financial establishments of international standing, selected according to their country of establishment, their rating by specialist agencies, the nature and the due date for the operations carried out.

As part of the Group's financing, certain counterparties have managed the Group's credit risk by implementing specific clauses. In addition to the cross-default clauses provided for in the majority of credit agreements, the USPP, the *Schuldschein*, the syndicated loan and certain credit lines benefiting the subsidiaries contained *covenants* which may impose early repayment in the event of non-compliance with financial ratios. These *covenants* concern ratios related to the profitability and the financial structure of the Group or the subsidiaries in question. Given the reduced number of Group companies concerned, essentially the Company, and the Group's level of net indebtedness, the existence of these *covenants* does not constitute a risk concerning the balance sheet liquidity and the Group's financial position (also see note 14.2 to the 2021 consolidated financial statement in this Universal Registration Document).

6.3.3.2 Gross indebtedness

As at December 31, 2021, gross indebtedness of the Group, excluding put options, was €1,845 million compared with €1,625 million at December 31, 2020. It is broken down by type as follows:

(in millions of euros)	December 31, 2021	December 31, 2020	Change
Private placement lines	655	555	+18.0%
Bank borrowings	836	765	+9.4%
Debt on lease liabilities	215	205	+5.1%
Other borrowings and financial debts	20	15	+31.1%
Current bank facilities and bank overdrafts	118	85	+39.1%
GROSS INDEBTEDNESS	**1,845**	**1,625**	**+13.6%**
of which more than one year	1,434	1,412	1.6%
of which less than one year	411	212	+93.4%

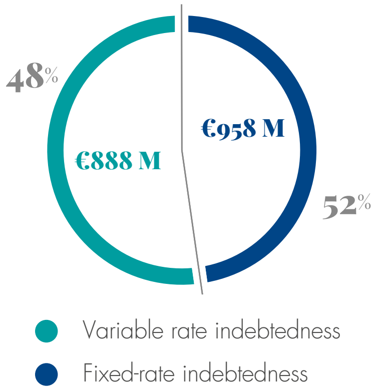
The structure of the Group's gross indebtedness as at December 31, 2021, by type of rate and maturity is as follows:

Interest Rates

As presented in section 2.4.2. "Interest rate risks" of this Universal Registration Document, the gross variable-rate financial indebtedness represented, at December 31, 2021, €888 million, or 48% of the Group's total gross financial indebtedness. The indebtedness at variable rate is partly covered either by cash surpluses denominated in the same currency or by interest rate derivative instruments.

The interest rate risk on variable rate liability was limited by the purchase of caps for €715 million expiring in 2023 to 2029.

Fixed rate / variable rate indebtedness at December 31, 2021

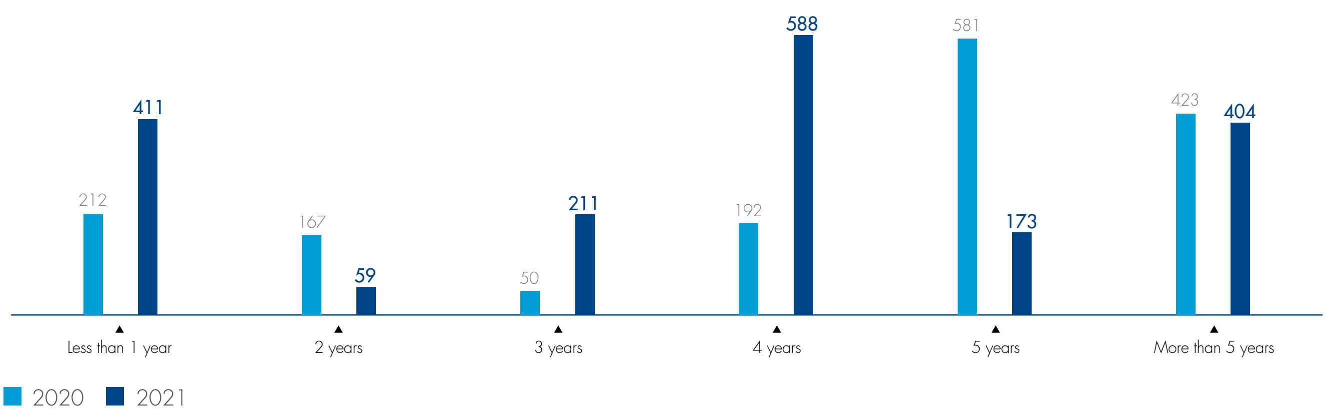


Maturity

In the wake of the US private placement for €174.6 million, arranged in November 2020, the Group refinanced a portion of its debt by means of a further 10-year US private placement for €100 million in November 2021, thereby stabilizing the average maturity of the Group's debt at 5 years at December 31, 2021. A second tranche of the US private placement for €150 million is planned for February 15, 2022.

See maturities schedule in note 14.1.1 to the consolidated financial statements.

Maturities schedule for gross indebtedness at December 31, 2021 *(in millions of euros)*



6.3.3.3 Cash surplus

Cash and cash equivalents include cash at bank (€127 million as at December 31, 2021) and short-term investments maturing in less than three months and with no risk of a change in the value of the principal (€401 million as at December 31, 2021).

Cash is managed country-by-country, under the control of the Group's Finance Department, with *cash pooling* systems by country. Any surplus is either invested locally or reinvested if applicable into the Group. When the cash surplus is intended to be used within a limited period for financing needs in the country concerned, this surplus is invested locally.

6.3.3.4 Net indebtedness (excluding put options)

The Group's net indebtedness is broken down as follows:

(in millions of euros)	December 31, 2021	December 31, 2020	Change
Gross indebtedness	1,845	1,625	13.6%
Cash and cash equivalents	527	423	24.7%
NET INDEBTEDNESS	**1,318**	**1,202**	**9.6%**

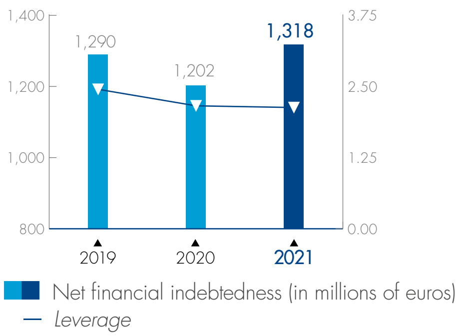
Overall, the Group has a total of €990 million in available cash, corresponding to unused lines of financing (€462 million) and available cash (€527 million)

The main ratios monitored by the Group are:

- *gearing*: corresponds to the ratio of net financial indebtedness/shareholders' equity and stood at 50.6% at the end of 2021 compared to 49.7% at the end of 2020;
- *leverage*: corresponds to the ratio of net financial indebtedness/EBITDA and stood at 2.13 at the end of 2021 compared to 2.16 at the end of 2020.

The Group's objective is to reduce its net indebtedness and to improve these ratios through free *cash flow*. These ratios could nonetheless rise in future, depending on what external growth opportunities arise. If a significant acquisition came up that offered the prospect of major strategic gains, the Group would accept a significant rise in this ratio, while setting itself the target of reducing it subsequently to levels near those of the abovementioned period.

Change in net indebtedness and *leverage* ratio between 2019 and 2021



6.3.4 Analysis of off-balance sheet commitments

Off-balance sheet commitment mainly comprise contractual commitments concerning the acquisition of property, plant and equipment and intangible assets. The table below shows commitments made by the Group as at December 31, 2021 and 2020:

(in millions of euros)	2021	2020
Contractual commitments for the acquisition of fixed assets	277	160

At December 31, 2021, the off-balance sheet commitments given by the Group concern contractual obligations relating to industrial investments. At end-December 2021, they mainly comprised the order for the new kiln for Sococim Industries in Senegal (€157 million) and the completion of the new kiln at Ragland in the United-States (€40 million), as described in section 6.4.2. "Main investments in progress and planned" of this Universal Registration Document, the residual amount corresponding, both in 2021 and in 2020, to investments in the improvement and development of industrial facilities in France and India.

6.4 INVESTMENTS

Cement manufacturing is a highly capital-intensive industry, requiring significant investments. The construction of a cement factory represents a capital expenditure from €200 to €300 million. The Group has always taken care to maintain its industrial production facilities at a high level of performance and reliability. Accordingly, it has continuously invested in new equipment, which enables it to benefit from the latest well-proven technologies and in particular to constantly improve the energy balance of the installations. The choice of leading international suppliers is also in line with the Group's policy of industrial excellence intended to give priority to quality, durability and performance of the equipment.

The following sections present the main investments made in recent years and the major projects in progress or planned for the future. The choice of new equipment acquired under this investment program embodies the Group's objective of continuing to improve the energy productivity of its installations and increasing substantially the proportion of alternative fuels used. As indicated in section 6.3 "Cash flow and equity" in this Universal Registration Document, financial requirements related to industrial investments are generally covered by the Group's own resources.

With the application of IFRS 16 since 2019, investments now include the renewal of equipment leases falling within the scope of the definition provided by this standard.

6.4.1 Investments made

The table below sets out, by business, the principal investments made by the Group over the last three years:

(in millions of euros)	**2021**	2020	2019
Cement	323	283	494
Concrete & Aggregates	144	98	109
Other Products and Services	50	19	68
TOTAL INVESTMENTS RECOGNIZED*	**489**	**399**	**671**
Of which financial investments	*34*	*23*	*379*
Including net industrial investments disbursed:	*376*	*300*	*223*

* *including right-of-use assets related to lease obligations (IFRS 16).*

6.4.1.1 Main investments made in 2021

The total amount of industrial investments recognized in 2021 was €455 million. These are shown below for each of the Group's main businesses. Financial investments amounted to €34 million in 2021. They mainly reflect the financing of new acquisitions aimed at strengthening the Group's presence in the ready-mixed concrete and aggregates market.

Cement: €317 million in industrial investments

- **France :** the main expense was on the promotion of alternative materials and fuels and the maintenance of facilities, noteworthy projects include Argilor in France, which aims to reduce the percentage of clinker in cement by activating clays;
- **United States:** the construction of a new kiln in Ragland (Alabama) continued and represents the bulk of investments;
- **Senegal:** the initial down-payment for a new kiln for Sococim Industries was made;
- **Switzerland:** the year saw the finalization of projects to substitute 100% of fossil fuels and installations being adapted to increase the use of alternative materials.

Concrete & Aggregates: €116 million in industrial investments

- **France:** investments included new concrete batching plants, the replacement of reserves, and the purchase of quarry equipment for the Aggregates business;
- **United States:** in California, the Group is continuing to renew its fleet with the purchase of mixers running on biogas and the installation of biogas service stations;
- **Switzerland:** the Group continued its strategy of investing in recycling centers, material treatment plants and renewing aggregates and landfills reserves. Investments also include updating the logistics fleet and building a new processing plant in Flumentha.

Other Products and Services: €23 million in industrial investments

As well as the capacity expansion of the VPI plant in Auneau, France, efforts to improve and maintain our French and Swiss operations continued.

6.4.1.2 Main investments made in 2020

The total amount of industrial investments recognized in 2020 was €376 million. These are shown below for each of the Group's main businesses. Financial investments amounted to €23 million in 2020. They mainly reflect the financing of new acquisitions aimed at strengthening the Group's presence in the ready-mixed concrete and aggregates market.

Cement: €283 million in industrial investments

- **France:** the main expenses concerned the promotion of alternative fuels and the maintenance of facilities;
- **United States:** the construction of a new kiln in Ragland (Alabama) continued and represents the bulk of investments;
- **Turkey**: the Group doubled the capacity of its secondary fuel processing plant;
- **Switzerland:** the financial year was marked by acquisitions to increase our raw material reserves and the completion of projects to replace 100% of fossil fuels;
- **India**: a new photovoltaic power plant was commissioned at the Kalburgi plant. At the same plant, a project to increase the capacity of the kiln was started;
- **Senegal:** as in India, a photovoltaic power plant has been commissioned and the construction of a roller press for the Rufisque plant is almost complete.

Concrete & Aggregates: €98 million in industrial investments

- **France:** investments included new concrete batching plants, the replacement of reserves, and the purchase of quarry equipment for the Aggregates business;
- **United States:** in California, the Group is continuing to renew its fleet with the purchase of mixers running on biogas and the installation of a biogas service station;
- **Switzerland:** the Group continued its strategy of investing in recycling centers, material treatment plants and renewing aggregates and landfills reserves. The investments also include the renewal of the logistics fleet.

Other Products and Services: €19 million in industrial investments

The efforts to improve and maintain our French and Swiss activities were ongoing. In 2020, fleet renewal was lower for these two countries.

6.4.2 Main investments in progress and planned

As reported in the Capital Markets Day on 16 November 2021, the Group estimated that climate-impacted investments would amount to around €800 million between 2021 and 2030. In this context, the main investments underway or still to be made include this target.

Investment in the United States

The investment for a new 5,000 metric ton-per-day kiln system of clinker at the Ragland plant in Alabama, which began in 2019, continued in 2021. In line with the original plan, the commissioning of this new production facility, which uses cutting-edge cement production technology should take place in the first half of 2022. This is a so-called "global" project, with multiple dimensions:

- this new kiln will provide the additional capacity needed to meet demand in the Group's markets in the South-East of the United States, raising this plant's capacity from 1.2 million previously to 1.8 million metric tons per annum;
- the technology used, which is particularly efficient from an energy perspective, will make it possible to reduce production costs by 30% per metric ton produced;
- lastly, this new kiln, intended to make widespread use of alternative fuels, will help meet the Group's goal of reducing its CO_2 emissions.

Investment in Senegal

The Group, *via* its subsidiary Sococim Industries, decided to undertake a €240 million investment plan to build a new firing line that will:

- double the Group's local capacity to 7 million metric tons per annum. This increase will make it possible it meet the demand of the Senegalese market, which is expected to grow strongly over the coming years, while also supplying clinker to the cement raw mills at its subsidiaries;
- a very sharp improvement in the industrial performance of its whole platform in Senegal on the back of cutting edge cement technologies. This increased efficiency, particularly in terms of energy, will make it possible to significantly reduce production costs;
- lastly, this new kiln will help meet the Group's goal of reducing its CO_2 emissions, with in particular the ability to make widespread use of alternative fuels.

This new system is expected to be commissioned in 2024.

Other investments

Total industrial investment should be about €400 million for the 2022 financial year, with the following main projects:

- the completion of the construction of the new Ragland kiln in the United States;
- the commencement of work on the construction of the new kiln in Senegal;
- the ramp-up of projects related to carbon footprint reduction targets;
- efforts on production facilities in India to increase capacity marginally, and investments in new terminals to expand its market and reduce logistics costs.

6.5 OUTLOOK FOR 2022

The forward-looking information provided below is based on data, assumptions and estimates considered reasonable in the opinion of the Group's Management. This may evolve or change due to uncertainties, mainly related to the strong volatility of the economic, financial and competitive climate as well as to possible changes in regulatory measures in each country in which the Group operates.

In addition, the occurrence of certain risks, as described in Chapter 2 "Risk factors" of this Universal Registration Document, could have a material impact on the Group's business, financial position and results.

The Group does not undertake any commitments nor can it provide any assurances that the forward-looking information included here will prove to be accurate.

6.5.1 Business climate

In 2022, the Group anticipates another increase in its activity levels and an improvement in its financial performance. As a result, the EBITDA generated by the Group in 2022 is likely to grow, but not by as much as in 2021.

The Group will be supported by a macroeconomic and sector environment that is expected to remain broadly favourable, with an anticipated price hike that should help offset the steep rise in energy costs, currently estimated at around 30%.

Even so, strong seasonal effects are likely to be a factor during the year, with:

- an unfavourable basis of comparison in the first half, mainly as a result of the significant increase in energy costs expected over the period;
- a clear improvement in the second half as energy costs gradually stabilise and the full impact of the expected hike in selling prices feeds through.

6.5.2 Industrial investments

In 2022, the Group will keep up its investment drive, focusing chiefly on:

- finalisation of construction work at the new Ragland kiln in the United States, which is expected to start up in the first six months of this year;
- start of construction work on the new kiln (Kiln 6) in Senegal;
- § the ramp-up in projects to meet carbon footprint reduction targets;
- a drive to incrementally boost capacity at production facilities in India and to invest in new terminals to expand its market and lower logistics costs.

Accordingly, capital expenditure is expected to be higher than in 2021 at around €400 million, including 130 million in «maintenance» investments and 270 million in «strategic» investments. The Group reserves the right to adjust its investment plans, by reducing, if necessary, the proportion of its "growth" capex, to match the shifting trends in its markets and its cash-flow generation.

6.5.3 Regional details

The Group would like to make the following comments in terms of the outlook by country, although all of this remains highly dependent on the pandemic and its impact on each one:

- **In France,** activity levels are expected to remain on a growth trajectory throughout the year, supported by a macroeconomic environment that should be favourable for the construction sector. As a result, the Group expects its volumes to rise slightly and its prices to rise markedly to offset the impact of higher energy costs, especially electricity.
- **In Switzerland,** the Cement and the Concrete & Aggregates businesses should reap the benefit of upbeat conditions in the construction sector.
- **In the United States,** both volumes and selling prices are expected to continue increasing. The impact of the economic stimulus plan being rolled by the US administration is likely to make itself felt gradually from the second half of this year. In this market, the Group is expected to reap the benefit of the commissioning of the new Ragland kiln from the end of the first half.
- **In Brazil,** business and profitability levels in 2021 have set a high basis of comparison in a market in which trends are expected to remain nonetheless favourable. As a result, the Group expects stable business levels over the year as a whole, supported by the continued rise in prices.
- **In India,** the macroeconomic and sector environment is expected to remain favourable. The rise in energy costs is gradually expected to stabilise with prices remaining highly volatile.
- **In Kazakhstan,** 2021 performance levels set a high basis of comparison. While the market environment is expected to remain supportive, this will remain contingent on developments in the political and social situation.
- **In Turkey,** the situation is expected to keep improving gradually in 2022, subject to trends in the Turkish lira and interest rates. The price increase should help offset the rise in energy costs.
- **In Egypt,** amid a gradually improving industry environment, a clear improvement in the Group's performances over the year as a whole is anticipated provided that the measures implemented by the government to restore a healthier market environment are left in place.
- **In West Africa,** trends in Cement are expected to remain dynamic, with support from a favourable sector environment in terms of volumes and prices. The Aggregates business in Senegal is likely to continue its recovery.

Bastas Cimento cement plant (Turkey)

7 Financial information

7.1 CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2021

7.1.1 Consolidated financial statements at December 31, 2021

Consolidated income statement

(in thousands of euros)	Notes	2021	2020
Revenue	**4**	**3,122,940**	**2,805,162**
Goods and services purchased		(2,002,119)	(1,720,244)
Added value		**1,120,821**	**1,084,918**
Employees expenses	5	(483,699)	(489,921)
Taxes		(56,968)	(62,078)
Gross operating income		**580,154**	**532,919**
Other operating income (expenses)	7	38,964	24,396
EBITDA		**619,118**	**557,315**
Net charges to operating depreciation, amortization and provisions	6	(259,196)	(259,467)
EBIT		**359,922**	**297,848**
Other non-operating income (expenses)	7	(28,291)	(6,080)
Net charges to non-operating depreciation, amortization and provisions	6	4,793	(14,207)
Operating income (expense)		**336,424**	**277,561**
Cost of net financial debt		(28,442)	(36,870)
Other financial income		19,363	20,671
Other financial expenses		(20,919)	(18,630)
Financial income	**8**	**(29,998)**	**(34,829)**
Share of profit (loss) of associates	11.1	5,156	4,021
Profit (loss) before tax		**311,582**	**246,753**
Income tax	9	(89,398)	(74,609)
Consolidated net income		**222,184**	**172,144**
Portion attributable to minority interests		18,005	16,149
Portion attributable to the Group		**204,179**	**155,995**
EARNINGS PER SHARE *(in euros)*			
Basic and diluted earnings per share	15	4.55	3.47

Consolidated statement of comprehensive income

(in thousands of euros)	2021	2020[1]
Consolidated net income	**222,184**	**172,144**
Other items not recycled to profit or loss:		
Remeasurement of the net defined benefit liability	7,350	3,328
Other items not recycled to profit and loss:	(2,127)	-
Tax on non-recycled items	(2,574)	(547)
Other items recycled to profit or loss:		
Changes in currency translation adjustments	69,699	(281,574)
Cash flow hedge instruments	1,946	4,878
Tax on recycled items	(386)	(1,157)
Other comprehensive income (after tax)	**73,908**	**(275,072)**
TOTAL COMPREHENSIVE INCOME	**296,092**	**(102,928)**
Portion attributable to minority interests	25,671	(20,570)
Portion attributable to the Group	**270,421**	**(82,358)**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (See note 16.1.1).

Consolidated statement of financial position

(in thousands of euros)	Notes	December 31, 2021	December 31, 2020(1)
ASSETS			
Goodwill	10.1	1,157,232	1,118,874
Other intangible assets	10.2	173,653	170,812
Property, plant and equipment	10.3	2,169,041	1,987,852
Right of use related to leases	10.4	195,112	186,829
Investment properties	10.5	32,218	14,831
Investments in associated companies	11.1	92,774	77,873
Deferred tax assets	9	68,012	68,965
Receivables and other non-current financial assets	11.2	219,241	239,176
Total non-current assets		**4,107,283**	**3,865,212**
Inventories and work-in-progress	12.1	429,243	354,937
Trade and other accounts	12.2	436,219	440,874
Current tax assets	9	6,947	3,328
Other receivables	12.3	206,475	152,496
Cash and cash equivalents	13	527,393	422,843
Total current assets		**1,606,277**	**1,374,478**
TOTAL ASSETS		**5,713,560**	**5,239,690**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (See note 16.1.1).

(in thousands of euros)	Notes	December 31, 2021	December 31, 2020(1)
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital		179,600	179,600
Additional paid-in capital		11,207	11,207
Treasury shares		(52,194)	(53,587)
Consolidated reserves		2,800,755	2,689,713
Translation reserves		(579,950)	(640,805)
Shareholders' equity, Group share		**2,359,418**	**2,186,128**
Minority interests		**246,681**	**234,310**
Total shareholders' equity	**15**	**2,606,099**	**2,420,438**
Provisions for pensions and other post-employment benefits	16.1	108,529	125,860
Other provisions	16.2	104,974	116,764
Financial debts and put options	14.2	1,291,434	1,270,162
Lease liabilities	14.2	159,883	157,563
Deferred tax liabilities	9	219,800	214,196
Other non-current liabilities		23,927	37,999
Total non-current liabilities		**1,908,547**	**1,922,544**
Provisions	16	10,381	13,522
Financial liabilities and put options at less than one year	14.2	371,119	165,375
Lease liabilities at less than one year	14.2	55,502	47,382
Trade and other accounts payable	17.1	459,647	375,329
Current taxes payable		27,558	24,557
Other liabilities	17.2	274,707	270,543
Total current liabilities		**1,198,914**	**896,708**
Total liabilities		**3,107,461**	**2,819,252**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**5,713,560**	**5,239,690**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (See note 16.1.1).

Consolidated statement of cash flow

(in thousands of euros)	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**222,184**	**172,144**
Share of profit (loss) of associates		(5,156)	(4,021)
Dividends received from associated companies		1,208	4,860
Elimination of non-cash and non-operating items:			
• depreciation, amortization and provisions		255,811	276,796
• deferred taxes		5,717	5,086
• net gain (loss) from disposal of assets		(7,622)	(5,114)
• unrealized fair value gains (losses)		(3,625)	128
• others		19,070	10,693
Cash flows from operating activities		**487,587**	**460,572**
Change in working capital		(48,674)	67,647
Net cash flows from operating activities(1)	**18.1**	**438,913**	**528,219**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of non-current assets:			
• tangible and intangible assets		(386,570)	(319,370)
• financial investments		(40,157)	(23,613)
Inflows linked to disposals of non-current assets:			
• tangible and intangible assets		10,759	18,946
• financial investments		4,105	4,912
Impact of changes in consolidation scope		(31,005)	(2,992)
Net cash flows from investing activities	**18.2**	**(442,868)**	**(322,117)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(74,116)	(74,282)
Increases/decreases in capital		-	250
Proceeds from borrowings	14	331,443	210,729
Repayments of borrowings	14	(140,122)	(209,432)
Repayment of lease liabilities	14	(52,963)	(62,198)
Acquisitions of treasury shares		(22,887)	(7,555)
Disposals or allocations of treasury shares		24,701	4,423
Net cash flows from financing activities		**66,056**	**(138,065)**
Impact of changes in foreign exchange rates		9,182	(37,552)
Change in cash position		**71,283**	**30,485**
Net cash and cash equivalents - opening balance	13.2	359,159	328,674
Net cash and cash equivalents - closing balance	13.2	430,442	359,159

(1) - Of which cash flows from income taxes: (€84.3 million) in 2021 and (€34.5 million) in 2020.
- Of which cash flows from interest paid and received: (€27 million) in 2021 including (€10.2 million) for financial expenses on IFRS 16 leases and (€36 million) in 2020 including (€9.7 million) for financial expenses on IFRS 16 leases.

Statement of changes in consolidated shareholder's equity

(in thousands of euros)	Capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Translation reserves	Shareholders' equity, Group share	Minority interests	Total shareholders' equity
At January 1, 2020[1]	**179,600**	**11,207**	**(52,416)**	**2,606,610**	**(405,786)**	**2,339,215**	**264,767**	**2,603,982**
Net income	-	-	-	155,995	-	155,995	16,149	172,144
Other comprehensive income[1][2]	-	-	-	(3,394)	(234,959)	(238,353)	(36,719)	(275,072)
Total comprehensive income	**-**	**-**	**-**	**152,601**	**(234,959)**	**(82,358)**	**(20,570)**	**(102,928)**
Dividends paid	-	-	-	(66,369)	-	(66,369)	(8,232)	(74,601)
Net change in treasury shares	-	-	(1,171)	(1,455)	-	(2,626)	-	(2,626)
Other changes	-	-	-	(1,674)	(60)	(1,734)	(1,655)	(3,389)
At December 31, 2020[1]	**179,600**	**11,207**	**(53,587)**	**2,689,713**	**(640,805)**	**2,186,128**	**234,310**	**2,420,438**
At January 1, 2021	**179,600**	**11,207**	**(53,587)**	**2,689,713**	**(640,805)**	**2,186,128**	**234,310**	**2,420,438**
Net income	-	-	-	204,179	-	204,179	18,005	222,184
Other comprehensive income[2]	-	-	-	5,387	60,855	66,242	7,666	73,908
Total comprehensive income	**-**	**-**	**-**	**209,566**	**60,855**	**270,421**	**25,671**	**296,092**
Dividends paid	-	-	-	(66,314)	-	(66,314)	(7,890)	(74,204)
Net change in treasury shares	-	-	1,569	174	-	1,743	-	1,743
Changes in scope of consolidation and additional acquisitions	-	-	-	(26,024)	-	(26,024)	(5,328)	(31,352)
Other changes	-	-	-	(6,535)	-	(6,535)	(82)	(6,617)
AT DECEMBER 31, 2021	**179,600**	**11,207**	**(52,018)**	**2,800,580**	**(579,950)**	**2,359,419**	**246,681**	**2,606,099**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (See note 16.1.1).
(2) Breakdown by nature of other comprehensive income:
Other comprehensive income includes mainly cumulative translation adjustments from end 2003. To recap, applying the option offered by IFRS 1, the conversion differences accumulated before the transition date to IFRS were reclassified by allocating them to retained earnings as at that date.

Group translation reserves as of December 31, 2021 and 2020, are detailed as follow:

(in thousands of euros)	December 31, 2021	December 31, 2020[1]
US dollar	42,103	5,681
Swiss franc	220,766	206,123
Turkish lira	(329,617)	(299,777)
Egyptian pound	(129,937)	(126,196)
Kazakh tenge	(105,245)	(99,069)
Mauritanian ouguiya	(8,391)	(10,556)
Brazilian real	(98,638)	(100,930)
Indian rupee	(170,991)	(216,081)
TOTAL	**(579,950)**	**(640,805)**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (See note 16.1.1).

7.1.2 Notes to the consolidated financial statements at December 31, 2021

GENERAL ACCOUNTING POLICIES AND CONSOLIDATION SCOPE

General remarks

The consolidated financial statements reflect the accounting position of Vicat SA and of its subsidiaries (jointly referred to as the "Group"), along with the Group's investments in associates and joint ventures. The Group, with its registered office at 4 Rue Aristide Bergès - Les Trois Vallons - 38080 L'Isle d'Abeau, is specialized in cement, ready-mixed concrete, aggregates alongside the sale of other complementary products and services.

These financial statements were finalized and approved by the Board of Directors at its meeting of February 11, 2022 and will be submitted to the Shareholders General Meeting of April 13, 2022 for approval.

NOTE 1 GENERAL ACCOUNTING POLICIES

1.1 Statement of compliance

In compliance with European Regulation (EC) 1606/2002 of the European Parliament on July 19, 2002 on the application of International Accounting Standards, Vicat's consolidated financial statements have been prepared, since January 1, 2005 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Vicat Group has adopted the standards in force on December 31, 2021 for its accounting policies. The accounting policies and methods applied in the consolidated financial statements as at December 31, 2021 are consistent with those applied for the prior financial year with the exception of standards that must be applied for periods beginning January 1, 2021 and that the Group did not adopt early.

New accounting standards applicable from January 1, 2021

Various new standards and amendments are mandatory as from January 1, 2021 including:

- Amendment to IFRS 4 - Insurance Contracts: Extension of the Temporary Exemption from Applying IFRS 9;
- Amendment to IFRS 9, IAS 39 and IFRS 7- Interest Rate Benchmark Reform—Phase 2;
- Amendment to IFRS 16 – Covid-19-Related Rent Concessions (Extension applicable as from April 1, 2021).

These changes had no significant impact on the consolidated financial statements as at December 31, 2021. With respect to phase 2 of the interest rate benchmark reform, the purpose of this amendment is to clarify the accounting impact of the effective replacement of benchmarks. Its coming into effect did not have a major impact on the Group given the lack of effective changes to benchmarks in the Group's contracts at December 31, 2021 that would impact the Group's consolidated financial statements. The IFRS IC decision published on May 24, 2021 covering the period of service over which a company attributes a benefit for a defined benefit plan (IAS 19) was applied to the 2021 consolidated accounts. This application, retroactive to January 1, 2020, represents a change in accounting policy. This impacted several defined benefit plans within the Group, primarily in France and in United States. The effects are presented in note 16.1.1.

Published accounting standards, amendments and interpretations which are not yet mandatory

As at December 31, 2021, the Group has not early adopted standards and interpretations published by the IASB, adopted by European Union, that will be mandatory in 2022:

- amendment to IAS 37 "Onerous contracts": cost of fulfilling a contract;
- amendment to IAS 16: "Property, plant and equipment": proceeds before intended use;
- amendment to IFRS 3: "Business combinations": changes to the conceptual framework;
- Annual improvements to IFRS –2018-2020 Cycle

The Group does not expect the application of these standards and amendments to have a significant impact on the Group's consolidated financial statements.

1.2 Basis of preparation of financial statements

The financial statements are presented in thousands of euros.

The consolidated statement of comprehensive income is presented by nature in two separate tables: the consolidated income statement and the consolidated statement of other comprehensive income.

The consolidated statement of financial position segregates current and non-current assets and liability accounts and splits them according to their maturity (classified into maturities of less and more than one year).

The statement of cash flows is presented according to the indirect method.

The financial statements are prepared using the historical cost method, except for the following assets and liabilities, which are recognized at fair value: derivatives, assets held for trading, available-for-sale assets, and the portion of assets and liabilities covered by hedging transactions.

The accounting policies and valuation methods described hereinafter have been applied on a permanent basis to all of the financial years presented in the consolidated financial statements.

The establishment of consolidated financial statements under IFRS requires the Group's management to make a number of estimates and assumptions, which have a direct impact on the financial statements. These estimates are based on the going concern principle and are established on the basis of the information available at the date they are carried out. They concern mainly the assumptions used to:

- value provisions (note 16), in particular those for pensions and other post-employment benefits (note 16.1);
- value the put options granted to third parties on shares in fully consolidated subsidiaries (note 14);
- measure financial instruments at their fair value and exposure to credit risk (note 14);
- measure deferred tax assets and, in particular, the probability that the Group will generate sufficient future taxable income against which to allocate them (note 9);
- estimate the assets and liabilities of an activity in the context of business combinations (note 10.1);
- perform the valuations adopted for impairment tests (note 10.1);
- define the accounting policy to be applied in the absence of a standard (note 12.1 concerning emissions allowances);
- define certain leases, determine lease terms (enforceable periods), and in particular qualify extension periods as reasonably certain or not, as well as determine the related discount rates (note 10.4).

The estimates and assumptions are reviewed regularly, whenever justified by the circumstances, at least at the end of each year, and the pertinent items in the financial statements are updated accordingly.

Impact of the pandemic on the financial statements

In 2021, despite the ongoing impact of the Covid-19 pandemic on the global economy, the Group observed a marked upsurge of its activities across all its markets (see note 3). Changes in work practices introduced to face up the pandemic context are still applied by the Group in 2021, generating additional costs recognized under EBITDA totaling (€1.1) million, compared to (2€) million in 2020. In addition, most of the measures put in place by governments to support economy in 2020 (mainly partial unemployment) were gradually withdrawn in 2021 and did not have a significant impact on 2021 income statement.

Lastly, the Group closely reviewed the impact of Covid-19 on the assumptions and judgements used when preparing the 2021 consolidated financial statements. Among these subjects, it worth to mention impairment of receivables and inventory, non-current assets, investment in associates, deferred taxes asset recovery as well as any evidence of impairment and review of the assumptions used in the impairment tests.

None of these subjects had a significant impact on the Group's financial statements as of December 31, 2021.

Impact of climate risks on the financial statements

Given the energy-intensive nature of its business, the Group emits greenhouse gases. As noted during its Capital Markets Day on November 16, 2021, the Group is committed to its environmental transition on a daily basis, aiming to gradually reduce its scopes 1, 2 and 3 CO_2 emissions to achieve carbon neutrality across its value chain by 2050. This process means incorporating climate risk into the Group's strategic planning to change its production systems (plants and processes), shift its market positioning, its organization and its product innovations. Indeed, customers taking climate risk into account could enable the Group to develop new products and services. Furthermore, the regulatory framework (national and international) is changing and is placing additional constraints on the Group's subsidiaries, which may also have an impact on the Group's financial statements.

Whether voluntary or forced, all these changes may impact the Group's financial statements in various ways. These risks have been identified and are measured at each reporting date to reflect as fairly as possible the effects of climate change on the financial statements:

Greenhouse gas emissions

Since January 1, 2005, major European industrial operators are permitted to buy and sell emissions quotas. This system, built around the ETS (Emissions Trading Scheme) Directive, allows companies that exceed their greenhouse gas emission ceilings to buy quotas and helps achieve the EU's goals under the Kyoto protocol. The legislation governing these CO_2 emissions is progressively reducing the free allocations while expanding the scope of industrial facilities that must comply. As at December 31, 2021, the Group had quotas totaling 4,781 thousand metric tons, not recognized on the balance sheet (with a market value of €387 million as at December 31, 2021), which it plans to keep to meet its need to surrender quotas over the coming years. In 2021, the following countries in which the Group operates were covered by the ETS: France, Switzerland and Italy. Regulations to cut greenhouse gas emissions are being drafted in many other countries. The Group calls for the introduction of regulations governing all players across the various markets in which it operates, to encourage strong efforts to cut emissions while allowing for the corresponding costs to be passed on to customers. However, the reduction in free allocations along with the higher price of quotas may have an impact on the Group's financial statements over time. This risk would result in a reduction in the margin on a portion of the Group's activities if it were not possible to pass on the cost of buying quotas in the sales price. For more details on the recognition of free quotas (see note 12.1).

Measurement of non-current assets

The climate transition undertaken by the Group across its value chain will be accompanied by targeted investments by 2030. These new investments together with the emergence of new technologies and the obsolescence of some others may have an impact on the estimated useful life or residual value of an asset resulting in impairment losses in the financial statements or in an updating of the depreciation and amortization schedules (See note 10.3). The Group has not currently identified any breakthrough technology that would have a significant impact on the residual value or useful life of non-current assets.

Measurement of inventories

Climate change may result in the obsolescence of certain inventory and/or give rise to new production costs. If the net realizable value were to fall below the net carrying amount of inventories, the Group may be required to recognize an impairment loss (see note 12.1).

The rapid turnover of the main components of the Group's inventories means we can rule out the risk of their obsolescence.

Measurement of provisions

The provisions recognized in the consolidated financial statements reflect the current obligations and legislation in the various territories in which the Group operates including with respect to climate change (see note 16.2). These measurements are periodically reviewed to reflect new future obligations associated with climate change.

Goodwill impairment testing

The Group ensures that the assumptions used in this testing fully reflect known regulatory obligations regarding climate change and the possible resulting consequences on future cash flows in line with the methodology laid down in IAS 36 (revenue, costs, investments, etc…), (see note 10.1).

NOTE 2 ACCOUNTING POLICIES RELATING TO THE CONSOLIDATION SCOPE

2.1 Consolidation principles

When a company is acquired, its assets and liabilities are measured at their fair value at the acquisition date.

The earnings of the companies acquired or disposed of during the year are recorded in the consolidated income statement for the period subsequent or previous to the date of the acquisition or disposal, as appropriate.

The annual statutory financial statements of the companies at December 31 are consolidated, and any necessary adjusting entries are made to restate them in accordance with the Group accounting policies. All intercompany balances and transactions are eliminated during the preparation of the consolidated financial statements.

Subsidiaries

Companies that are controlled exclusively by Vicat, directly or indirectly, are fully consolidated.

Control exists when the Group:

- has power over an entity;
- is exposed or entitled to variable returns as a result of its involvement with the entity;
- and has the ability to exercise its power over the entity in such a way as to affect the amount of returns it obtains.

In addition, the Group assesses the control exercised over an entity whenever facts and circumstances indicate that an element of assessment of control has changed.

Joint ventures and associates

Joint ventures, which are jointly controlled and operated by a limited number of shareholders, and associates, investments over which Vicat exercises significant influence are reported using the equity method. Any goodwill generated on the acquisition of these investments is presented in "Investments in associate companies".

When joint control is proven and the legal form of the legal vehicle establishes transparency between the assets of the co-participants and that of the partnership, the joint venture is classified as a joint operation. This type of partnership is then recognized in the Group's financial statements line by line up to its effective share.

The list of the main companies included in the consolidation scope as at December 31, 2021 is provided in note 23.

2.2 Business combinations

With effect from January 1, 2010, business combinations are reported in accordance with IFRS 3 "Business Combinations" (revised) and IAS 27 "Consolidated and Separate Financial Statements" (revised). As these revised standards apply prospectively, they do not affect business combinations carried out before January 1, 2010.

Business combinations carried out before January 1, 2010

These are reported using the acquisition method. Goodwill (see note 10.1) from business combinations carried out after January 1, 2004 is reported in the currency of the company acquired. Applying the option offered by IFRS 1, business combinations completed before the transition date of January 31, 2004 have not been restated, and the goodwill arising from them has been maintained at its net value as shown in the balance sheet prepared according to French GAAP as at December 31, 2003.

In the event that the pro-rata share of interests in the fair value of assets, liabilities and contingent liabilities acquired exceeds their acquisition cost ("negative goodwill"), the full amount of this negative goodwill is recognized in the income statement of the reporting period in which the acquisition was made, except for acquisitions of minority interests in a company already fully consolidated, in which case this amount is recognized in the consolidated shareholders' equity.

The values of assets and liabilities acquired through a business combination must be definitively determined within 12 months of the acquisition date. These values may thus be adjusted at any closing date within that time frame.

Minority interests are valued on the basis of their pro-rata share in the fair value of the net assets acquired.

If the business combination takes place through successive purchases, each material transaction is treated separately, and the assets and liabilities acquired are then valued and goodwill thus determined.

Business combinations carried out on or after January 1, 2010

IFRS 3 "Business Combinations" (revised), which is mandatory for business combinations carried out on or after January 1, 2010, introduced the following main changes compared with the previous IFRS 3 (before revision):

- goodwill is determined once on the date the acquirer obtains control.

  The Group then has the option, in the case of each business combination, upon obtaining control, to value the minority interests:
  - either at their pro-rata share in the identifiable net assets of the company acquired ("partial" goodwill option),
  - or at their fair value ("full" goodwill option).

  Measurement of minority interests at fair value has the effect of increasing the goodwill by the amount attributable to such minority interests, resulting in the recognition of a "full" goodwill;
- any adjustment in the acquisition price at fair value from the date of acquisition is to be reported, with any subsequent adjustment occurring after the 12-month appropriation period from the date of acquisition to be recorded in the income statement.
- the costs associated with the business combination are to be recognized in the expenses for the period in which they were incurred;
- in the case of combinations carried out in stages, upon obtaining control, the previous holding in the company acquired is to be revalued at fair value on the date of acquisition and any gain or loss which results is to be recorded in the income statement.

2.3 Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated into the operating currency at the exchange rates in effect on the transaction dates. At the end of the year, all monetary assets and liabilities denominated in foreign currencies are translated into the operating currency at the year-end exchange rates, and the resulting exchange rate differences are recorded in the income statement.

Translation of financial statements of foreign companies

All assets and liabilities of Group companies denominated in foreign currencies that are not hedged are translated into euros at the year-end exchange rates, while income, expense and cash flow statement items are translated at average exchange rates for the year. The ensuing exchange differences on translation are recorded directly in shareholders' equity.

In the event of a later sale, the cumulative amount of translation differences relating to the net investment sold and denominated in foreign currency is recorded in the income statement. Applying the option offered by IFRS 1, exchange differences on translation accumulated before the transition date were zeroed out by allocating them to consolidated reserves at that date. They will not be recorded in the income statement in the event of a later sale of these investments which are denominated in foreign currency.

The following foreign exchange rates were used:

	2021		2020	
	Closing	Average	Closing	Average
Brazilian real	6.310	6.381	6.374	5.890
Swiss franc	1.033	1.081	1.080	1.070
Egyptian pound	17.802	18.512	19.234	18.028
Indian rupee	84.229	87.486	89.661	84.506
Kazakh tenge	488.909	504.258	516.253	472.692
Mauritanian ouguiya	41.073	42.458	43.671	43.369
Turkish lira	15.234	10.467	9.113	8.044
US dollar	1.133	1.184	1.227	1.141
CFA Franc	655.957	655.957	655.957	655.957

NOTE 3 CHANGES IN CONSOLIDATION SCOPE AND OTHER SIGNIFICANT EVENTS

Macroeconomic environment and business trend within the Covid-19 pandemic context

In 2021, while certain markets remained disturbed by the ongoing Covid-19 pandemic, the measures put in place by governments to deal with it, and the dynamism of demand made possible a clear rebound in the construction sector. As a result, the Group's activity in 2021 shows strong growth supported by the dynamism of its markets and favorable sales prices. The fiscal year was nevertheless marked by a strong contrast between a first half which largely benefited from a very favorable comparison base effect, and a second half impacted by the sharp increase in costs, in particular energy.

In France: the Group's business rose sharply over during the year. While the pandemic continued to create adverse effects, actions taken by governments in response, along with those taken by the Group, allowed it to take all growth opportunities and post strong performance across all its businesses.

In Europe (excluding France): the Swiss market, which was only slightly affected by the pandemic in 2020, enjoyed solid growth in 2021. Italy, which benefitted from a very favorable comparison base due to difficult health and macro-economic conditions in the first half of 2020, posted a strong performance over the year, underpinned by an upbeat construction sector.

In the Americas: business remained buoyant in both the US and Brazil, despite the worrying health situation, especially in Brazil. Following a sharp upswing in sales in Brazil in Q3 2020, the second half of 2021 was affected by a markedly less favorable comparison base, with nevertheless a strong underpinning across the sector. In the US, the construction of a new 5,000 metric ton per day firing line at the Ragland plant in Alabama, continued in 2021. This new line will come on stream in the first half of 2022.

In Asia: in India, after a strong growth at beginning of 2021, thanks to the favorable comparison base with 2020, affected by the pandemic effects on the country's economic climate, conditions remained favorable in the second half, albeit heavily impacted by the surge in costs, especially energy costs, and more volatile prices, particularly in Q4. In Kazakhstan, the Group's business grew throughout the year, supported by a dynamic domestic market and rising selling prices. It should be noted that the political events that took place in January 2022 had no significant effect on the Group's business.

In the Mediterranean area: in Turkey, while macro-economic and industry conditions remained impacted by the effects of the steady depreciation and high volatility of the currency since August 2018, the construction market nevertheless continued to recover. In Egypt, following the signing of an agreement governing market regulation between the Egyptian authorities and all producers, which came into effect in July 2021, the sector became more stable in the second half, allowing for steady increases in sales prices, on a favorable market trend.

In Africa: the Group benefitted from favorable industry conditions, despite the pandemic, underpinned by improved performance at the Rufisque plant in Senegal and the ramp-up of the new rawmill in Mali.

Volatility of exchange rates and impact on the income statement

The income statement for 2021 was strongly impacted by the strengthening of the average euro rate against the majority of foreign currencies, mainly the US Dollar, the Brazilian real, the Indian rupee and the Turkish lira. Over the period, this resulted in a negative currency effect of €(102) million on consolidated revenue and €(16.6) million on EBITDA.

Consolidated shareholders' equity included, for its part, net positive translation differences in 2021 of €68.3 million given the strengthening of foreign currencies against the euro at the end of the period.

Egypt

Against the background of ongoing security complications in the Sinai region, commercial activities and logistics flows are gradually improving. As a result, sales were up sharply, with volumes up 38% on 2020. The effects of the pandemic are receding. Nevertheless, the cement industry remained impacted during the first half by a state-backed cement player. A market regulation agreement, approved by the Competition Authority, was signed by all producers. It came into force in July 2021. This agreement, which is designed to create a more rational environment for the various players, provides for sales limits for one year for all plants in the domestic market capped at 65% of their theoretical capacity. As anticipated by the agreement, sales prices recovered significantly in the second half of 2021.

Provided no further adverse geopolitical, health or security developments occur, the current climate is unlikely to jeopardize the prospects of an improvement in the subsidiary's profitability, which should begin to gradually occur. Renewed growth in cement consumption amid the upturn in Egypt's macroeconomic conditions holds out the prospect of major development opportunities for Sinaï Cement Company, especially if this return to growth is accompanied, as announced by the Egyptian authorities, by a solution to the troubles in the Sinai region and the Gaza Strip as well as the opening of new export opportunities.

In April 2018, the Group undertook a capital increase for 650 million Egyptian pounds designed to strengthen the subsidiary's balance sheet and fund its investments. The release of the funds contributed by the shareholders will take place after obtaining the administrative approvals, the process of which has been ongoing since. This deadlock was due in particular to a difference in the interpretation of the legislation on foreign interests in the Sinai region. On the back of a favorable decision by the Cairo Economic Court in January 2020, in early June 2021 the Group brought proceedings before an international court of arbitration to find a resolution to this dispute.

There has been contact with the authorities in order to find an out-of-court settlement. The temporary suspension of the arbitration proceedings for a number of weeks gave space for positive discussions, pointing to a solution in the short-term.

US private placement

On November 15, 2021, the Group entered into a €250 million financing agreement structured as a US private placement with leading US investors. This financing agreement has two tranches:

- The first: €100 million in 10-year maturities bearing a fixed rate of 1.27%, which was drawn down on December 15, 2021;
- The second: €150 million in 15-year maturities bearing a fixed rate of 1.57%, which will be drawn down on February 15, 2022.

This financing will allow the Group to strengthen the cash position on its balance sheet, to lengthen the overall maturity of its debt and reduce the Group's average debt ratio.

Disposal of Créabéton Matériaux SA in Switzerland

In line with the agreement signed on June 30, 2021, Vicat Group disposed of its subsidiary Créabéton Matériaux in Switzerland to the Müller Steinag Holding Group.

The 380 employees at Créabéton Matériaux SA will be backed by a leading player with critical size in a highly competitive sector that has the necessary resources to successfully pursue their development.

The Group's 2021 financial statements include revenue from Créabéton (prior to its disposal) of €40.7 million (versus €82.6 million in 2020).

CONSOLIDATED INCOME STATEMENT

Definition of management indicators

Added value

Value-added, an intermediate operating subtotal, represents the value of production less consumption of materials used in the production process.

Gross operating income

Gross operating income, an intermediate operating subtotal, is equal to value-added less employees expenses, taxes and duties (except income taxes and deferred taxes), plus grants and subsidies.

EBITDA

EBITDA (Earnings Before Interest, Tax, Depreciation {and Amortization): this is gross operating income plus other ordinary income and expenses.

EBIT

EBIT (Earnings Before Interest and Tax): EBITDA less net depreciation, amortization, additions to provisions and impairment losses on ongoing business.

NOTE 4 REVENUE

Accounting policy

Revenue

In accordance with the IFRS 15 accounting standard, revenue is recognized when control over the goods or services is transferred to the customer, which generally, given the nature of the Group's business, corresponds to the date of delivery. It is reported for an amount that reflects the consideration to which the Group expects to be entitled in exchange of transferring those goods or services, net of commercial discounts and rebates and after deduction of excise duties collected by the Group in the course of its business activities. It includes transport and handling costs invoiced to customers. The Group's sales are mainly of goods and services forming a single obligation because the promise to supply the service or good cannot be identified separately, insofar as the Vicat Group offers services integrated with the provision of the product to its customers.

Seasonality

Demand in the Cement, Ready-Mixed Concrete & Aggregates businesses is seasonal and tends to decrease in winter in temperate countries and during the rainy season in tropical countries. The Group therefore generally records lower revenue in the first and fourth quarters, i.e. the winter season in its main markets in Western Europe and North America. In the second and third quarters, in contrast, revenue is higher, due to the summer season being more favorable for construction work.

(in thousands of euros)	2021	2020
Sales of goods	2,864,668	2,581,948
Sales of services	258,272	223,214
REVENUE	**3,122,940**	**2,805,162**

Change in revenue on a like-for-like basis

(in thousands of euros)	2021	Changes in consolidation scope	Change in foreign exchange rate	2021 At constant scope and exchange rates	2020
REVENUE	**3,122,940**	**(34,166)**	**(101,658)**	**3,258,764**	**2,805,162**

NOTE 5 EMPLOYEES EXPENSES AND WORKFORCE

(in thousands of euros)	2021	2020
Wages and salaries	360,373	371,372
Payroll taxes	115,256	113,791
Employee profit sharing (French companies)	8,070	4,758
EMPLOYEES EXPENSES	**483,699**	**489,921**
Average number of employees of the consolidated companies	*9,476*	*9,902*

Profit sharing is granted to employees of the Group's French companies in the form of either cash or shares, at the employee's option.

The allocation price of the profit share is determined on the basis of the average of the 10 closing prices between the five days before and the five days after the publication of the results.

Share-based payments

The Shareholders General Meeting and the meeting of the Board of Directors of April 9, 2021 decided to establish a free share plan comprising 271,497 shares delivered in annual tranches, over a period of up to 2037 that varies depending on the beneficiaries. This plan, partly to make up for an Article 39 pension plan that was terminated, is intended for certain executives holding managerial functions within the Group along with certain company officers. This plan is subject to continued employment with the Group. Should this condition of continued employment not be satisfied on the annual delivery dates, only shares that have already been delivered will be retained by the beneficiary. This plan provides in particular that each tranche will have a vesting period of one year plus the vesting period of the previous period and a holding period of five years limited to continued employment within the Group.

Pursuant to IFRS 2 "Share-based Payment", the Group estimated the value of this plan with reference to the fair value of the equity instruments on the award date at €11,620 thousand. This measurement is based on the share price on the award date, minus an expected loss of dividend over the period, representing a fair value of €42.8 per share. This expense will be recognized under employees expenses for the period pro-rata to the vesting of rights offset in equity.

In 2021, €2,538 thousand was recognized under employees expenses in respect of this plan.

NOTE 6 NET DEPRECIATION, AMORTIZATION AND PROVISIONS EXPENSES

(in thousands of euros)	2021	2020
Net depreciation and amortization charges	(204,932)	(203,091)
Net depreciation and amortization charges for right of use related to leases	(53,517)	(53,237)
Net provision expenses	(747)	(3,139)
NET CHARGES TO OPERATING DEPRECIATION, AMORTIZATION AND PROVISIONS	**(259,196)**	**(259,467)**
Other net charges to non-operating depreciation, amortization and provisions[1]	4,793	(14,207)
NET CHANGES TO DEPRECIATION, AMORTIZATION AND PROVISIONS	**(254,403)**	**(273,674)**

(1) Mainly including December 31, 2021:
- *A net reversal of provisions for risks and charges at Ciplan of €18 million for which the company received a firm and irrevocable guarantee from its minority shareholder (allocation to provisions of €8.9 million at December 31, 2020) for indemnifiable disputes provisioned and relating to the period before Vicat's acquisition, (see note 11.2)*
- *an impairment loss of €(15.6) million on loans made in connection with investments in the Mediterranean area (see note 11.2)*

NOTE 7 OTHER INCOME AND EXPENSES

Accounting policy

Other income and expenses are those arising from the Group's operating activities that are not received or incurred as part of the direct production process or sales activity. These other income and expenses consist mainly of insurance payments, patent royalties, sales of surplus greenhouse gas emission rights, the lease revenues and investment properties and certain charges relating to losses or claims.

(in thousands of euros)	2021	2020
Net income from disposal of assets	4,663	5,221
Income from investments properties	3,997	4,126
Other[1]	30,304	15,049
Other operating income (expense)	**38,964**	**24,396**
Other non-operating income and expenses[2]	(28,291)	(6,080)
TOTAL	**10,673**	**18,316**

(1) As at December 31, 2021, it included €4.3 million for the write-off of a ICMS debt recognized by our Brazilian subsidiary
(2) At December 31, 2021, it mainly included an €18.3 million expense (€8.9 million at December 31, 2020) at Ciplan guaranteed by the firm and irrevocable guarantee provided by the non-controlling shareholder in respect of disputes arising from the period prior to the acquisition (note 6).

NOTE 8 FINANCIAL INCOME (EXPENSES)

(in thousands of euros)	**2021**	2020
Interest income from financing and cash management activities	22,863	22,897
Interest expense from financing and cash management activities	(44,766)	(50,049)
Interest expense from lease liabilities	(10,164)	(9,718)
Change in fair value of derivatives	3,625	-
Cost of net financial debt	**(28,442)**	**(36,870)**
Dividends	899	942
Foreign exchange gains	15,810	11,122
Write-back of impairment of financial assets	407	2,040
Net expense from disposal of financial assets	849	-
Discounting income	-	3,179
Other income	1,398	3,388
Other financial income	**19,363**	**20,671**
Foreign exchange losses	(16,192)	(11,983)
Impairment on financial assets	(4,546)	(6,095)
Net expense from disposal of financial assets	-	(107)
Discounting expenses	(2,223)	-
Other expenses	2,042	(445)
Other financial expenses	**(20,919)**	**(18,630)**
FINANCIAL INCOME (EXPENSES)	**(29,998)**	**(34,829)**

NOTE 9 INCOME TAX

Accounting policy

Deferred taxes are calculated at the tax rates passed or virtually passed at the year-end and expected to be applied during the period when assets are sold or liabilities are settled.

Deferred taxes are calculated, based on an analysis of the balance sheet, on timing differences identified in the Group's subsidiaries between the values recognized in the consolidated statement of financial position and the values of assets and liabilities for tax purposes.

Deferred taxes are recognized for all timing differences, including those on restatement of finance leases, except when the timing difference results from goodwill. Deferred tax assets and liabilities are netted out at the level of each tax entity.

When the net amount represents a receivable, a deferred tax asset is recognized if it is probable that the Company will generate future taxable income against which to allocate the deferred tax assets. Uncertainty over the accounting treatment of risks related to income taxes and the non-acceptance by the tax authorities of the tax treatment adopted is recognized in income tax assets/liabilities in accordance with the probability of its occurrence, which does not take into account the probability of non-detection by the tax authorities. Each uncertainty analyzed individually is assessed either by using the most probable amount or the weighted average of the different possible scenarios.

Component of the tax expense

(in thousands of euros)	2021	2020
Current taxes	(83,681)	(69,523)
Deferred taxes	(5,717)	(5,086)
TOTAL	**(89,398)**	**(74,609)**

Reconciliation between the theoretical and the effective tax expense

The difference between the theoretical and the effective tax expense is analyzed as follows:

(in thousands of euros)	2021	2020
Net earnings from consolidated companies	217,028	168,121
Income tax	89,398	74,609
Profit (loss) before tax	306,426	242,730
Theoretical tax rate	28.4%	32.0%
Theoretical income tax expense at the parent company rate	**(87,056)**	**(77,722)**
Reconciliation:		
France/Foreign jurisdictions spreads[1]	6,744	11,597
Transactions taxed at specific rates	201	(494)
Changes in tax rates	750	5,407
Permanent differences	(6,859)	(11,537)
Tax credits	350	373
Other	(3,528)	(2,233)
EFFECTIVE TAX EXPENSE	**(89,398)**	**(74,609)**

(1) Differences between French and foreign tax rates relate mainly to Switzerland and the United States.

Change in deferred tax assets and liabilities

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
(in thousands of euros)	2021	2020[1]	2021	2020[1]
Deferred tax at January 1:	**68,965**	**89,938**	**214,196**	**253,194**
Expense / income for the year	(1,608)	(12,857)	4,109	(7,771)
Deferred tax recognized in other comprehensive income	(4,446)	1,570	(1,475)	3,274
Changes in consolidation scope	671	(94)	(4,447)	(6,102)
Reclassification	94	(255)	94	(255)
Translation and other changes	4,336	(9,337)	7,323	(28,144)
DEFERRED TAX AT DECEMBER 31:	**68,012**	**68,965**	**219,800**	**214,196**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (See note 16.1.1).

Analysis of net deferred tax (expense)/income by principal category of timing difference

(in thousands of euros)	2021	2020
Net assets and right of use	4,681	17,249
Financial instruments	(582)	(589)
Pensions and other post-employment benefits	(3,852)	6,469
Special tax depreciation, regulated provisions and other provisions	271	(3,637)
Other timing differences, tax loss carry-forwards and miscellaneous	(9,195)	(25,428)
NET DEFERRED TAX INCOME/(EXPENSE)	**(8,677)**	**(5,936)**
• *recognized in consolidated net income*	*(5,717)*	*(5,086)*
• *recognized in other comprehensive income*	*(2,960)*	*(850)*

Source of deferred tax assets and liabilities

(in thousands of euros)	December 31, 2021	December 31, 2020[1]
Net assets and right of use	147,935	155,386
Financial instruments	6,656	5,565
Pensions and other post-employment benefits	(26,834)	(30,932)
Special tax depreciation, regulated provisions and other provisions	20,647	19,460
Other timing differences, tax loss carry-forwards and miscellaneous	3,384	(4,248)
Net deferred tax liabilities	**151,788**	**145,231**
Deferred tax assets[2]	(68,012)	(68,965)
Deferred tax liabilities	219,800	214,196
NET BALANCE	**151,788**	**145,231**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (see note 16.1.1).
(2) Deferred tax assets mainly stem from tax losses carried forward by the subsidiaries, the main contributor being India with €18 million in deferred tax assets, which can be carried forward indefinitely.

Deferred tax assets not recognized in the financial statements

Unrecognized deferred tax assets amounted to €22.4 million at December 31, 2021 (€15.5 million at December 31, 2020).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOTE 10 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

10.1 Goodwill

Accounting policy

Impairment of non-current assets

In accordance with IAS 36 and IFRS 3 (revised), the carrying amounts of assets with indefinite lives are reviewed at each year-end, and during the year, whenever there is an indication that the asset may be impaired. Those with finite lives are only reviewed if impairment indicators show that a loss is likely.

An impairment loss has to be recorded as an expense on the income statement when the carrying amount of the asset is higher than its recoverable value. The recoverable value is the higher of the fair value less the costs of sale and the value in use. The latter is calculated primarily on a discounted projected cash flow basis over ten years, plus the terminal value calculated on the basis of a projection to infinity of the cash flow from operations in the last year.

This time period corresponds to the Group's capital-intensive nature and the longevity of its industrial equipment.

The projected cash flows are calculated after tax on the basis of the following components that have been inflated and then discounted:

- EBITDA from the Long-Term Plan over the first five years, then projected to year 10;
- investments on upkeep, and the change in working capital.

Assumptions, estimates and judgements

Impairment of non-current assets

The assumptions used in calculating impairment tests are derived from forecasts made by operational staff reflecting as closely as possible their knowledge of the market, the commercial position of the businesses and the performance of the industrial plant. Such forecasts include the impact of foreseeable developments in cement consumption based on macroeconomic and industry sector data, changes likely to affect the competitive position, technical improvements in the manufacturing "process" and expected developments in the cost of the main production factors contributing to the cost price of the products.

In the case of countries subject to social tensions and security concerns, the assumptions used also include the potential improvement resulting from the progressive and partial easing of some of these tensions and concerns, based on recent data and an examination of the effect of these tensions on current business conditions.

Cash flows before financial expenses but after tax are discounted at the weighted average cost of capital (WACC). The use of an after-tax rate results in the determination of recoverable amounts identical to those obtained using pre-tax rates with non-taxed cash flows. The discount rate is made per country, taking into account the cost of risk-free long-term money, market risk weighted by a sector volatility factor, a size-specific premium and a country premium reflecting the specific risks of the market in which the cash generating unit in question operates.

When it is not possible to estimate the value in use of an isolated asset, it is assessed at the level of the cash generating unit that the asset is part of (defined by IAS 36 as the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets) insofar as the industrial sites or facilities, products and markets form a coherent whole. The analysis was thus carried out for each geographical area/market/business, and the cash-generating units were determined depending on the existence or not of vertical integration between the Group's activities in the area concerned.

These impairment tests are sensitive to the assumptions held for each cash-generating unit, mainly:

- the discount rate as previously defined;
- the inflation rate, which must reflect the selling price and expected future costs;
- the normalized EBITDA margin;
- the long-term investment rate;
- the growth rate to infinity.

Tests are conducted at each year-end on the sensitivity to an increase or decrease of one point in the discount rate and growth rate to infinity applied, in order to assess the effect on the value of the Group's CGUs. Moreover, the discount rate includes a country risk premium and an industry sector risk premium reflecting the cyclical nature of certain factors inherent in the business sector, enabling to understand the volatility of certain elements of production costs, which are sensitive in particular to energy costs.

Recognized impairments can be reversed and are recovered in the event of a decrease, except for those corresponding to goodwill, which are definitive.

The change in the net goodwill is analyzed in the table below:

(in thousands of euros)	December 31, 2021	December 31, 2020
Opening	**1,118,874**	**1,231,538**
Changes in consolidation scope	8,006	77
Impairment	-	(9,814)
Change in translation effect	30,352	(97,527)
Other movements	-	(5,400)
CLOSING	**1,157,232**	**1,118,874**

Impairment test on goodwill

In accordance with IFRS 3 (revised) and IAS 36, at the end of each year and in the event of any evidence of impairment, goodwill is subject to an impairment test using the method described in the above accounting policy.

Goodwill is distributed as follows by cash-generating unit (CGU):

	December 31, 2021			DECEMBER 31, 2020	
	Goodwill *(in thousands of euros)*	Discount rate after tax used for the impairment tests *(in %)*	Growth rate to infinity used for the impairment tests (%) *(in %)*	Discount rate after tax used for the impairment tests *(in %)*	Growth rate to infinity used for the impairment tests (%) *(in %)*
India CGU	222,447	12.1%	4.8%	9.7%	5.5%
West Africa Cement CGU	149,651	10% to 14.4%	2% to 5.5%	7.8% to 11.8%	3.5% to 4%
France-Italy CGU	235,019	7.8%	1.5%	6.5%	1.3%
Switzerland CGU	142,237	8.1%	1%	6.5%	1.0%
Brazil CGU	141,867	10.4%	3%	8.3%	3%
United States CGU	124,670	8.0%	2%	6.7%	2%
Other CGUs cumulated	141,341	12.6% to 18.5%	3.3% to 8%	6.6% to 18.3%	2% to 8.3%
TOTAL	**1,157,232**	-	-	-	-

	December 31, 2021	
	Impairment which would result from a change of +1% in the discount rate	Impairment which would result from a change of -1% in the growth rate to infinity
India CGU	(65,892)	(28,109)
Other CGUs cumulated	(18,499)	(8,635)
TOTAL	**(84,391)**	**(36,744)**

The impairment tests carried out in 2021 did not result in the recognition of any impairment of goodwill. Sensitivity tests for a +1% change in the discount rate and a -1% change in the perpetual growth rate carried out at the balance sheet date resulted in the recoverable amount of two CGUs (India and Turkey) in both cases being less than their net carrying amount.

10.2 Other intangible assets

Accounting policy

Other intangible assets (mainly patents, rights and software) are recorded in the consolidated statement of financial position at historical cost less accumulated amortization and any impairment losses. This cost includes acquisition or production costs and all other directly attributable costs incurred for the acquisition or production of the asset and for its commissioning. Assets with finite lives are impaired on a straight-line basis over their useful lives (generally not exceeding 15 years) or, in the case of mining rights, as and when they are extracted.

Research costs are recognized as expenses in the period in which they are incurred. Development costs meeting the criteria defined by IAS 38 are capitalized.

Gross amounts *(in thousands of euros)*	Concessions, patents & similar rights	Software	Other intangible assets	Intangible assets in progress	Total
At December 31, 2019	**131,683**	**62,434**	**89,127**	**16,378**	**299,622**
Acquisitions	2,003	3,384	2,035	10,381	17,803
Disposals	-	(536)	(280)	(2,392)	(3,208)
Changes in consolidation scope	-	-	-	-	-
Change in translation effect	(13,531)	(816)	(7,026)	(48)	(21,421)
Other movements	2,446	1,670	(49)	(4,575)	(508)
At December 31, 2020	**122,601**	**66,136**	**83,807**	**19,744**	**292,288**
Acquisitions	2,025	1,497	859	8,497	12,878
Disposals	(149)	(1,737)	(6)	(1,484)	(3,376)
Changes in consolidation scope	8	(3,315)	(4,792)	77	(8,022)
Change in translation effect	1,227	480	1,921	274	3,902
Other movements	670	8,241	5,968	(9,480)	5,399
AT DECEMBER 31, 2021	**126,382**	**71,302**	**87,757**	**17,628**	**303,069**

Depreciation and impairment *(in thousands of euros)*	Concessions, patents & similar rights	Software	Other intangible assets	Intangible assets in progress	Total
At December 31, 2019	**(28,897)**	**(43,204)**	**(40,475)**	**-**	**(112,576)**
Increase	(1,578)	(6,735)	(4,249)	-	(12,562)
Decrease	-	48	280	-	328
Changes in consolidation scope	-	-	-	-	-
Change in translation effect	525	347	(2,022)	-	(2,894)
Other movements	259	(45)	226	-	440
At December 31, 2020	**(29,691)**	**(49,589)**	**(42,196)**	**-**	**(121,476)**
Increase	(1,723)	(6,696)	(4,232)	-	(12,651)
Decrease	118	1,448	6	-	1,572
Changes in consolidation scope	-	3,101	1,967	-	5,068
Change in translation effect	(514)	(315)	(1,039)	-	(1,868)
Other movements	(227)	(14)	180	-	(61)
AT DECEMBER 31, 2021	**(32,037)**	**(52,065)**	**(45,314)**	**-**	**(129,416)**
Net book value at December 31, 2020	92,910	16,547	41,611	19,744	170,812
NET BOOK VALUE AT DECEMBER 31, 2021	**94,345**	**19,237**	**42,443**	**17,628**	**173,653**

No development costs were capitalized in 2021 and 2020.

Research & development costs recognized as expenses in 2021 amounted to €4.3 million (€3.4 million in 2020).

10.3 Property, plant and equipment

Accounting policy

Property, plant and equipment are reported in the consolidated statement of financial position at historical cost less accumulated depreciation and any impairment losses, using the component approach provided for in IAS 16. When an article of property, plant and equipment comprises several significant components with different useful lives, each component is depreciated on a straight-line basis over its respective useful life, starting at commissioning.

Quarries are depreciated on the basis of tonnage extracted during the year as a ratio of total estimated reserves.

Certain parcels of land owned by French companies acquired prior to December 31, 1976 were revalued, and the adjusted value was recognized in the financial statements, but without a significant impact on the lines concerned.

Interest expenses on borrowings incurred to finance the construction of facilities during the period prior to their commissioning are capitalized. Exchange rate differences arising from foreign currency borrowings are also capitalized inasmuch as they are treated as an adjustment to interest costs and within the limit of the interest charge which would have been paid on borrowings in local currency.

The main depreciation periods are presented below depending on the assets category:

	Cement assets	Concrete & Aggregates
Civil engineering	15 to 30 years	15 years
Large equipment	15 to 30 years	10 to 15 years
Other industrial equipment	8 years	5 to 10 years
Electricity	15 years	5 to 10 years
Automation equipment, controls and instrumentation	5 years	5 years;

Gross amounts *(in thousands of euros)*	Lands & Buildings	Industrial sites or facilities	Other property, plant and equipment	Assets in progress and advances/ down payments	Total
At December 31, 2019	**1,349,009**	**3,145,899**	**151,321**	**180,102**	**4,826,331**
Acquisitions	16,167	31,569	9,067	249,359	306,162
Disposals	(3,612)	(30,194)	(6,512)	(378)	(40,696)
Changes in consolidation scope	-	250	16	-	266
Change in translation effect	(88,011)	(166,279)	(2,814)	(12,723)	(269,827)
Other movements	36,382	103,553	2,531	(147,616)	(5,150)
At December 31, 2020	**1,309,935**	**3,084,798**	**153,609**	**268,744**	**4,817,086**
Acquisitions	14,413	33,086	5,254	327,548	380,301
Disposals	(3,399)	(25,493)	(5,576)	(6)	(34,474)
Changes in consolidation scope	(32,946)	(41,164)	(10,539)	(418)	(85,067)
Change in translation effect	22,923	51,644	2,010	16,963	93,540
Other movements	7,857	147,285	(17,253)	(164,503)	(26,614)
AT DECEMBER 31, 2021	**1,318,783**	**3,250,156**	**127,505**	**448,328**	**5,144,772**

Depreciation and impairment *(in thousands of euros)*	Lands & Buildings	Industrial sites or facilities	Other property, plant and equipment	Assets in progress and advances/ down payments	Total
At December 31, 2019	**(594,501)**	**(2,091,244)**	**(108,805)**	**-**	**(2,794,550)**
Increase	(45,875)	(135,219)	(9,584)	-	(190,678)
Decrease	811	26,328	6,039	-	33,178
Changes in consolidation scope	-	-	(5)	-	(5)
Change in translation effect	21,813	93,169	1,519	-	116,501
Other movements	(2,818)	12,584	(3,446)	-	6,320
At December 31, 2020	**(620,570)**	**(2,094,382)**	**(114,282)**	**-**	**(2,829,234)**
Increase	(45,608)	(139,993)	(7,213)	-	(192,814)
Decrease	2,448	24,779	4,406	-	31,633
Changes in consolidation scope	18,197	33,752	9,742	-	61,691
Change in translation effect	(13,193)	(33,267)	(1,381)	-	(47,841)
Other movements	723	(17,805)	(17,916)	-	834
AT DECEMBER 31, 2021	**(658,003)**	**(2,226,916)**	**(90,812)**	**-**	**(2,975,731)**
Net book value at December 31, 2020	689,365	990,416	39,327	268,744	1,987,852
NET BOOK VALUE AT DECEMBER 31, 2021	**660,780**	**1,023,240**	**36,693**	**448,328**	**2,169,041**

Property, plant and equipment under construction amounted to €418 million as at December 31, 2021 (€258 million as at December 31, 2020) and advances/down payments on property, plant and equipment represented €31 million as at December 31, 2021 (€11 million as at December 31, 2020). Contractual commitments to acquire property, plant and equipment and intangible assets amounted to €277 million as at December 31, 2021 (€160 million as at December 31, 2020).

Capitalized interest amounted to €2.4 million as at December 31, 2021 (€1.9 million in 2020).

10.4 Rights of use relating to leases

Accounting policy

Leases, with the exception of those falling within the scope of the exemptions provided for by IFRS 16, are recognized in the balance sheet, when the asset underlying the lease becomes available, as a right-to-use asset and a liability representing the lease payments. The service component of the lease, and in particular that relative to transportation, is identified during the analysis and treated separately from the lease component. Contracts giving the lessee the right to control the use of an identified asset for a fixed term in return for payment are categorized as leases.

The Group applies the exemptions stipulated in the IFRS 16 standard, where the payments are not included in the lease liability and right to use in the following cases:

- payments relating to short-term leases (below or equal to 12 months);
- payments relating to leases of low-value assets (less than US$5 thousand or equivalent);
- payments relating to the service component of the lease when this is identical and measurable;
- payments related to leases of intangible assets, which are very small in number.

Lease payments for these contracts or components of leases are recognized as operating expenses for the term of the lease.

The lease term is the non-cancellable contractual period plus, where applicable, extension options considered reasonably certain to be exercised (extension options being exercised during the period or those that the Group has a statistical track record of exercising).

The definition of this enforceable duration takes into account both contractual and economic aspects to the extent that the existence of significant penalties in the event of the lessee's termination are analyzed for each contract.

The rights of use related to leases initially include the lease liability, the initial direct costs, prepaid rents and the estimate of the costs of dismantling or restoring the assets provided for in the contract, and exclude any service component. They are depreciated in accordance with IAS 16 "Property, Plant and Equipment" over the shorter of the lease term and the useful life of the underlying asset, and if necessary impaired in accordance with IAS 36 "Impairment of Assets".

After initial recognition, the right of use related to leases is reported at cost less accumulated depreciation and any impairment losses.

Lease payments are recognized by applying IFRS 16 with a resulting depreciation charge and interest expense taken to the income statement.

The tax impact of the application of IFRS 16 results in recognition of deferred taxes, assessed on the net lease asset after deduction of the corresponding lease liability.

Assumptions, estimates and judgements

The lease liability is initially measured at the present value of future payments, which include the present value of fixed and variable lease payments, if they are subject to an index or rate, and estimated expected payments at the end of the contract, such as the residual value guarantee and the purchase option, if its exercise is considered reasonably certain. The discount rate used to calculate the lease liability is based on the interest rate implicit in the lease or, failing that, the lessee's incremental borrowing rate at the date of signature of the lease. This marginal borrowing rate takes into account several elements including the currency and lease term, the lessee's economic context and its financial solidity.

The Group applied interest rates corresponding to the average repayment term of the lease liability, by defining and using yield curves by maturity, taking into account the structure of lease payments and the typology of the available interest rates.

After initial recognition, the lease liability is calculated at amortized cost using the effective interest rate method and is remeasured, with a corresponding adjustment of the right-of-use asset, if future lease payments are modified as a result of negotiation or when renewal or termination options are remeasured.

The Group's leasing activities

Most of the leases in force in the Group concern vehicles directly linked to operational activity (construction sites, road transportation and private cars) and real estate (land and buildings). In fact, the Group leases land and buildings, mainly for its offices, concrete batching plants, quarries and warehouses. To a lesser extent, they also concern machinery, equipment and IT equipment.

The majority of these contracts are carried by the Group's French entities, and to a lesser extent by American, Swiss and Turkish companies. The other countries in which the Group operates have no significant number of contract.

Gross amounts *(in thousands of euros)*	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Total
At December 31, 2019	**82,147**	**74,784**	**172,719**	**69,191**	**398,841**
Acquisitions	5,544	5,470	26,339	12,640	49,993
Disposals	(914)	(3,793)	(46,505)	(13,072)	(64,284)
Changes in consolidation scope	-	-	-	-	-
Change in translation effect	(3,427)	(1,813)	(9,239)	(1,130)	15,609
Other movements	(1,624)	23	(1,345)	(11,388)	(14,334)
At December 31, 2020	**81,726**	**74,671**	**141,969**	**56,241**	**354,607**
Acquisitions	11,603	8,886	26,821	14,669	61,979
Disposals	(4,713)	(3,750)	(16,672)	(12,578)	(37,713)
Changes in consolidation scope	1,397	1,353	(1,661)	(608)	481
Change in translation effect	2,502	1,684	(1,606)	167	2,747
Other movements	(178)	(133)	(2,378)	(41)	(2,730)
AT DECEMBER 31, 2021	**92,337**	**82,711**	**146,473**	**57,850**	**379,371**

Depreciation and impairment *(in thousands of euros)*	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Total
At December 31, 2019	**(26,905)**	**(40,061)**	**(84,628)**	**(28,181)**	**(179,775)**
Increase	(5,882)	(7,601)	(29,471)	(11,346)	(54,300)
Decrease	900	3,169	42,540	12,965	59,574
Changes in consolidation scope	-	-	-	-	-
Change in translation effect	695	891	4,259	242	6,087
Other movements	1,324	1,134	(3,030)	1,208	636
At December 31, 2020	**(29,868)**	**(42,468)**	**(70,330)**	**(25,112)**	**(167,778)**
Increase	(6,526)	(8,324)	(28,326)	(11,037)	(54,213)
Decrease	3,187	3,913	15,105	12,457	34,662
Changes in consolidation scope	-	-	2,403	452	2,855
Change in translation effect	(366)	(807)	27	(86)	(1,232)
Other movements	144	479	808	16	1,447
AT DECEMBER 31, 2021	**(33,429)**	**(47,207)**	**(80,313)**	**(23,310)**	**(184,259)**
Net book value at December 31, 2020	51,858	32,203	71,639	31,129	186,829
NET BOOK VALUE AT DECEMBER 31, 2021	**58,908**	**35,504**	**66,160**	**34,540**	**195,112**

10.5 Investment properties

Accounting policy

The Group recognizes its investment properties at historical cost less accumulated depreciation and any impairment losses. They are depreciated on a straight-line basis over their useful life (10 to 25 years). The fair value of its property investments is calculated by the Group's specialist departments, assisted by an external consultant, primarily by reference to market prices observed on transactions involving comparable assets or published by local notary chambers. It is presented in the notes at each year-end.

(in thousands of euros)	Gross value	Depreciation and impairment	Net book value
At December 31, 2019	**41,078**	**(25,953)**	**15,125**
Acquisitions/Additions	654	(870)	(216)
Disposals/Decreases	(569)	314	(255)
Change in translation effect	59	(20)	39
Changes in consolidation scope and other	326	(188)	138
At December 31, 2020	**41,548**	**(26,717)**	**14,831**
Acquisitions/Additions	628	(890)	(262)
Disposals/Decreases	(719)	653	(66)
Change in translation effect	1,301	(205)	1,096
Changes in consolidation scope and other	16,923	(304)	16,619
AT DECEMBER 31, 2021	**59,681**	**(27,463)**	**32,218**
Fair value of investment properties at December 31, 2020			78,568
FAIR VALUE OF INVESTMENT PROPERTIES AT DECEMBER 31, 2021			**79,549**

The rental income from investment properties recognized under "Other operating income (expenses)" (see note 7) amounted to €4 million at December 31, 2021 and at December 31, 2020.

NOTE 11 JOINT VENTURES AND OTHER NON-CURRENT ASSETS

11.1 Investments in associated companies

Change in investments in associated companies

(in thousands of euros)	2021	2020
At January 1	**77,873**	**85,212**
Share of profit (loss) of associates	5,156	4,021
Dividends received from investments in associated companies	(1,208)	(4,860)
Changes in consolidation scope	8,986	(902)
Change in translation effects and other	1,967	(5,598)
AT DECEMBER 31	**92,774**	**77,873**

11.2 Receivables and other non-current assets

(in thousands of euros)	Gross value	Impairment	Net book value
At December 31, 2019	**238,551**	**(2,409)**	**236,142**
Acquisitions/Additions	55,900	(11,918)	43,982
Disposals/Decreases	(10,198)	1,707	(8,491)
Changes in consolidation scope	-	-	-
Change in translation effect	(29,739)	-	(29,739)
Changes of other items in other comprehensive income	(5,990)	115	(5,875)
Other	3,694	(537)	3,157
At December 31, 2020	**252,218**	**(13,042)**	**239,176**
Acquisitions/Additions	168,669	(16,463)	152,206
Disposals/Decreases	(33,023)	-	(33,023)
Changes in consolidation scope	(82,110)	-	(82,110)
Change in translation effect	8,418	(1,342)	7,076
Changes of other items in other comprehensive income	5,853	(2,127)	3,726
Other	(67,854)	44	(67,810)
AT DECEMBER 31, 2021	**252,171**	**(32,930)**	**219,241**
Of which investments in subsidiaries & affiliated companies (see note 14.2)	*66,139*	*(2,561)*	*63,578*
Of which loans and receivables[(1)(2)]	*185,313*	*(30,369)*	*154,944*
Of which employee benefit plan assets (see note 16.1)	*719*	-	*719*
Of which financial instruments (see note 14.1.1)	-	-	-
AT DECEMBER 31, 2021	**252,171**	**(32,930)**	**219,241**

(1) Ciplan:
At the time of its acquisition by the Vicat Group, Ciplan received a firm and irrevocable guarantee from its minority shareholders for all litigation or future litigation relating to the period prior to the acquisition. This guarantee is recognized in other non-current assets in the amount of €28 million at end-December 2021 (€48 million at end-December 2020) for the same amount as provisions for indemnifying claims (see note 16.2).

(2) Bharathi Cement:
On December 31, 2021, €34.3 million (including interest) recorded in "Other non-current receivables", is the subject of two provisional attachments on the bank accounts of an Indian company in the Group, Bharathi Cement, as part of a preliminary investigation by the administrative and judicial authorities into events before Vicat entered its capital.
The Group's partner in Bharathi Cement is the focus of an inquiry by the CBI (Central Bureau of Investigation) regarding the source and the growth of his assets. In connection with this inquiry, the CBI filed 14 charge sheets in September 2012 and over the course of 2013, presenting its allegations. Among these, four also involve Bharathi Cement (the CBI is interested in determining whether the investments made in this company by Indian investors were carried out in good faith in the ordinary course of business and if the mining concession was granted in accordance with regulations).
The proceedings initially led, in 2015, to a precautionary seizure by the Enforcement Directorate of INR950 million (approximately €12 million) on a bank account held by Bharathi Cement. A second precautionary seizure of INR1,530 million (approximately €19 million) was made in 2016 within the context of charges regarding the mining concession.
While these measures are not such as to hinder the Company's operations, the Company is appealing to the administrative and judicial authorities to challenge their validity.
In July 2019, the Court of Appeal in Delhi invalidated the seizure of INR1,530 million, and demanded a bank guarantee prior to the repayment of the funds. The Enforcement Directorate has appealed this judgment.
The provisional attachments do not prejudice the merits of the case (CBI investigation) which is still under review and has not at this point led to a charge.
The Company has no reason to think there is any probable or measurable financial risk.
Given how long the proceedings, started in 2012, are taking, the receivable related to these precautionary seizures was reclassified at end-2018 as "Other non-current receivables" (see note 12.2)

Impairment of loans and receivables

Difficulties related to the macroeconomic environment led the Group to record an impairment loss of €15.6 million in 2021 related to loans in connection with investments in the Mediterranean area.

NOTE 12 CURRENT ASSETS

12.1 Inventories and work-in-progress

Accounting policy

Inventories and work-in-progress

Inventories are valued using the weighted average unit cost method, at the lower of purchase price or production cost, and net realizable value (sales price less completion and sales costs).

The gross value of goods and supplies includes both the purchase price and all related costs.

Manufactured goods are valued at production cost, including the cost of goods, direct and indirect production costs and the depreciation on all consolidated non-current assets used in the production process.

In the case of inventories of manufactured products and work-in-progress, the cost includes an appropriate share of fixed costs based on the standard conditions of use of the production plant.

Inventory impairments are recorded when necessary to take into account any probable losses identified at year-end.

Emission quotas

In the IFRS standards, there is as yet no standard or interpretation dealing specifically with greenhouse gas emission rights. As of January 1, 2016, the Group decided to adopt the method recommended by the ANC since 2013, compatible with the IFRS standards in force (Regulation No. 2012-03 of October 4, 2012, approved on January 7, 2013), that provides more reliable and relevant financial information to reflect the quotas' economic model, in particular eliminating the impacts associated with the volatility of the prices of quotas.

According to this method, provided the quotas are intended to fulfill the obligations related to emissions (production model):

- quotas are recognized in inventories when acquired (free of charge or against payment). They are drawn down as and when necessary to cover greenhouse gas emissions, as part of the surrender procedure, or
- at the time of their sale, and are not revalued at closing;
- a debt is recognized at the period-end if there is an quota shortfall.

Since today the Group only has the quotas allocated free of charge by the State under National Quotas Allocation Plans, applying these rules means they are posted as inventories for a zero value. Moreover, as the Group has recorded surpluses to date, no debt is posted to the balance sheet and, if they are not sold, no amount is posted to the income statement.

	December 31, 2021			DECEMBER 31, 2020		
(in thousands of euros)	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials and consumables	351,561	(29,560)	322,001	268,824	(28,162)	240,662
Work-in-progress, finished goods and goods for resale	111,914	(4,672)	107,242	120,284	(6,009)	114,275
TOTAL	**463,475**	**(34,232)**	**429,243**	**389,108**	**(34,171)**	**354,937**

Surplus greenhouse gas emissions quotas received free of charge are recorded under inventories at a zero value (corresponding to 4,781 thousand metric tons at year-end 2021 and 5,155 thousand metric tons at year-end 2020).

12.2 Trade and other receivables

Accounting policy

Receivables are valued at amortized cost and recognized for their nominal value (initial amount of the invoice). Receivables are impaired according to the expected losses model defined by IFRS 9 (see note 14.2).

Receivables may be subject to assignment to financial institutions. In this case, a transaction analysis is carried out to assess the transfer of the risks and rewards of ownership of these receivables and especially the one related to credit risk, late payment risk and the risk of dilution. If this assessment concludes to the transfer of contractual rights to the cash flows and also substantially all the risks and rewards related to the assignment, it leads to the derecognition of receivables in the consolidated statement of financial position and all the rights created or retained during the transfer are recognized where necessary. In the opposite situation, receivables are maintained in the consolidated statement of financial position.

(in thousands of euros)	Trade and other receivables	Provisions for trade and other receivables	**Net trade and other receivables**
At December 31, 2019	**443,991**	**(27,423)**	**416,568**
Increase	-	(5,631)	(5,631)
Reversal of provisions used	-	6,675	6,675
Change in translation effect	(26,376)	2,305	(24,071)
Changes in consolidation scope	406	-	406
Changes	46,948	(21)	46,927
At December 31, 2020	**464,969**	**(24,095)**	**440,874**
Increase	-	(4,976)	(4,976)
Reversal of provisions used	-	3,057	3,057
Change in translation effect	(9,330)	85	(9,245)
Changes in consolidation scope	(3,574)	(826)	(4,400)
Changes	10,460	449	10,909
AT DECEMBER 31, 2021	**462,525**	**(26,306)**	**436,219**
of which past due as at December 31, 2021:			
• less than 3 months	59,492	(3,687)	55,805
• more than 3 months	21,769	(11,629)	10,140
of which not past due as at December 31, 2021:			
• less than 1 year	378,589	(8,400)	370,189
• more than 1 year	2,675	(2,590)	85
AT DECEMBER 31, 2021	**462,525**	**(26,306)**	**436,219**

The Group is not dependent on any of its major customers, and no single customer accounts for more than 10% of revenue.

12.3 Other receivables

(in thousands of euros)	Other tax receivables	Payroll-related receivables	Other receivables[1]	Provisions other receivables	Net total other receivables
At December 31, 2019	**72,040**	**4,158**	**119,270**	**(2,692)**	**192,776**
Increase	-	-	-	(123)	(123)
Reversal of provisions used	-	-	-	149	149
Change in translation effect	(7,173)	(91)	(3,513)	139	(10,638)
Changes in consolidation scope	(6)	-	53	-	47
Other movements	(494)	567	(31,746)	1,958	(29,715)
At December 31, 2020	**64,367**	**4,634**	**84,064**	**(569)**	**152,496**
Increase	-	-	-	(45)	(45)
Reversal of provisions used	-	-	-	102	102
Change in translation effect	(655)	62	958	(17)	348
Changes in consolidation scope	172	(507)	6,360	-	6,025
Other movements	1,155	(269)	47,107	(444)	47,549
AT DECEMBER 31, 2021	**65,039**	**3,920**	**138,489**	**(973)**	**206,475**
of which past due as at December 31, 2021:					
• less than 3 months	2,674	2,211	25,198	(173)	29,910
• more than 3 months	1,367	276	5,457	(606)	6,494
of which not past due as at December 31, 2021:					
• less than 1 year	47,971	1,433	99,797	(194)	149,007
• more than 1 year	13,027		8,037	-	21,064
AT DECEMBER 31, 2021	**65,039**	**3,920**	**138,489**	**(973)**	**206,475**

(1) Including on December 31, 2021 a total of €2.9 million (€16.0 million at December 31, 2020) corresponding to a tax credit (including interest) for a sales tax (PIS COFIN) contested by our Brazilian subsidiary which obtained a favorable final judgment in the courts in the second half of 2019.

NOTE 13 CASH AND CASH EQUIVALENTS

13.1 Cash and cash equivalents

Accounting policy

Cash and cash equivalents include both cash and short-term investments of less than three months' maturity that do not present any risk of a change in value. The latter are marked to market at the end of the period.

Net cash, the change in which is presented in the statement of cash flows, consists of cash and cash equivalents less any bank overdrafts.

(in thousands of euros)	December 31, 2021	December 31, 2020
Cash	126,839	145,416
Marketable securities and term deposits < 3 months	400,554	277,427
CASH AND CASH EQUIVALENTS	**527,393**	**422,843**

Cash deposits include, at December 31, 2021, €36.5 million (€34 million at the end of 2020) corresponding to the exchange value in "euros" of subscriptions by the shareholders of Sinaï Cement Company, our Egyptian subsidiary, for the ongoing capital increase subscription for which release and thus availability will be contingent on approval of the local competent regulatory authorities (see note 3).

13.2 Analysis of net cash balances

(in thousands of euros)	December 31, 2021	December 31, 2020
Cash and cash equivalents (see note 13.1)	527,393	422,843
Bank overdrafts	(96,951)	(63,684)
NET CASH BALANCES	**430,442**	**359,159**

NOTE 14 NET DEBT AND FINANCIAL INSTRUMENTS

14.1 Net financial liabilities and put options

Financial liabilities as at December 31, 2021 break down as follows:

(in thousands of euros)	December 31, 2021	December 31, 2020
Financial liabilities at more than one year	1,274,493	1,261,797
Put options at more than one year	16,941	8,365
Lease liabilities at more than one year	159,883	157,563
Financial liabilities and put options at more than one year	**1,451,317**	**1,427,725**
Financial instrument assets at more than one year - see note 9[1]	-	(7,115)
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENTS ASSETS AT MORE THAN ONE YEAR	**1,451,317**	**1,420,610**
Financial liabilities at less than one year	371,119	165,375
Put options at less than one year	-	-
Lease liabilities at less than one year	55,502	47,382
Financial liabilities and put options at less than one year	**426,621**	**212,757**
Financial instrument assets at less than one year[1]	(15,892)	(300)
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENTS ASSETS AT LESS THAN ONE YEAR	**410,729**	**212,457**
Total financial liabilities net of financial instruments assets[1]	1,845,105	1,624,702
Total put options	16,941	8,365
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENTS ASSETS	**1,862,046**	**1,633,067**

(1) As at December 31, 2021, financial instrument assets (€7.4 million as at December 31, 2020) are presented either under non-current assets (see note 11.2), if their maturity is more than one year (€7.1 million at December 31, 2020) or under other receivables, if their maturity is less than one year (€0.3 million at December 31, 2020).

The change, by type of net financial liabilities and put options, breaks down as follows:

(in thousands of euros)	Financial liabilities and put options > 1 year	Financial instrument assets > 1 year	Lease liabilities > 1 year	Financial liabilities and put options < 1 year	Financial instrument assets < 1 year	Lease liabilities < 1 year	Total
At January 1, 2020	**1,109,769**	**(13,105)**	**178,398**	**391,594**	**(30,072)**	**59,864**	**1,696,448**
Issues	196,169	-	42,768	14,560	-	7,226	260,723
Repayments	(106)	-	(10,994)	(209,326)	-	(51,203)	(271,630)
Change in translation effect	(17,819)	-	(8,223)	(8,253)	-	(2,945)	(37,239)
Changes in consolidation scope	109	-	26	-	-	-	135
Other movements	(17,960)	5,990	(44,412)	(23,200)	29,772	34,440	(15,370)
At December 31, 2020	**1,270,162**	**(7,115)**	**157,563**	**165,375**	**(300)**	**47,382**	**1,633,067**
Issues	257,919	-	55,926	73,524	-	6,052	393,421
Repayments	(130,584)	-	(11,141)	(9,538)	-	(41,822)	(193,085)
Change in translation effect	1,856	-	3,429	(10,877)	1,154	(2,048)	(6,486)
Changes in consolidation scope	1,048	-	3,113	369	-	86	4,616
Other movements	(108,967)	7,115	(49,007)	152,266	(16,746)	45,852	30,513
AT DECEMBER 31, 2021	**1,291,434**	**-**	**159,883**	**371,119**	**(15,892)**	**55,502**	**1,862,046**

(in thousands of euros)	December 31, 2021	December 31, 2020
Gross debt	1,845,105	1,624,702
Cash and cash equivalents (see note 13.1)	(527,393)	(422,843)
NET DEBT	**1,317,712**	**1,201,859**

14.1.1. Financial liabilities

Analysis of financial liabilities by category and maturity

December 31, 2021 *(in thousands of euros)*	Total	2022	2023	2024	2025	2026	More than 5 years
Bank borrowings and financial liabilities	1,491,475	220,861	23,869	187,728	568,269	159,859	330,889
Of which financial instrument assets	*(15,892)*	*(15,892)*	-	-	-	-	-
Of which financial instrument liabilities	*2,007*	*2,007*	-	-	-	-	-
Miscellaneous borrowings and financial liabilities	19,951	16,288	1,316	-	2,071	-	276
Lease liabilities	215,385	55,502	33,679	23,116	17,713	12,817	72,559
Current bank lines and overdrafts	118,294	118,294	-	-	-	-	-
FINANCIAL LIABILITIES	**1,845,105**	**410,944**	**58,865**	**210,844**	**588,052**	**172,676**	**403,724**
of which commercial paper	*550,000*	-	-	-	*550,000*	-	-

Financial liabilities due in less than one year are mainly composed of bilateral lines of Sococim Industries in Senegal, IFRS 16 debts, and bank credit balances.

December 31, 2020 *(in thousands of euros)*	Total	2021	2022	2023	2024	2025	More than 5 years
Bank borrowings and financial liabilities	1,319,515	74,478	126,010	25,307	176,634	564,104	352,982
Of which financial instrument assets	*(7,415)*	*(300)*	*(7,115)*	-	-	-	-
Of which financial instrument liabilities	*1,856*	*31*	-	*803*	*333*	-	*689*
Miscellaneous borrowings and financial liabilities	15,214	5,569	216	116	164	5,141	4,008
Lease liabilities	204,945	47,382	40,660	24,315	15,425	11,296	65,867
Current bank lines and overdrafts	85,028	85,028	-	-	-	-	-
FINANCIAL LIABILITIES	**1,624,702**	**212,457**	**166,886**	**49,738**	**192,223**	**580,541**	**422,857**
of which commercial paper	*550,000*	-	-	-	-	*550,000*	-

Reconciliation of financial liabilities with the cash flow statement

	MONETARY CHANGE			NON-MONETARY CHANGE			
(in thousands of euros)	Opening	Proceed	Repayments	Change in foreign exchange rate	Changes in consolidation scope	Other movements	Total
Financial liabilities and put options < 1 year	1,109,769	196,169	(106)	(17,819)	109	(17,960)	1,270,162
Financial instrument assets > 1 year	(13,105)	-	-	-	-	5,990	(7,115)
Lease liabilities > 1 year	178,398	-	(10,994)	(8,223)	26	(1,644)	157,563
Financial liabilities and put options < 1 year	391,594	14,560	(209,326)	(8,253)	-	(23,200)	165,375
Financial instrument assets < 1 year	(30,072)	-	-	-	-	29,772	(300)
Lease liabilities < 1 year	59,864	-	(51,203)	(2,945)	-	41,666	47,382
At December 31, 2020	**1,696,448**	**210,729**	**(271,630)**	**(37,239)**	**135**	**34,624**	**1,633,067**
Financial liabilities and put options < 1 year	1,270,162	257,919	(130,584)	1,856	1,048	(108,967)	1,291,434
Financial instrument assets > 1 year	(7,115)	-	-	-	-	7,115	-
Lease liabilities > 1 year	157,563	-	(11,141)	3,429	3,113	6,919	159,883
Financial liabilities and put options < 1 year	165,375	73,524	(9,538)	(10,877)	369	152,266	371,119
Financial instrument assets < 1 year	(300)	-	-	1,154	-	(16,746)	(15,892)
Lease liabilities < 1 year	47,382	-	(41,822)	(2,048)	86	51,904	55,502
AT DECEMBER 31, 2021	**1,633,067**	**331,443**	**(193,085)**	**(6,486)**	**4,616**	**92,491**	**1,862,046**

Characteristics of borrowings and financial liabilities (currencies and interest rates)

By currency (net of currency swaps) *(in thousands of euros)*	December 31, 2021	December 31, 2020
Euro	1,370,835	1,058,153
US dollar	42,258	81,728
Turkish lira	40,506	17,766
CFA Franc	148,715	117,954
Swiss franc	68,681	212,644
Mauritanian ouguiya	3,562	4,284
Egyptian pound	92,064	59,901
Indian rupee	34,300	27,581
Kazakh tenge	379	394
Brazilian real	43,806	44,297
TOTAL	**1,845,105**	**1,624,702**

By interest rate *(in thousands of euros)*	December 31, 2021	December 31, 2020
Fixed rate	957,571	826,224
Floating rate	887,534	798,478
TOTAL	**1,845,105**	**1,624,702**

The average interest rate on gross debt at December 31, 2021 was 3.1%, unchanged compared to December 31, 2020.

The average maturity of the debt at December 31, 2021 is 5 years, unchanged compared to Décember 31, 2020.

14.1.2. Put options granted to the minority shareholders on shares in consolidated subsidiaries

Accounting policy

Under IAS 27 and IAS 32, put options granted to minority third parties in fully consolidated subsidiaries are reported in the financial liabilities at the present value of their estimated price offset by a reduction in the corresponding minority interests.

The difference between the value of the option and the amount of the minority interests is recognized:

- in goodwill, in the case of options issued before January 1, 2010;
- as a reduction in shareholders' equity – Group share (options issued after January 1, 2010).

No impact is reported in the income statement other than the impact of the annual discounting of the liability recognized in net financial income; the income – Portion attributable to the Group – is calculated on the basis of the percentage held in the subsidiaries concerned, without taking into account the percentage holding attached to the put options.

Assumptions, estimates and judgements

The liability is estimated based on the contract information available (price, formula, etc.) and any other relevant factor to its valuation. Its value is reviewed at each year-end and the subsequent changes in the liability are recognized:

- either as an offset to goodwill (options granted before January 1, 2010);
- or as an offset to shareholders' equity – Group share (options issued after January 1, 2010).

At December 31, 2021, various agreements between Vicat and the non-controlling shareholders of multiple subsidiaries include put options that can be exercised at any time. These put options totaled €16.9 million at December 31, 2021, corresponding to the present value of their exercise prices.

14.2 Financial instruments

Accounting policy

Financial assets

The Group classifies its financial assets, upon initial recognition, according to IFRS 9 based on the contractual cash flow characteristics and on the business model assessment of their ownership.

In practice, for the Vicat Group, the criterion of the contractual cash flow characteristics led to make a distinction between, on one side, loan and receivables instruments, for which the evaluation depends on the business model assessment of their ownership, and, on the other side, equity instruments.

According to the standard, there are three types of loan and receivables assets, each associated with a business model and a valuation method:

- assets valued at the amortized cost: the objective is only to hold the assets to collect the contractual cash flows. This is the case with most loans and receivables;
- assets valued at the fair value through other comprehensive income: the objective is to hold the assets to collect the contractual cash flows and to sell them;
- assets valued at the fair value through the income statement: applied to assets not covered by any of the two previous models.

All acquisitions and disposals of financial assets are recorded at the transaction date.

Impairment of receivables is based on the expected credit losses during the full lifetime of the asset and credit risk is assessed on the basis of historical data and any available information at the closing date.

Financial liabilities

The Group classifies its non-derivative financial liabilities, upon initial recognition, as financial liabilities valued at amortized cost. These comprise mainly borrowings, other financings, bank overdrafts. The Group does not have financial liabilities at fair value through the income statement.

Derivatives and hedging

The Group uses hedging instruments to reduce its exposure to changes in interest and foreign currency exchange rates resulting from its business, financing and investment operations.

These hedging transactions have recourse to derivatives. The Group uses interest rate swaps and caps to manage its exposure to interest rate risks and forward foreign exchange contracts and currency swaps are used to hedge foreign exchange rate risks.

The Group uses derivatives solely for economic hedging purposes and no instrument is held for speculative ends.

Hedge accounting for an asset/liability/firm commitment or cash flow is applicable if:

- the hedging relationship is formally designated and documented at its date of inception;
- the effectiveness of the hedging relationship is demonstrated at the inception and then by the regular assessment and correlation between the changes in the market value of the hedging instrument and the market value of the hedged item. The ineffective portion of the hedging instrument is always recognized in the income statement.

Derivative instruments may be designated as hedging instruments, depending on the type of hedging relationship:

- fair value hedging is hedging against exposure to changes in the fair value of a booked asset or liability, or of an identified part of that asset or liability, attributable to a particular risk, for instance interest rate or exchange risks, which would affect the net income presented;
- Cash flow hedging is hedging against exposure to changes in cash flow attributable to a particular risk, associated with a recorded asset or liability or with a scheduled transaction (e.g. expected sale or purchase or "highly probable" future transaction), which would affect the net income presented.

The application of hedge accounting results as follows:

- in the event of a documented fair value hedging relationship, the change in the fair value of the hedging derivative is recognized in the income statement as an offset to the change in the fair value of the underlying hedged financial instrument. The income statement is only impacted by the ineffective portion of the hedging instrument;
- in the event of a documented cash flow hedging relationship, the change in the fair value of the effective portion of the hedging derivative is initially recorded in shareholders' equity, and the change in the fair value of the ineffective portion is directly recognized in the income statement. The accumulated changes in the fair value of the hedging instrument previously recorded in shareholders' equity are transferred to the income statement at the same rate as the hedged cash flows.

Assumptions, estimates and judgements

Financial assets

Equity instruments covered by IFRS 9 have to be measured at fair value, for which the Group may elect to recognize changes in fair value, either in the income statement or in other comprehensive income not recycled in profit or loss, depending on the option taken from the beginning, investment by investment. For some unquoted equity investments, the amortized cost was maintained as this method is the best approximation available for the fair value.

Derivatives and hedging

Derivatives are valued at their fair value in the balance sheet. Except for the cases detailed below, the change in fair value of derivatives is recorded as an offset under net financial expense in the income statement ("Change in fair value of financial assets and liabilities"). The fair values of derivatives are estimated by the following valuation models:

- the market value of interest rate swaps, foreign exchange rate swaps and forward purchase/sale transactions is calculated by discounting the future cash flows on the basis of the "zero coupon" interest rate curves applicable at the end of the presented reporting periods, and is restated where applicable to reflect accrued interest not yet payable;
- interest rate options are revalued on the basis of the Black and Scholes model incorporating the market parameters as at year-end.

In accordance with IFRS 13, counterparty risks were taken into account. This mainly relates to derivatives (cross currency swaps) used to hedge the foreign exchange risk of debts in US dollars, which is not the Group's operating currency. The impact of the credit value adjustment (CVA, or the Group's exposure in the event of counterparty default) and of the debit value adjustment (DVA, or the counterparty's exposure in the event of Group default) on the measurement of derivatives was determined by assuming an exposure at default calculated using the add-on method, a 40% loss given default, and a probability of default based on the credit ratings of banks or the estimated credit rating of the Group. The impact on fair value was not material and was not included in the market value of financial instruments as presented above.

In 2021, the ongoing health crisis did not call into question the risk management policy relating to financial instruments. The Vicat Group continued to manage its hedging instruments and its liquidity risk without difficulty throughout the year, as evidenced by the following:

Foreign exchange risk

The Group's activities are carried out by subsidiaries operating almost entirely in their own country and local currency. This limits the Group's exposure to foreign exchange risk. These companies' imports and exports denominated in currencies other than their own local currency are generally hedged by forward currency purchases and sales. The foreign exchange risk on intercompany loans is hedged, where possible, by the companies when the borrowing is denominated in a currency other than their operating currency.

The table below sets out the breakdown of the Group's total assets and liabilities denominated in foreign currencies as at December 31, 2021:

(in thousands of euros)	USD	EUR	CHF
Assets	115,902	81,872	131,000
Liabilities and contracted commitments	(152,157)	(79,340)	(20,600)
Net position before risk management	**(36,255)**	**2,532**	**110,400**
Hedging instruments	40,196	7,128	(135,000)
Net position after risk management	**3,941**	**9,660**	**(24,600)**

The net position after "risk management" in Swiss francs corresponds mainly to the debts of the Kazakh subsidiary to the Group, not swapped in the operating currency, in the absence of a sufficiently structured and liquid hedge market.

The risk of a foreign exchange loss on the net currency position assuming an unfavorable and uniform change of one percent in the operating currencies against the US dollar, totals, in euro equivalent, €0.2 million (mainly for the Kazakh loan).

Moreover the principal and interest due on loans originally issued by the Group in US dollars (US$ 120 million for Vicat) was translated into euros through a series of cross currency swaps, included in the portfolio presented below.

Interest rate risk

Floating rate debt is hedged through the use of caps on original maturities of 5, 7 and 10 years.

The Group is exposed to an interest rate risk on its financial assets and liabilities and its cash. This exposure corresponds to the price risk for fixed-rate assets and liabilities, and cash flow risk related to floating-rate assets and liabilities.

The Group estimates that a uniform change in interest rates of 100 basis points would not have a material impact on its earnings, or on the Group's net financial position as illustrated in the table below:

(in thousands of euros)	Impact on income before tax(1)	Impact on shareholders' equity (excluding impact on earnings) before tax(2)
Impact of a +100 bps. change in the interest rate	(5,127)	(7,637)
Impact of a -100 bps. change in the interest rate	5,500	3,469

(1) A positive figure corresponds to lower interest expense.
(2) A negative figure corresponds to a lower financial liability.

Liquidity risk

As at December 31, 2021, the Group had €462 million in unutilized confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€536 million as at December 31, 2020).

The Group also has a €550 million commercial paper issue program. At December 31, 2021, the amount of commercial paper issued stood at €550 million. Commercial papers which constitute short-term credit instruments are backed by lines of credit confirmed for the issued amount and are treated as such in medium-term financial debts in the consolidated balance sheet.

Unused confirmed lines of credit are used to cover the risk of the Group's inability to issue commercial paper on the market, for an amount corresponding to the notes issued, i.e. €550 million on December 31, 2021.

Some medium-term or long-term loan agreements contain specific covenants especially with regards to compliance with financial ratios, reported each half year, which can lead to an early repayment (acceleration clause) in the event of non-compliance. These covenants are based on a profitability ratio (leverage: net indebtedness/consolidated EBITDA) and on capital structure ratio (gearing: net indebtedness/consolidated shareholders equity) of the Group or its subsidiaries concerned. For the purposes of calculating these covenants, the net debt is determined excluding put options granted to minority shareholders. Furthermore, the margin applied to some financing operations depends on the level reached on one of these ratios.

Considering the small number of companies concerned, essentially Vicat SA, the parent company of the Group, the low level of gearing (50.56%) and leverage (2.12) and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial position. As at December 31, 2021, the Group is compliant with all ratios required by covenants included in financing agreements.

The portfolio of derivatives was as follows at the end of December 2021:

				RESIDUAL MATURITY		
(in thousands of currency)	Nominal value *(foreign currency)*	Nominal value *(euro)*	Market value *(euro)*	< 1 year *(euro)*	1-5 years *(euro)*	> 5 years *(euro)*
CASH FLOW HEDGES						
Composite instruments						
• Cross Currency Swap $ fixed/€ fixed	$120,000	105,951	15,596	15,596	-	-
OTHER DERIVATIVES						
Interest rate instruments						
• Euro Caps	€714,500	714,500	2,699	-	(76)	2,775
FOREIGN EXCHANGE INSTRUMENTS						
Hedging for foreign exchange risk on intra-group loans						
• VAT $	$113,000	99,770	226	226	-	-
• AAT BRL	BRL10,000	1,585	132	132	-	-
• VAT CHF	CHF135,000	130,675	(253)	(253)	-	-
TOTAL	-	**1,052,481**	**18,400**	**15,701**	**(76)**	**2,775**

In application of IFRS 7, the breakdown of financial instruments measured at fair value by hierarchical level of fair value in the consolidated statement of financial position is as follows as at December 31, 2021:

(in millions of euros)	December 31, 2021
Level 1: instruments quoted on an active market	-
Level 2: valuation based on observable market information	18.4
Level 3: valuation based on non-observable market information (see note 11.2)	63.6

NOTE 15 SHARE CAPITAL

Accounting policy

Treasury shares

In compliance with IAS 32, Vicat treasury shares are deducted from shareholders' equity.

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares with a nominal value of €4 each, including 723,505 treasury shares as at December 31, 2021 (717,855 as at December 31, 2020) acquired under the share buyback programs approved by the Ordinary General Meetings, and through Heidelberg Cement's disposal of its 35% stake in Vicat in 2007. The company is owned and controlled by the Parfininco holding company.

These are registered shares or bearer shares, at the shareholder's option. Voting rights attached to shares are proportional to the share of the capital which they represent and each share gives the right to one vote, except in the case of fully paid-up shares registered for at least four years in the name of the same shareholder, to which two votes are assigned.

The dividend paid in 2021 in respect of 2020 amounted to €1.50 per share, totaling €67,350 thousand, equal to €1.50 per share paid in 2020 in respect of 2019 and totaling €67,350 thousand. The dividend proposed by the Board of Directors to the Ordinary General Meeting for 2021 amounts to €1.65 per share, totaling €74,085 thousand.

Basic earnings per share are calculated as the ratio of net income for the year (Group share) and the weighted average number of shares outstanding during the year, excluding treasury shares. These earnings per share are adjusted for any potentially dilutive ordinary shares such as free shares (see note 5).

Since June 30, 2018, for a period of 12 months renewable by tacit agreement, Vicat has engaged Oddo BHF (previously Natixis Securities) to implement a liquidity agreement in accordance with the AMAFI (French financial markets professional association) Code of Ethics of September 20, 2008.

The following amounts were allocated to the liquidity agreement for its implementation: 20,000 Vicat shares and €3 million in cash.

As at December 31, 2021, the liquidity account was composed of: 53,605 Vicat shares and €1,909 thousand in cash.

NOTE 16 PROVISIONS

16.1 Employee benefits

Accounting policy

The Group recognizes the entire amount of its commitments relating to post-employment benefits in accordance with IAS 19 revised.

Regulations, standard practices and agreements in force in countries where the Group's consolidated companies have operations provide for various types of post-employment benefits: lump-sum payments on retirement, supplemental pension benefits, etc., as well as other long-term benefits (such as medical cover for retirees, etc.).

Defined contribution plans are those for which the Group's commitment is limited only to the payment of contributions recognized as expenses when they are incurred.

Defined benefit plans include all post-employment benefit programs, other than those under defined contribution plans, and represent a future liability for the Group.

The corresponding liabilities are calculated on an actuarial basis (changes in salaries, mortality, rotation, etc.) using specific actuarial assumptions and the projected unit credit method, in accordance with the clauses provided for in the collective bargaining agreements and with standard practices and law.

Dedicated financial assets, which are mainly equities and bonds, are used to cover all or a part of these liabilities, principally in the United States and Switzerland. The net position of each pension plan is fully provided for in the statement of financial position less, where applicable, the fair value of these invested assets, the amount of which may be adjusted using the asset ceiling mechanism. Any surplus (in the case of overfunded pension plans) is only recognized in the statement of financial position to the extent that it represents a future economic benefit that will be effectively available to the Group, within the limits defined by the standard.

Actuarial gains and losses arise from changes in actuarial assumptions and/or variances observed between these assumptions and the actual figures. Actuarial gains and losses on post-employment benefits are recognized under "Other comprehensive income" and are not recycled to profit or loss

Estimates, assumptions and judgements

The measurement of the present value of post-employment obligations, under defined benefit plans, is dependent on the actuarial assumptions, both demographic and financial, made by the Group.

Discount rates are determined in accordance with the principles set out in IAS 19 Revised, with reference to a market rate at year-end, based on the yields of high-quality corporate bonds issued in the monetary zone in question. They are determined on the basis of yield curves derived by outside experts from AA-rated public bonds.

When the corporate bond market in a zone is not sufficiently liquid, IAS 19 (revised) recommends using government bonds as a benchmark.

In any event, the benchmarks used must have a maturity comparable to the commitments.

In terms of the recognition of actuarial gains and losses, the Group has chosen to apply the IFRS 1 option and to zero the ones linked to employee benefits not yet recognized on the transition balance sheet by allocating them to shareholders' equity.

(in thousands of euros)	December 31, 2021	December 31, 2020[1]
Pension plans and termination benefits (TB)	45,299	60,351
Other benefits	63,230	65,509
Total pension and other post-employment benefit provisions	**108,529**	**125,860**
Plan assets (see note 11.2)	(719)	(13,141)
NET LIABILITY	**107,810**	**112,719**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (See note 16.1.1).

Description of the Group's main plans

The main defined benefit pension plans are located in Switzerland, the United States and France. Most of these plans are pre-funded through insurance policies or investments in pension funds. Funding approaches used comply with local law, particularly with respect to the minimum funding requirements for past entitlements. Given the material nature of these commitments, the Group updates its actuarial analysis each year in order to reflect the cost of these plans in its financial statements. More specifically, the main defined benefit plans within the Group are as follows:

- France: in the French subsidiaries, there are multiple mechanisms relating to post-employment benefit obligations. These include retirement plans, open to all employees, the amount of which corresponds to the average gross monthly salary over the final 12 months, calculated pro-rata to length of service within the Group and the specific details of the collective bargaining agreement covering the employees. The Group also provides for the payment of a lump sum, via length of service plans, rewarding the service of employees at the following milestones: 20 years, 30 years, 35 years and 40 years.

  The length of plans is estimated at 10 years for the French subsidiaries.
- In the US: the retirement plans are affiliated with independent pension funds tasked with collecting and investing contributions. Benefits accrue upon retirement, declaration of disability or death.

  The length of plans is estimated at 14 years for the US subsidiaries. On top of retirement plans, the employees benefit from health plans, post-employment, that cover a large range of medical expenses (visits, dentist, ophthalmology, etc.). The benefits provided depend on the ratings and the age of renewal.

- In Switzerland: the plans cover the benefits paid upon retirement, in the event of dismissal, declaration of disability or death, in the form of an annuity or lump sum payment. The collection and management of employer and employee contributions are handled by a special foundation.

  The length of plans is estimated at 12 years for the Swiss subsidiaries.

The average duration of benefits under all plans within the Group is 13 years. It is expected that €11 million in contributions will be paid into the plans over the coming year.

Assets and liabilities recognized in the balance sheet

Net liability recognized *(in thousands of euros)*	December 31, 2021 Pension plans and TB	Other benefits	Total	DECEMBER 31, 2020[1] Pension plans and TB	Other benefits	Total
Present value of funded liabilities	398,795	63,230	462,024	507,363	65,509	572,872
Fair value of plan assets	(407,531)	-	(407,531)	(464,627)	-	(464,627)
Net liability before asset limit	**(8,736)**	**63,230**	**54,493**	**42,736**	**65,509**	**108,245**
Limit on recognition of plan assets (asset ceiling)	53,317	-	53,317	4,474	-	4,474
NET LIABILITY	**44,581**	**63,230**	**107,810**	**47,210**	**65,509**	**112,719**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (See note 16.1.1).

Analysis of net annual expense

(in thousands of euros)	2021 Pension plans and TB	Other benefits	Total	2020[1] Pension plans and TB	Other benefits	Total
Current service costs	(12,678)	(2,350)	(15,028)	(14,764)	(2,134)	(16,898)
Financial cost	(3,348)	(1,855)	(5,203)	(3,779)	(2,582)	(6,361)
Interest income on assets	2,067	-	2,067	2,332	-	2,332
Curtailments and settlements	6,734	(127)	6,607	6,415	-	6,415
Total Expense with income statement impact	**(7,225)**	**(4,332)**	**(11,557)**	**(9,796)**	**(4,716)**	**(14,512)**
Actuarial gains and losses on plan assets	(10,124)	-	(10,124)	20,846	-	20,846
Experience adjustments	(3,545)	5,523	1,977	(20,975)	8,566	(12,409)
Adjustments related to demographic assumptions	8,081	1,345	9,426	15,238	611	15,849
Adjustments related to financial assumptions	3,857	2,214	6,071	(9,688)	(11,270)	(20,958)
Total Expense with impact on other comprehensive income	**(1,731)**	**9,081**	**7,350**	**5,421**	**(2,093)**	**3,328**
TOTAL EXPENSE FOR THE YEAR	**(8,957)**	**4,749**	**(4,208)**	**(4,375)**	**(6,809)**	**(11,184)**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (See note 16.1.1).

Change in financial assets used to fund the plans

	2021			2020		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Fair value of assets at January 1	**464,627**		**464,627**	**446,339**		**446,339**
Interest income on assets	2,067		2,067	2,332		2,332
Contributions paid	15,722		15,722	17,684		17,684
Translation differences	19,430		19,430	(2,744)		(2,744)
Benefits paid	9,181		9,181	(24,346)		(24,346)
Changes in consolidation scope	(139,832)		(139,832)	-		-
Actuarial gains (losses)	36,336		36,336	25,362		25,362
ASSETS FAIR VALUE AT DECEMBER 31	**407,531**		**407,531**	**464,627**		**464,627**

Analysis of plan assets by type and country at December 31, 2021

Breakdown of plan assets	France	Switzerland	United-States	India	Total
Cash and cash equivalents	-	2.8%	-	-	9,805
Equity instruments	-	26.5%	-	-	92,450
Debt instruments	-	30.9%	-	-	107,800
Real estate assets	-	24.2%	-	-	84,426
Assets held by insurers	100.0%	0.1%	-	100.0%	1,875
Other	-	15.6%	100.0%	-	111,174
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**407,531**
PLAN ASSETS *(in thousands of euros)*	**72**	**349,177**	**56,751**	**1,532**	**407,531**

Change in net liability

	2021			2020(1)		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Net liability at January 1	**47,210**	**65,509**	**112,719**	**57,687**	**66,872**	**124,559**
Expense for the year	8,957	(4,749)	4,208	4,371	6,809	11,180
Contributions paid	(9,603)	-	(9,603)	(10,765)	-	(10,765)
Translation differences	145	5,039	5,184	(2,737)	(5,916)	(8,653)
Benefits paid by employer	(2,276)	(2,568)	(4,844)	(1,695)	(2,256)	(3,951)
Changes in consolidation scope	-	-	-	69	-	69
Other	146	-	146	280	-	280
NET LIABILITY AT DECEMBER 31	**44,579**	**63,231**	**107,810**	**47,210**	**65,509**	**112,719**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (See note 16.1.1).

Principal actuarial assumptions	France	Europe (excluding France)	United-States	Turkey and India	West Africa & the Middle East
Discount rate					
2021	1.0%	0.3% to 1%	3.0%	6.2% to 18.5%	4.5% to 15%
2020	0.3%	0.15% to 0.5%	2.8%	5.9% to 13%	4.5% to 14.5%
Rate of increase in medical costs					
2021	-	-	6.65% to 4.5%	-	-
2020	-	-	7.1% to 4.5%	-	-

Sensitivity analysis

The main factors contributing to the volatility of the balance sheet are the discount rate and the rate of increase in medical costs.

The sensitivity of the defined benefit obligation at the end of 2021 corresponding to a variation of +/-50 basis points in the discount rate is €(28.1) million and €31.5 million, respectively.

The sensitivity of the defined benefit obligation at the end of 2021 corresponding to a change of +/-1% in the rate of increase of medical costs is €10 million and €(8.3) million, respectively.

16.1.1 Impact of the application of the decision of the IFRS IC

The effects of the application of the decision of the IFRS IC are presented as follows in the financial statements:

Consolidated statement of comprehensive income

(in thousands of euros)	2020 figures reported	Impact of the decision of the IFRIC	2020 figures restated
Consolidated net income	**172,144**	-	**172,144**
Other comprehensive income	-	-	-
Items not recycled to profit or loss:			
Remeasurement of the net defined benefit liability	46	3,282	3,328
Tax on non-recycled items	307	(854)	(547)
Items recycled to profit or loss:			
Changes in currency translation adjustments	(280,898)	(676)	(281,574)
Cash flow hedge instruments	4,878	-	4,878
Tax on recycled items	(1,157)	-	(1,157)
Other comprehensive income (after tax)	**(276,824)**	**1,752**	**(275,072)**
TOTAL COMPREHENSIVE INCOME	**(104,680)**	**1,752**	**(102,928)**
Portion attributable to minority interests	(20,570)	-	(20,570)
Portion attributable to the Group	**(84,110)**	**1,752**	**(82,358)**

Consolidated statement of financial position

(in thousands of euros)	At January 1, 2020 reported	Impact of the decision of the IFRIC	January 1, 2020 restated	December 31, 2020 reported	Impact of the decision of the IFRIC	December 31, 2020 restated
ASSETS						
Goodwill	1,231,538	-	1,231,538	1,118,874	-	1,118,874
Other intangible assets	187,046	-	187,046	170,812	-	170,812
Property, plant and equipment	2,031,781	-	2,031,781	1,987,852	-	1,987,852
Right of use related to leases	219,066	-	219,066	186,829	-	186,829
Investment properties	15,125	-	15,125	14,831	-	14,831
Investments in associated companies	85,212	-	85,212	77,873	-	77,873
Deferred tax assets	89,938	(2,372)	87,566	71,922	(2,957)	68,965
Receivables and other non-current financial assets	236,142	-	236,142	239,176	-	239,176
Total non-current assets	**4,095,848**	**(2,372)**	**4,093,476**	**3,868,169**	**(2,957)**	**3,865,212**
Inventories and work-in-progress	401,551	-	401,551	354,937	-	354,937
Trade and other accounts	416,568	-	416,568	440,874	-	440,874
Current tax assets	72,811	-	72,811	3,328	-	3,328
Other receivables	192,776	-	192,776	152,496	-	152,496
Cash and cash equivalents	398,514	-	398,514	422,843	-	422,843
Total current assets	**1,482,220**	**-**	**1,482,220**	**1,374,478**	**-**	**1,374,478**
TOTAL ASSETS	**5,578,068**	**(2,372)**	**5,575,696**	**5,242,647**	**(2,957)**	**5,239,690**

(in thousands of euros)	At January 1, 2020 reported	Impact of the decision of the IFRIC	January 1, 2020 restated	December 31, 2020 reported	Impact of the decision of the IFRIC	December 31, 2020 restated
SHAREHOLDERS' EQUITY AND LIABILITIES						
Capital	179,600	-	179,600	179,600	-	179,600
Additional paid-in capital	11,207	-	11,207	11,207	-	11,207
Treasury shares	(52,416)	-	(52,416)	(53,587)	-	(53,587)
Consolidated reserves	2,598,620	7,990	2,606,610	2,679,297	10,416	2,689,713
Translation reserves	405,843	57	(405,786)	(640,130)	(675)	(640,805)
Shareholders' equity, Group share	**2,331,168**	**8,047**	**2,339,215**	**2,176,387**	**9,741**	**2,186,128**
Minority interests	**264,767**		**264,767**	**234,306**	**4**	**234,310**
Total shareholders' equity	**2,595,935**	**8,047**	**2,603,982**	**2,410,693**	**9,745**	**2,420,438**
Provisions for pensions and other post-employment benefits	141,235	(10,866)	130,369	139,022	(13,162)	125,860
Other provisions	140,243	-	140,243	116,764	-	116,764
Financial debts and put options	1,109,769	-	1,109,769	1,270,162	-	1,270,162
Lease liabilities	178,398	-	178,398	157,563	-	157,563
Deferred tax liabilities	253,194	447	253,641	213,736	460	214,196
Other non-current liabilities	52,072	-	52,072	37,999	-	37,999
Total non-current liabilities	**1,874,911**	**(10,419)**	**1,864,492**	**1,935,246**	**(12,702)**	**1,922,544**
Provisions	10,635	-	10,635	13,522	-	13,522
Financial liabilities and put options at less than one year	391,594	-	391,594	165,375	-	165,375
Lease liabilities at less than one year	59,864	-	59,864	47,382	-	47,382
Trade and other accounts payable	354,652	-	354,652	375,329	-	375,329
Current taxes payable	49,162	-	49,162	24,557	-	24,557
Other liabilities	241,315	-	241,315	270,543	-	270,543
Total current liabilities	**1,107,222**	**-**	**1,107,222**	**896,708**	**-**	**896,708**
Total liabilities	**2,982,133**	**(10,419)**	**2,971,714**	**2,831,954**	**(12,702)**	**2,819,252**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,578,068**	**(2,372)**	**5,575,696**	**5,242,647**	**(2,957)**	**5,239,690**

Statement of changes in consolidated shareholder's equity

(in thousands of euros)	Capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Translation reserves	Shareholders' equity, Group share	Minority interests	Total shareholders' equity
At January 1, 2020 reported	**179,600**	**11,207**	**(52,416)**	**2,598,620**	**405,843**	**2,331,168**	**264,767**	**2,595,935**
Impact of the decision of the IFRS IC on other comprehensive income	-	-	-	7,990	57	8,047	-	8,047
At January 1, 2020 restated	**179,600**	**11,207**	**(52,416)**	**2,606,610**	**(405,786)**	**2,339,215**	**264,767**	**2,603,982**
Net income	-	-	-	155,995	-	155,995	16,149	172,144
Other comprehensive income	-	-	-	(5,822)	(234,283)	(240,105)	(36,719)	(276,824)
Impact of the decision of the IFRS IC on other comprehensive income	-	-	-	2,428	(675)	1,753	-	1,753
Comprehensive income reported	**-**	**-**	**-**	**150,173**	**(234,283)**	**(84,110)**	**(20,570)**	**(104,680)**
Comprehensive income restated	**-**	**-**	**-**	**152,601**	**(234,958)**	**(82,357)**	**(20,570)**	**(102,927)**
Dividends paid	-	-	-	(66,369)	-	(66,369)	(8,232)	(74,601)
Net change in treasury shares	-	-	(1,171)	(1,455)	-	(2,626)	-	(2,626)
Other changes	-	-	-	(1,676)	-	(1,676)	(1,659)	(3,335)
Impact of the decision of the IFRS IC on other changes	-	-	-	2	(61)	(59)	4	(55)
AT DECEMBER 31, 2020 REPORTED	**179,600**	**11,207**	**(53,587)**	**2,679,293**	**(640,126)**	**2,176,387**	**234,306**	**2,410,693**
AT DECEMBER 31, 2020 RESTATED	**179,600**	**11,207**	**(53,587)**	**2,689,713**	**(640,805)**	**2,186,128**	**234,310**	**2,420,438**

16.2 Other provisions

Accounting policy

In accordance with IAS 37, a provision is recognized when the Group has a current commitment, whether statutory or implicit, resulting from a significant event prior to the closing date which would lead to an outflow of resources without corresponding inflow after the closing date, which can be reliably estimated.

These include, notably, provisions for site reinstatement, which are set aside progressively as quarries are used and include the projected costs related to the Group's obligation to reinstate such sites.

In accordance with IAS 37, provisions are discounted when the impact is significant. The effects of this discounting are recorded under net financial income.

(in thousands of euros)	Restoration of sites	Dismantling	Other risks[1]	Other expenses	Total
At December 31, 2019	**51,420**	**564**	**91,590**	**7,305**	**150,878**
Increase	7,420	28	11,364	3,238	22,050
Reversal of provisions used	(2,226)	(73)	(19,589)	(1,124)	(23,012)
Reversal of unused provisions	(17)	-	(113)	-	(130)
Change in translation effect	(302)	3	(19,938)	(338)	(20,575)
Changes in consolidation scope	-	-	-	-	-
Other movements	2,973	-	(2,480)	582	1,075
At December 31, 2020	**59,268**	**522**	**60,834**	**9,663**	**130,286**
Increase	4,898	39	9,789	1,798	16,524
Reversal of provisions used	(5,162)	(106)	(24,477)	(4,584)	(34,329)
Reversal of unused provisions	-	-	-	-	-
Change in translation effect	2,006	21	1,061	361	3,449
Changes in consolidation scope	200	-	(424)	(247)	(471)
Other movements	-	-	(105)	1	(104)
AT DECEMBER 31, 2021	**61,210**	**476**	**46,678**	**6,992**	**115,355**
of which less than one year	*29*	*-*	*5,877*	*4,475*	*10,381*
of which more than one year	*61,181*	*476*	*40,800*	*2,517*	*104,974*

Impact (net of expenses incurred) on the income statement for 2021	Additional expense	Reversals unused
Operating income (expense):	15,383	-
Non-operating income (expense):	1,140	-

(1) At December 31, 2021, other risks included:
- *The provisions recognized in Ciplan's (Brazil) financial statements for a total amount of €20.7 million (€38.8 million at December 31, 2020) which mainly concern:*
  - *tax litigation relating chiefly to tax credits (ICMS) attributable to import duties related to the purchase of coke and diesel for production purposes, and disputed by the tax authorities (€18.4 million),*
  - *industrial relations and labor tribunal disputes following the departure of former employees (€1.8 million),*
  - *civil litigation involving fines and claims challenged by the company (€0.4 million).*

  At the time of its acquisition by the Vicat Group, Ciplan received a firm and irrevocable guarantee from its Brazilian partners for all litigation or future litigation relating to the period prior to the acquisition. This guarantee is recognized in other non-current assets for €28.0 million (see note 11.2), on the one hand in respect of indemnifiable claims accounted for as a provision (€20.2 million) and on the other hand, in respect of a tax recorded as tax debts at more than one year (€7.7 million).
- *An amount of €12.9 million (€9.7 million as at December 31, 2020) corresponding mainly to the estimated amount of the deductible at year-end for work-related accident claims in the United States and which will be paid by the Group.*
- *The remaining amount of other provisions for risks amounting to €13.1 million as at December 31, 2021 (€12.3 million as at December 31, 2020) corresponds to the sum of other provisions that, taken individually, are not material.*

NOTE 17 CURRENT LIABILITIES

17.1 Trade payables and related accounts

(in thousands of euros)	2021	2020
At January 1	**375,329**	**354,652**
Changes	88,335	38,724
Change in translation effect	(1,464)	(18,181)
Changes in consolidation scope	(2,455)	2,221
Other movements	(98)	(2,087)
AT DECEMBER 31	**459,647**	**375,329**

17.2 Other liabilities

(in thousands of euros)	December 31, 2021	December 31, 2020
Payroll liabilities	76,547	73,291
Tax liabilities	71,602	65,278
Other liabilities and accrued expenses	126,558	131,974
TOTAL	**274,707**	**270,543**

NOTE 18 CASH FLOWS

18.1 Net cash flows generated from operating activities

Net cash flows from operating activities conducted by the Group in 2021 totaled €439 million, compared with €528 million as at December 31, 2020.

This reduction in cash flows generated by operating activities between 2021 and 2020 is mainly due to a change in working capital of €(116) million compared to 2020, partly offset by the increase in cash flow from operations of €28 million.

(in thousands of euros)	Working capital December 31, 2019	Change Working capital 2020	Other changes	Working capital December 31, 2020	Change in Working capital 2021	Other changes	Working capital December 31, 2021
Inventories	401,551	(24,942)	(21,672)	354,937	93,682	(19,376)	429,243
Other Working capital components	(8,570)	(42,705)	5,613	(45,662)	(45,008)	3,179	(87,491)
WORKING CAPITAL	**392,981**	**(67,647)**	**(16,059)**	**309,275**	**48,674**	**(16,197)**	**341,752**

18.2 Net cash flows from investing activities

Net cash flows from investing activities conducted by the Group in 2021 were €(443) million, compared with €(322) million in 2020.

Acquisitions of property, plant and equipment and intangible assets

These reflect outflows for industrial investments (€376 million in 2021 and €300 million in 2020) mainly corresponding, in 2021 and 2020, to investments made in the United States, France and Senegal.

Acquisition/disposal of shares in consolidated companies

Operations for the acquisition/disposal of consolidated companies carried out in 2021 resulted in total outflows of €(31) million. The main outflows over the period related to the acquisition of majority interests in France and the acquisition of a minority interest in a Brazilian subsidiary, partly offset by the inflow resulting from the Group's disposal of a subsidiary in Switzerland.

The main outflows by the Group during 2020 were made for capital contributions to the Group's equity-accounted entities.

SEGMENT INFORMATION

Accounting policy

In accordance with IFRS 8 "Operating Segments" the segment information is based on information taken from the internal reporting. This information is used internally by the General Management responsible for implementing the strategy defined by the Chairman of the Board of Directors for measuring the Group's operating performance and for allocating capital expenditure and resources to geographical areas and business segments.

The operating segments defined pursuant to IFRS 8 comprise the following six geographical areas in which the Group operates and which can, as permitted by IFRS 8, combine countries with similarities:

- France;
- Europe (except France) including Switzerland and Italy;
- Americas including United States and Brazil;
- Asia including India and Kazakhstan;
- Mediterranean region including Turkey and Egypt;
- Africa including Senegal, Mali and Mauritania.

This organization by region is means of assessing the financial nature and impact of economic environments in which the Group operates and reflects its matrix-based organization as well as the predominance of geographical aspects in the strategic analyses presented to the General Management. More concise additional information is presented per business sector.

The management indicators presented were adapted in order to be consistent with those used by the General Management, while complying with IFRS 8 disclosure requirements: revenue from operations and consolidated revenue, EBITDA and EBIT, total non-current assets, net capital employed, industrial investments, depreciation and amortization and number of employees.

The management indicators used for internal reporting are identical for all the segments defined above and are determined in accordance with the IFRS principles applied by the Group in its consolidated financial statements.

Breakdown by operating segment

Information relating to operating segment is presented according to the geographical location of the entities concerned.

December 31, 2021 *(in thousands of euros except headcount)*	France	Europe (excluding France)	Americas	Asia	Mediterranean	Africa	Total
Income statement							
Operating revenue	1,105,336	396,295	671,935	428,010	228,377	341,222	3,171,175
Inter-country eliminations	(31,358)	(2,761)	-	(80)	-	(14,036)	(48,235)
Consolidated revenue	1,073,978	393,534	671,935	427,930	228,377	327,186	3,122,940
EBITDA (see Definition of management indicators)	201,096	88,959	139,624	121,648	3,152	64,639	619,118
EBIT (see Definition of management indicators)	117,693	55,294	83,638	88,137	(14,743)	29,903	359,922
Balance sheet							
Total non-current assets	848,356	643,387	1,109,531	701,396	269,113	535,500	4,107,283
Net capital employed[1]	898,022	573,217	942,014	729,171	290,384	573,678	4,006,486
Other information							
Acquisitions of property, plant and equipment and intangible assets	133,818	38,913	175,447	20,945	19,013	67,660	455,796
Net depreciation and amortization charges	(88,996)	(34,645)	(53,429)	(32,300)	(16,817)	(32,262)	(258,449)
Average number of employees	3,071	725	2,161	1,216	1,353	950	9,476

December 31, 2020 *(in thousands of euros except headcount)*	France	Europe (excluding France)	Americas	Asia	Mediterranean	Africa	Total
Income statement							
Operating revenue	987,283	425,712	635,788	348,068	173,210	272,764	2,842,825
Inter-country eliminations	(24,136)	(2,243)	-	(72)	-	(11,212)	(37,663)
Consolidated revenue	963,147	423,469	635,788	347,996	173,210	261,552	2,805,162
EBITDA (see Definition of management indicators)	170,502	97,483	141,468	102,746	(11,009)	56,125	557,315
EBIT (see Definition of management indicators)	92,065	55,296	86,461	68,498	(29,391)	24,919	297,848
Balance sheet							
Total non-current assets[2]	792,705	651,369	946,352	679,009	290,748	505,029	3,865,212
Net capital employed[1][2]	815,911	623,455	750,738	669,945	278,996	536,163	3,675,208
Other information							
Acquisitions of property, plant and equipment and intangible assets	92,861	42,968	169,708	16,687	14,764	38,489	375,477
Net depreciation and amortization charges	(83,231)	(37,518)	(55,519)	(33,440)	(16,028)	(30,592)	(256,328)
Average number of employees	2,987	1,097	2,132	1,228	1,510	948	9,902

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working capital, after deduction of provisions and deferred taxes.
(2) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (See note 16.1.1).

Information by business segment

December 31, 2021 *(in thousands of euros)*	Cement	Concrete & Aggregates	Other Products and Services	Total
Income statement				
Operating revenue	1,913,585	1,191,065	452,993	3,557,643
Inter-segment eliminations	(281,063)	(32,849)	(120,791)	(434,703)
Consolidated revenue	1,632,522	1,158,216	332,202	3,122,940
EBITDA (see Definition of management indicators)	456,217	133,308	29,593	619,118
EBIT (see Definition of management indicators)	300,016	48,883	11,023	359,922
Balance sheet				
Net capital employed(1)	2,841,342	951,101	214,043	4,006,486

December 31, 2020 *(in thousands of euros)*	Cement	Concrete & Aggregates	Other Products and Services	Total
Income statement				
Operating revenue	1,673,216	1,082,841	434,414	3,190,471
Inter-segment eliminations	(252,160)	(33,076)	(100,073)	(385,309)
Consolidated revenue	1,421,056	1,049,765	334,341	2,805,162
EBITDA (see Definition of management indicators)	415,240	120,776	21,299	557,315
EBIT (see Definition of management indicators)	264,432	33,531	(115)	297,848
Balance sheet				
Net capital employed(1)(2)	2,598,255	945,489	131,464	3,675,208

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working capital, after deduction of provisions and deferred taxes.
(2) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan (See note 16.1.1).

OTHER INFORMATION

NOTE 19 REMUNERATION OF EXECUTIVES

Pursuant to the provisions of article 225.102-1 of the French Commercial Code, and in accordance with IAS 24, we hereby inform you that the total gross compensation paid to each company officer in 2021 was as follows:

Guy Sidos €1,447,100 and Didier Petetin: €471,722.

These amounts represent the total compensation paid by Vicat SA and any companies it controls, or is controlled by, as defined by article L. 233-16 of the French Commercial Code.

As from 2021, the two aforementioned company officers no longer benefit from a supplemental pension plan as defined in Article 39 of the French General Tax Code (CGI). In fact, this supplemental pension plan was terminated during the year. The obligations in question were thus cancelled during the same period.

In addition, to partly offset the loss of this supplemental pension plan, a free share plan was established in 2021: the two aforementioned company officers were beneficiaries, along with a number of executives who benefitted from this supplemental pension plan. In 2021, neither of the two company officers received shares under the free share plan.

Outside of this free share plan, no stock or stock options have been granted to the above company officers with the exception of any received under legal or contractual employee profit-sharing or incentive plans.

NOTE 20 TRANSACTIONS WITH RELATED COMPANIES

In addition to information required for related parties regarding the senior executives, described in note 19, related parties with which transactions are carried out include affiliated companies in which Vicat directly or indirectly holds a stake, and entities that hold a stake in Vicat.

These related-party transactions were not material and were all concluded on an arm's length basis.

These transactions have all been recorded in compliance with IAS 24 and their impact on the Group's consolidated financial statements for 2021 and 2020 is as follows, broken down by type of related party:

	December 31, 2021				DECEMBER 31, 2020			
(in thousands of euros)	**Sales**	**Purchases**	**Receivables**	**Liabilities**	Sales	Purchases	Receivables	Liabilities
Associates	3,359	1,424	3,542	2,294	2,780	2,615	3,226	4,152
Other related parties	29	1,200	1	-	84	1,207	12	148
TOTAL	**3,388**	**2,624**	**3,543**	**2,294**	**2,864**	**3,822**	**3,238**	**4,300**

NOTE 21 AUDIT FEES

Fees paid to statutory auditors and other professionals in their networks as recognized in the financial statements of Vicat SA and its fully consolidated subsidiaries for 2021 are as follows:

2021	KPMG AUDIT		WOLFF & ASSOCIÉS		OTHER	
(in thousands of euros)	Amount (excl. tax)	%	Amount (excl. tax)	%	Amount (excl. tax)	%
AUDIT						
Certification of individual and consolidated financial statements	1,176	47%	457	18%	871	35%
• VICAT SA	304	58%	224	42%	-	0%
• Controlled entities	872	44%	233	12%	871	44%
Services other than the certification of the financial statements	60	62%	-	0%	37	38%
• VICAT SA	60	100%	-	0%	-	0%
• Controlled entities	-	0%	-	0%	37	100%
Subtotal audit	**1,236**	**48%**	**457**	**18%**	**908**	**35%**
OTHER SERVICES						
Legal, tax, employment and other matters	-	0%	1	0%	544	95%
Subtotal Other services	**-**	**0%**	**1**	**0%**	**544**	**95%**
TOTAL	**1,265**	**40%**	**458**	**14%**	**1,452**	**46%**

NOTE 22 POST-BALANCE SHEET EVENTS

No post-balance sheet event has had a material impact on the consolidated financial statements as at December 31.

NOTE 23 LIST OF MAIN CONSOLIDATED COMPANIES AS AT DECEMBER 31, 2021

Fully consolidated: France

			% INTEREST	
Company	Country	City	December 31, 2021	December 31, 2020
VICAT	France	L'Isle d'Abeau	-	-
AGENCY BULK CHARTERING VICAT	France	Nantes	49.99	49.99
ANNECY BETON CARRIÈRES	France	L'Isle d'Abeau	49.98	49.98
LES ATELIERS DU GRANIER	France	Chapareillan	99.98	99.98
BÉTON CONTRÔLE CÔTE D'AZUR	France	Nice	99.97	99.97
BÉTON VICAT	France	L'Isle d'Abeau	99.98	99.98
BÉTON TRAVAUX	France	L'Isle d'Abeau	99.98	99.98
CARRIÈRE DE BELLECOMBES	France	L'Isle d'Abeau	99.97	49.98
CENTRE D'ÉTUDE DES MATÉRIAUX ET DES BÉTONS	France	Fillinges	79.99	79.99
DELTA POMPAGE	France	Chambéry	99.98	99.98
GRANULATS VICAT	France	L'Isle d'Abeau	99.98	99.98
PARFICIM	France	L'Isle d'Abeau	100.00	100.00
SATMA	France	L'Isle d'Abeau	100.00	100.00
SATM	France	Chambéry	99.98	99.98
SIGMA BÉTON	France	L'Isle d'Abeau	99.99	99.99
VICAT PRODUITS INDUSTRIELS	France	L'Isle d'Abeau	99.98	99.98

Fully consolidated: Rest of the world

			% INTEREST	
Company	Country	City	December 31, 2021	December 31, 2020
CIPLAN	Brazil	Brasilia	74.13	66.07
VICAT BRASIL	Brazil	Brasilia	100.00	100.00
SINAÏ CEMENT COMPANY	Egypt	Cairo	56.20	56.20
JAMBYL CEMENT PRODUCTION COMPANY LLP	Kazakhstan	Almaty	90.00	90.00
MYNARAL TAS COMPANY LLP	Kazakhstan	Almaty	90.00	90.00
BUILDERS CONCRETE	USA	California	100.00	100.00
KIRKPATRICK	USA	Alabama	100.00	100.00
NATIONAL CEMENT COMPANY OF ALABAMA	USA	Alabama	100.00	100.00
NATIONAL CEMENT COMPANY INC	USA	Delaware	100.00	100.00
NATIONAL CEMENT COMPANY OF CALIFORNIA	USA	Delaware	100.00	100.00
NATIONAL READY MIXED	USA	California	100.00	100.00
VIKING READY MIXED	USA	California	100.00	100.00
WALKER CONCRETE	USA	Georgia	100.00	100.00
CEMENTI CENTRO SUD Spa	Italy	Genova	100.00	100.00
CIMENTS & MATÉRIAUX DU MALI	Mali	Bamako	94.90	94.90
GECAMINES	Senegal	Thies	100.00	100.00
POSTOUDIOKOUL	Senegal	RUFISQUE (DAKAR)	100.00	100.00
SOCOCIM INDUSTRIES	Senegal	RUFISQUE (DAKAR)	99.90	99.90

Company	Country	City	% INTEREST December 31, 2021	December 31, 2020
ALTOLA AG	Switzerland	Olten (Solothurn)	100.00	100.00
KIESWERK AEBISHOLZ AG	Switzerland	Aebisholz (Soleure)	100.00	100.00
BETON AG BASEL	Switzerland	Basel	100.00	100.00
BETON AG INTERLAKEN	Switzerland	Interlaken (Bern)	75.42	75.42
BETONPUMPEN OBERLAND AG	Switzerland	Wimmis (Bern)	82.46	82.46
CREABETON MATERIAUX SA	Switzerland	Lyss (Bern)	-	100.00
EMME KIES + BETON AG	Switzerland	Lützelflüh (Bern)	66.67	66.67
FRISCHBETON AG ZUCHWIL	Switzerland	Zuchwil (solothurn)	88.94	88.94
FRISCHBETON LANGENTHAL AG	Switzerland	Langenthal (Bern)	81.17	79.17
FRISCHBETON THUN	Switzerland	Thoune (Bern)	53.48	53.48
KIESTAG STEINIGAND AG	Switzerland	Wimmis (Bern)	98.55	98.55
KIESWERK NEUENDORF	Switzerland	Neuendorf (Soleure)	50.00	50.00
SABLES + GRAVIERS TUFFIERE SA	Switzerland	Hauterive (Fribourg)	50.00	50.00
SHB STEINBRUCH + HARTSCHOTTER BLAUSEE MITHOLZ AG	Switzerland	Frutigen (Bern)	98.55	98.55
SOLOTHURNER ENTSORGUNGS GESELLSCHAFT	Switzerland	Flumenthal (Solothurn)	100.00	100.00
SONNEVILLE AG	Switzerland	Deitingen (Solothurn)	100.00	100.00
VIGIER BETON JURA SA	Switzerland	Belprahon (Bern)	84.81	84.81
VIGIER BETON KIES SEELAND AG	Switzerland	Lyss (Bern)	100.00	100.00
VIGIER BETON MITTELLAND AG	Switzerland	Feldbrunnen (Solothurn)	100.00	100.00
VIGIER BETON ROMANDIE SA	Switzerland	St. Ursen (Fribourg)	100.00	100.00
VIGIER BETON SEELAND JURA AG	Switzerland	Safnern (Bern)	94.24	94.24
VIGIER CEMENT AG	Switzerland	Pery (Bern)	100.00	100.00
VIGIER HOLDING AG	Switzerland	Deitingen (Solothurn)	100.00	100.00
VIGIER MANAGEMENT AG	Switzerland	Deitingen (Solothurn)	100.00	100.00
VIGIER RAIL	Switzerland	Müntschemier (Bern)	100.00	100.00
VIGIER TRANSPORT AG (ex-GRANDY)	Switzerland	Langendorf (Soleure)	100.00	100.00
VITRANS AG	Switzerland	Pery (Bern)	100.00	100.00
BASTAS BASKENT CIMENTO	Turkey	Ankara	91.60	91.60
BASTAS HAZIR BETON	Turkey	Ankara	91.60	91.60
KONYA CIMENTO	Turkey	Konya	83.08	83.08
KONYA HAZIR BETON	Turkey	Konya	83.08	83.08
TAMTAS	Turkey	Ankara	100.00	100.00
MAURICIM	Mauritania	Nouakchott	100.00	100.00
BHARATHI CEMENT	India	Hyderabad	51.02	51.02
KALBURGI CEMENT	India	Hyderabad	99.98	99.98

Equity method: France

Company	Country	City	% INTEREST December 31, 2021	December 31, 2020
ALTèreNATIVE	France	L'Isle d'Abeau	49.99	-
BIOVAL	France	L'Isle d'Abeau	39.99	39.99
CARRIÈRES BRESSE BOURGOGNE	France	Épervans	33.28	33.28
DRAGAGES ET CARRIÈRES	France	Épervans	49.98	49.98
SABLIÈRES DU CENTRE	France	Les Martres d'Artière	49.99	49.99
SCI ABBÉ CALES	France	Chambéry	69.99	69.99
EST LYONNAIS GRANULATS	France	Dijon	33.33	33.33

Equity method: Rest of the world

Company	Country	City	% INTEREST December 31, 2021	December 31, 2020
HYDROELECTRA	Switzerland	Au (St. Gallen)	50.00	50.00
PROBETON	Switzerland	Vernier	50.20	-
SILO TRANSPORT AG	Switzerland	Bern	50.00	50.00
SINAÏ WHITE CEMENT	Egypt	Cairo	14.27	14.27
PLANALTO	Brazil	Brasilia	36.32	32.38
BIKILTAS ENERJI PETROL MADENCILIK INSAAT AS	Turkey	Selcuklu/Konya	50.00	50.00

7.1.3 Auditor's report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2021

To the general meeting of shareholders of Vicat S.A.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Vicat S.A. for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 01st January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Emphasis of Matter

We draw attention to the change in accounting principle resulting from IFRS IC decision published on May 24, 2021 that relates to the period of service over which a company attributes a benefit for a defined benefit plan (IAS 19) described in notes 1.1 "Statement of compliance" and 16.1.1. "Impact of the application of the decision of the IFRS IC". Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Long term assets valuation

Description of the risk identified

Goodwill, intangible assets and property, plant and equipment have net book values at 31 December 2021 of 1,157 M€, 174 M€ and 2,169 M€, respectively, and represent a significant amount of the consolidated balance sheet. These assets are accounted and described in Notes 2.2 – Business combination, 10.1 - Goodwill, 10.2 – Others intangible assets and 10.3 - Property, plant and equipment.

These assets may present a risk of depreciation related to internal or external factors, such as the deterioration of the Group's performance, changes in the competitive environment, unfavorable market conditions and changes in legislation or regulations. These changes can have an impact on the Group's cash flow forecasts and consequently on the determination of the recoverable amounts of these assets.

Management performs impairment tests at least once a year for goodwill or for the other non-financial assets and if there is an impairment trigger as described in Note 10.1. Assets are tested at the level of the cash-generating units defined by the Group,which correspond to the smallest identifiable group of assets generating independent cash inflows.

An impairment loss is recognized in the income statement if the net booked value of an asset or cash-generating unit is higher than its recoverable value. The recoverable value is the higher amount between the fair value less the transfer costs and value in use. Value in use is valued according to the discounted future cash flow projections method updated over a period of 10 years, increased by the terminal value calculated on the basis of an infinite projection of the operating cash flow for the last year.

The assessment of the recoverable value of these assets is a key audit matter, given the significant potential of impairment and the high degree of estimation and judgment required by management for this assessment. The judgments include, in particular, assumptions regarding the future evolution of cement consumption and costs of main factors of production.

Our responses to the risk

We reviewed the impairment testing process implemented by the management, in order to perform impairment testing and assessed the permanence of the method used.

We adapted our audit approach whether or not significative evidence of impairment losses exist on cash-generating units. Concerning valor in use, we assessed the reasonableness of key Management assumptions with respect to earnings forecasts (with comparison to both budget and historical performance), of growth and discount rates.

For a selection of CGU's, we assessed the reasonableness of future cash flow projections with respect to past achievements, our knowledge of business activity supported by interviews with Group or division managers and, according to their availabilty, external datas of other companies in the same business sector.

We paid particular attention to the determination of projected to infinity normative terminal cash flow amount.This flow amount corresponds to a projected cash flow beyond the long-term plan established by the Group and, which can be reproduced indefinitely, to allow to calculate the so-called terminal value, included in the estimate of the market value of assets. We analyzed the sensibility of the impairment test to assess the materiality of the potential impacts on the recoverable value of the riskiest assets.

We assessed the appropriateness of the information given in the notes to the financial statements concerning impairment tests of those assets and tested the arithmetic accuracy of the sensitivity analysis.

Litigations and provisions

Description of the risk identified

The group is exposed to a variety of legal risks, especially an ongoing procedings in India against one of the group's partner in Bharati Cement.

As indicated in note 16, The Group is recording a provision when it has a current commitment, whether legal or implicit, resulting from an event prior to the closing date which would lead to an outflow of resources without corresponding inflow after the closing date, which can be reliably estimated.

As indicated in note 11.2 "Receivables and other non current assets", Bharathi Cement India made precautionary seizures in 2015 and 2016 due to an inquiry by the CBI (Central Bureau of Investigation) against a group's partner for an amount of approximately 34 M€ as at 31 December 2021 (32 M€ as at 31 December 2020). These amounts, not available for the company until the termination of the on-going procedure, are booked in "Receivables and other non current assets".

The company is appealing to the administrative and judicial authorities. Any related contingent liability can not be estimated with sufficient reliance, and therefore, no provision has been accounted for in the financial statements of the company.

We have considered the identification of risks and litigations, the valuation of provisions for such risks and litigations and the related information in the notes to the consolidated financial statements as a key audit matter given the amounts involved and the high degree estimate and judgment required by management to determine such provisions.

Our responses to the risk

In order to get a sufficient understanding of the litigations, the contingent liabilities and the related estimates, we have interviewed with the group Legal Counsel, with the management of the main subsidiries, and have performed a critical review of the Group estimates in relation with the documentation analysed, the external attorneys legal documentation, and the information provided on the main ongoing proceedings and their potential financial incidence, as commnicated by legal confirmation as part of our attorneys' confirmation procedures.

In particular, regarding the India based litigation related to CBI inquiry, we have:

- conducted a review of the internal analysis notes for the likelihood and potential impact of the risk, examining the available procedural elements as well as the legal opinions issued by the Group external attorney;
- excercised our professional judgment to assess, in particular, the positions held by the Management within risk assessment ranges and the validity of the evolution over the time of such positions.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce), is included in the Group's management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of Vicat CEO, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of

17 Decembre 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Vicat S.A. by the annual general meeting held on November 25, 1983 for KPMG Audit and on May 16, 2007 for Wolff & Associés S.A.S.

As at December 31, 2021, KPMG Audit and Wolff & Associés S.A.S. were in the 39th year and 14th year of total uninterrupted engagement since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The statutory auditors

French original signed on/by

KPMG Audit
A division of KPMG S.A.
Paris La Défense, February 17, 2022
Philippe Grandclerc
Partner

Wolff & Associés S.A.S.
Chamalières, February 17, 2022
Grégory Wolff
Partner

7.2 STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2021

7.2.1 Statutory financial statements at December 31, 2021 Vicat SA

Income statement

(in thousands of euros)	2021	2020
Production of goods sold	429,405	392,128
Production of services sold	50,759	44,170
Sale of goods	4,636	4,922
Net revenue	**484,801**	**441,220**
Stored production	901	(2,859)
Capitalized production	3,948	3,793
Operating subsidy	341	652
Reversals of provisions, depreciation and amortization, expense transfers	6,729	1,026
Other income	5,227	5,245
Operating income	**501,947**	**449,077**
Purchases and external expenses	300,760	260,895
Taxes	12,723	17,152
Wages and payroll taxes	78,011	76,012
Depreciation expenses	32,077	27,176
Other operating expenses	1,251	2,130
Operating expenses	**424,823**	**383,366**
Operating income (expense)	**77,125**	**65,711**
Income from investments in subsidiaries and affiliates	64,111	67,753
Other interest and similar income	8,834	6,817
Reversals of provisions and expense transfers	2,554	2,994
Positive exchange rate differences	355	173
Financial income	**75,855**	**77,737**
Depreciation, amortization and provisions	248	4,894
Interest and similar expenses	16,221	23,042
Negative exchange rate differences	536	182
Net expenses on disposal of short-term financial investments	-	-
Financial expenses	**17,005**	**28,117**
Financial income	**58,850**	**49,619**
PROFIT FROM ORDINARY ACTIVITIES	**135,975**	**115,331**
Exceptional income on management transactions	1	1
Exceptional income on capital transactions	4,427	1,709
Reversals of provisions and expense transfers	8,640	8,608
Exceptional income	**13,068**	**10,318**
Exceptional expenses on management transactions	(187)	463
Exceptional expenses on capital transactions	3,039	5,267
Depreciation, amortization and provisions	13,668	6,875
Exceptional expenses	**16,521**	**12,605**
EXCEPTIONAL INCOME	**(3,453)**	**(2,287)**
Employee profit-sharing	3,260	2,764
Income tax	16,515	12,587
NET INCOME	**112,747**	**97,692**

Balance sheet at December 31, 2021

(in thousands of euros)	2021 Gross	2021 Depreciation, amortization and impairment	2021 Net	2020
ASSETS				
Concessions, patents, licenses and similar rights	46,586	33,282	13,304	8,379
Goodwill	7,747	1,570	6,177	6,231
Other intangible assets	9,401	679	8,722	11,038
Intangible assets	**63,735**	**35,531**	**28,204**	**25,648**
Land	73,291	12,285	61,006	59,820
Buildings	188,543	151,220	37,323	39,250
Plant, machinery and equipment	654,023	547,358	106,665	105,444
Other property, plant and equipment	14,802	13,839	963	1,297
Property, plant and equipment in progress	47,071	-	47,071	20,431
Advances and prepayments	88	-	88	552
Property, plant and equipment	**977,817**	**724,702**	**253,115**	**226,794**
Investments in associated companies	2,205,037	7,263	2,197,775	2,164,295
Receivables related to investments in associated companies	1,565	-	1,565	1,546
Other receivables from subsidiaries and associates	10,019	-	10,019	10,019
Loans	230,080	-	230,080	10
Other financial investments	25,373	13,192	12,181	20,955
Financial investments	**2,472,073**	**20,454**	**2,451,619**	**2,196,825**
Intangible and tangible fixed assets	**3,513,626**	**780,688**	**2,732,938**	**2,449,267**
Raw materials and other supplies	76,057	10,893	65,164	56,454
Products in progress	-	-	-	-
Services in progress	-	-	-	-
Intermediate and finished products	22,577	-	22,577	21,676
Goods	252	-	252	243
Inventories and work-in-progress	**98,886**	**10,893**	**87,994**	**78,374**
Advances and prepayments on orders	1,247	-	1,247	731
Trade receivables and related accounts	105,072	286	104,786	106,406
Other receivables	446,449	156	446,293	562,096
Short-term financial investments	15,023	9	15,014	4,895
Cash	7,483	-	7,483	1,923
Prepaid expenses[1]	3,615	-	3,615	1,998
Current assets	**578,888**	**451**	**578,437**	**678,049**
Expenses to be allocated over several years	919	-	919	1,569
TOTAL ASSETS	**4,192,319**	**792,031**	**3,400,288**	**3,207,260**

(1) of which more than one year (gross)

-
-

(in thousands of euros)	2021	2020
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	179,600	179,600
Share premium	11,207	11,207
Revaluation reserve	10,940	10,954
Reserves:		
Legal reserve	18,708	18,708
Regulated reserves	112	112
Other reserves	1,187,464	1,161,141
Retained earnings	246,034	240,980
Net income for the year	112,747	97,692
Investment grants	2,656	-
Regulated provisions	70,431	67,948
Shareholders' equity	**1,839,899**	**1,788,343**
Provisions for risks	716	307
Provisions for charges	49,969	46,385
Provisions	**50,685**	**46,692**
Bank borrowings and financial liabilities	1,222,992	1,118,009
Miscellaneous borrowings and financial liabilities	270	278
Trade payables and related accounts	87,592	61,788
Tax and employee-related payables	27,055	28,645
Debts on non-current assets and related accounts	10,821	5,595
Other liabilities	160,974	157,909
Deferred income[1]	-	-
Debts	**1,509,704**	**1,372,225**
TOTAL LIABILITIES	**3,400,288**	**3,207,260**

(1) of which more than one year

-

-

7.2.2 Notes to the Statutory financial statements for 2021

NOTE 1 SIGNIFICANT EVENTS

On November 15, 2021, the Group entered into a €250 million financing agreement structured as a US private placement with leading US investors. This financing agreement has two tranches:

- The first tranche, which was released on December 15, 2021: €100 million in 10-year maturities (2031) bearing a fixed rate of 1.27%;
- The first tranche, is to be released on February 15, 2022: €150 million in 15-year maturities (2036) bearing a fixed rate of 1.57%;

This financing allows the Group to strengthen the cash position on its balance sheet, to lengthen the overall maturity of its debt and reduce the Group's average debt ratio.

The Shareholders General Meeting and the meeting of the Board of Directors of April 9, 2021 decided to establish a free share plan comprising 271,497 shares delivered in annual tranches, over a period of up to 2037 that varies depending on the beneficiaries. This plan, partly to make up for an Article 39 pension plan that was terminated, is intended for certain executives holding managerial functions within the Group along with certain company officers. This plan is subject to continued employment with the Group. Should this condition of continued employment not be satisfied on the annual delivery dates, only shares that have already been delivered will be retained by the beneficiary.

This plan provides in particular that each tranche will have a vesting period of one year plus the vesting period of the previous period and a holding period of five years limited to continued employment within the Group.

In 2021, €2,538 thousand was recognized in the income statement in respect of this plan.

Despite the ongoing impact of the Covid-19 pandemic on the global economy, Vicat S.A. saw a marked upsurge in business in 2021.

Most government support measures introduced in 2020, and in particular partial unemployment measures, were gradually withdrawn in 2021 without a significant impact on the income statement.

Vicat S.A.'s priority has always been above all to ensure the health safety of its employees, of its customers and of its suppliers by strictly applying procedures adapted to the health situation.

NOTE 2 ACCOUNTING POLICIES AND VALUATION METHODS

The annual financial statements have been prepared in accordance with generally accepted accounting principles in France according to the general accounting plan (ANC Regulation No. 2014-03 on the General Accounting Plan as supplemented by subsequent regulations).

Generally accepted accounting principles have been applied, in accordance with the principle of prudence and the following basic assumptions:

- going concern;
- consistency of accounting policies from one financial year to the next;
- independence of financial years;

and in accordance with the general rules for preparing and presenting the annual financial statements.

The basic measurement method is historical cost. The principal methods used are as follows:

2.1 Intangible assets

Intangible assets are recognized at historical cost and amortized on a straight line basis over a period ranging from 2 to 30 years. Goodwill, fully amortized, corresponds to business assets received prior to the 1986 financial year. Since 2014, business assets acquired or received as a contribution is not amortized.

Research & development costs are entered as expenses.

2.2 Property, plant and equipment

Property, plant and equipment is recorded at acquisition or production cost, by applying the component approach pursuant to CRC Regulation No. 2002-10. The cost of goods sold excludes all financing expenses. Property, plant and equipment acquired before December 31, 1976 have been restated.

The depreciation is calculated on a straight-line basis over the useful life of property, plant and equipment having regard to the expected lifespan, the most common of which are as follows:

- construction and civil engineering of industrial sites or facilities 15 to 30 years;
- industrial sites or facilities: 5 to 15 years;
- rolling stock 5 to 8 years;
- sundry equipment 5 years.
- computer equipment 3 years.

Depreciation calculated based on useful lives is recognized in the balance sheet under regulated provisions.

In accordance with ANC Regulation No. 2014-05, deposits and subsoil are accounted for separately under quarry lands:

- the deposit, comprised of materials to be extracted for incorporation into a production process, was reallocated to inventories;
- the subsoil, the residual portion of the land, is recognized under property, plant and equipment. It is not depreciated but will be written down in the event of an impairment loss.

2.3 Financial investments and treasury shares

Investments in associated companies are initially recognized at acquisition cost. Impairment losses are recognized if the book value exceeds the estimated value in use at the end of the period. This estimate is primarily determined with reference to the net assets of the investment, remeasured where necessary by factoring in forecasts based on the earnings outlook of investments. For listed securities, regard is had to the average stock price over the final month of the previous year. Any unrealized gains resulting from such estimations are not recognized. Finally, investments acquired before December 31, 1976 have been restated.

Treasury shares are recognized at acquisition cost and recorded in other financial investments. Those intended for allotment to employees under profit-sharing and performance-related bonus schemes along with those intended to be used for free share awards are recognized in short-term financial investments. Income from sales of treasury shares contributes to the earnings for the year. At year-end, treasury shares are valued on the basis of the average price in the last month of the year. Changes in the share price below the historic purchase price can effect a change in the earnings. Shares allocated to the free share plan are excluded from measurement over the final month of the year, in line with CNC (French National Accounting Board) notice No. 2002D.

2.4 Short-term financial investments

Short-term financial investments are valued at acquisition cost or at market value if lower.

2.5 Inventories

Inventories are valued using the method of weighted average unit cost. The gross value of goods and supplies includes both the purchase price and all related costs. Manufactured goods are recorded at production cost and include consumables, direct and indirect production costs and depreciation of production equipment.

In the case of inventories of finished products and work-in-progress, the cost includes an appropriate share of fixed costs based on standard conditions of use of the production facilities.

Inventory impairments are recorded when necessary to take into account any probable losses identified at year-end.

2.6 Emission Quotas

We use the method recommended by the ANC (Regulation No. 2012-03 dated October 4, 2012, approved on January 7, 2013) to recognize greenhouse gas emission quotas.

According to this method, provided the quotas are intended to fulfill the obligations related to emissions (production model):

- quotas are recognized in inventories when acquired (free of charge or against payment). They are drawn down as and when necessary to cover greenhouse gas emissions, as part of the surrender procedure, or at the time of their sale, and are not revalued at closing;
- a debt is recognized at the period-end if there is an allowance shortfall.

As of today Vicat only get the quotas allocated free of charge by the State under National Quotas Allocation Plans, applying these rules means they are posted as inventories for a zero value. In addition, as surpluses are currently recognized by Vicat, no debt is posted to the balance sheet.

2.7 Receivables

Receivables and payables are recorded at nominal value.

Impairment losses for receivables are recognized when the current value is below book value and when there is a risk of non-recovery.

2.8 Provisions for risks and charges

A provision will be funded for any obligation the Company has to a third party that may be estimated with sufficient reliability and that will lead to a probable outflow of resources without equivalent consideration. Provisions for quarry restoration are recognized over the operating life of the quarry on the basis of the expected cost of restoring the site. Such estimates are revised annually and, where necessary, the provision is adjusted.

2.9 Borrowings

Bank borrowings and financial liabilities are recognized as balance sheet liabilities at their nominal amount and amortized over the term of the corresponding borrowings. Issue expenses for borrowings are spread over the term of the borrowings.

2.10 Transactions in foreign currencies and translation differences

Income and expenses denominated in foreign currencies are recorded using the exchange rates prevailing at the date of the transaction. At year-end, these receivables and payables are valued in the balance sheet at year-end exchange rates.

Differences arising from revaluation of foreign currency receivables and payables are reported in the balance sheet under "Translation adjustment" for any uncovered portion. Additional provisions for risks are funded for non-offset unrealized currency losses.

2.11 Tax consolidation

Vicat S.A. is the head of the tax group for the purposes of articles 223 A et seq. of the French General Tax Code. Each company within the tax group recognizes the tax it would have paid had it not been a member. Any saving or additional tax expense resulting from the difference between the sum of the tax due by each subsidiary within the tax group and the tax calculated on the consolidated earnings is recognized by Vicat S.A.

NOTE 3 NOTE TO THE INCOME STATEMENT

3.1 Revenue

Net revenue rose 9.88% in 2021, breaking down as follows:

	2021			2020
(in thousands of euros)	France	Rest of the world	Total	Total
Sale of products	392,021	37,385	429,406	392,128
Sale of services	30,004	20,755	50,759	44,170
Sale of goods	3,109	1,527	4,636	4,922
TOTAL	**425,134**	**59,667**	**484,801**	**441,220**

3.2 Operating income (expense)

Operating income of €77,125 thousand was up €11,414 thousand on 2020, driven primarily by sustained industrial activities. This performance was nevertheless offset by the significant increase in the cost of raw materials and energy costs.

3.3 Financial income

Financial income rose €9,231 thousand in 2021 (net income of €58,850 thousand in 2021 compared with €49,619 thousand in 2020). This change is primarily due to the November 2020 refinancing of €175 million at a lower rate, allowing the Group to significantly reduce financial costs going forward.

3.4 Exceptional income

Exceptional expense stood at €3,453 thousand in 2021 compared with an expense of €2,287 thousand in 2020. The change was mainly due to the higher provision set aside for price increases, which rose by €5,217 thousand, directly tied to the increase in raw material costs. However, this was partly offset by an improvement in gains on the disposal of treasury shares of €2,576 thousand.

3.5 Income tax

At December 31, income tax and additional contributions broke down as follows:

Breakdown *(in thousands of euros)*	Profit (loss) before tax	Corporate tax	Social security contributions	Net profit (loss) after tax
Profit from ordinary activities	135,975	15,216	(592)	120,167
Exceptional income (and employee profit-sharing)	(6,713)	(684)	(23)	(7,420)
ACCOUNTING PROFIT (LOSS)	**129,261**	**(15,900)**	**(615)**	**112,746**

The impact of special tax-based valuations on 2021 profit (loss) are as follow:

Headings *(in thousands of euros)*	Additional expense	Reversals	Amount
Net income for the year	-	-	112,746
Income tax[1]	-	-	15,900
Social security contributions	-	-	615
Profit (loss) before tax			**129,261**
Change in special tax depreciation	4,567	(7,970)	(3,403)
Change in the special revaluation provision	-	(60)	(60)
Change in price increase provision	6,113	(166)	5,974
Subtotal	10,679	(8,196)	2,483
Profit (loss) excluding special tax-based valuations (before tax)	-	-	**131,744**

(1) Corporation tax expense includes the charge for taxable income for the year less tax credits and the impact of the tax consolidation plan.

Vicat has opted for a tax consolidation plan with itself as the parent company. This option relates to 14 companies. Under the terms of the tax consolidation agreement, subsidiaries pay the same tax as if there had been no tax consolidation. The tax saving resulting from the tax consolidation agreement goes to the parent company, other than amounts due to subsidiaries claiming for tax losses, for which a provision is taken (see note 4.8). For 2021, this saving amounted to €1 million.

The expenses referred to under articles 223 (c) and 39.4 of the French General Tax Code amounted to €133 thousand in respect of 2021.

The contingent tax liabilities associated with timing differences in how certain income and expense items are treated under tax rules and accounting rules was as follows in 2021:

Headings *(in thousands of euros)*	Amount
Tax owing on:	
• price increase provisions	2,390
• special tax depreciation	16,329
Total increase	**19,329**
Tax paid in advance on expenses that are deductible the following year (of which employee profit-sharing: 939)	1,940
Total tax relief	**1,940**
Net deferred tax	**17,389**

NOTE 4 NOTE TO THE BALANCE SHEET

4.1 Property, plant and equipment and intangible assets

Gross amount

(in thousands of euros)	Opening gross amount	Increase	Decrease	Reclassification	Closing gross amount
Concessions, patents, goodwill and other intangible assets	58,320	7,448	2,569	536	63,735
Total intangible assets	**58,320**	**7,448**	**2,569**	**536**	**63,735**
Land and improvements	71,692	1,180	297	716	73,291
Buildings and improvements	187,499	1,060	1,232	1,216	188,543
Plant, machinery and equipment	639,490	10,377	5,967	10,123	654,023
Other property, plant and equipment	14,499	102	152	353	14,802
Property, plant and equipment in progress	-	39,120	-	(12,480)	47,071
Advances and prepayments	552	-	-	(464)	88
Total property, plant and equipment	**934,163**	**51,839**	**7,648**	**(536)**	**977,817**
TOTAL	**992,483**	**59,287**	**10,217**	**-**	**1,041,553**

The main changes in property, plant and equipment and intangible assets are related to:

- Xeuilley Argilor Project for €15,014 thousand;
- Montalieu Cimentalgue project for €1,226 thousand;
- Acquisition of Créabéton expertise for €1,052 thousand;
- Montalieu management of SOX emissions for €969 thousand;
- The scoping study of the customer knowledge project for €927 thousand;
- Créchy - SN type de-NOX equipment for €926 thousand;
- Collaborative scoping for €848 thousand;
- Migration to the cloud EMEA KZ CH CH US for €504 thousand;
- Innovation foam concrete project for €500 thousand;
- Vizille inertial connection for €354 thousand.

Property, plant and equipment in progress is mainly made up of industrial sites or facilities under construction, including the Argilor project in Xeuilley for €15,014 thousand.

Depreciation

(in thousands of euros)	Opening Depreciation	Increase	Decrease	Reclassification	Closing depreciation
Concessions, patents, goodwill and other intangible assets	32,672	2,982	123	-	35,531
Total Intangible assets	**32,672**	**2,982**	**123**	**-**	**35,531**
Land and improvements	11,509	414	-	-	11,923
Buildings and improvements	148,248	3,970	1,236	-	150,982
Plant, machinery and equipment	534,046	18,051	5,905	-	546,192
Other property, plant and equipment	13,202	789	152	-	13,839
Total property, plant and equipment	**707,005**	**23,224**	**7,293**	**-**	**722,936**
TOTAL	**739,677**	**26,206**	**7,416**	**-**	**758,467**

The impairment of non-current assets comes on top of depreciation and totaled €1,766 thousand. It was mainly related to industrial equipment at the paper business for €1,404 thousand.

Research & development costs recorded in expenses for the financial year and eligible for CIR (research and innovation tax credit) amounted to €4,329 thousand in 2021 (compared with €3,367 thousand in 2020). These include €2,804 thousand for internal costs (depreciation, staff and operating costs) and €1,525 thousand for work commissioned to external organizations.

4.2 Financial investments

Gross amount

(in thousands of euros)	Opening gross amount	Increase in contribution	Decrease	Closing gross amount
Investments in associated companies	2,171,348	33,689	-	2,205,037
Receivables related to investments in associated companies	1,528	37	-	1,565
Other receivables from subsidiaries and associates	10,019	-	-	10,019
Loans[1]	10	230,070	-	230,080
Other financial investments	48,317	404	23,349	25,373
TOTAL	**2,231,222**	**264,201**	**23,349**	**2,472,074**

(1) Gross financial investments increased by €240,851 thousand, mainly as a result of:

• *the change in VICAT LATIN AMERICA securities.*	*29,350*
• *the change in other financial investment Allocation of treasury shares to the free share plan.*	*(23,349)*
• *the change in medium-and long-term VIGIER and NCC loans* (Receivables vis-à-vis NCC and VIGIER were recognized under current accounts at December 2020, for €198,603 thousand).*	*230,070*

Investments in associated companies break down as follows at December 31:

(in thousands of euros)		Amount
1. Affiliates whose market value is equal to or greater than €16,000		
4,393,013	PARFICIM shares	1,423,624
1,749,418	BÉTON TRAVAUX shares[1]	88,884
2,054,000	CAP VRACS shares	53,404
240,068	SATMA shares	7,613
376,000	GETRIM shares	6,015
6,479	SODICAPEI shares	10,990
58,837	DUMONT INVESTISSEMENT shares	10,000
368,550	GENVIA shares	1,345
34,374	VALERCO shares	1,210
16,908	SEGY shares	340
30,000	LE1817 shares	300
4,178	SCORI shares	255
118,864	FINAO shares	221
20,000	CIRCULERE shares	200
11,000	SYSCOBAT shares	112
34,000	GYPSE DE MAURIENNE shares	104
1,654	SIGMA shares	29
		1,604,647
2. Affiliates whose market value is less than €16,000		**34**
3. Investments in foreign companies[2]		**610,375**
TOTAL		**2,215,056**

(1) Of which increase following revaluation	*1,308*
(2) Of which increase following revaluation	*429*

Loans and other gross financial investments amounted to €257,017 thousand and have a term of at most one year.

Impairment

(in thousands of euros)	Opening impairment	Increase	Reversals	Closing impairment
Investments in associated companies	7,035	227	–	7,263
Receivables related to investments in associated companies	-	-	-	-
Other receivables from subsidiaries and associates	-	-	-	-
Other financial investments	27,362	21	14,191	13,192
TOTAL	**34,397**	**248**	**14,191**	**20,454**

Trading in treasury shares classified as financial investments

Under the liquidity agreement with ODDO, the following amounts were recognized in the liquidity account at year-end:

- 53,605 treasury shares representing a net value of €1,909 thousand;
- €977 thousand in cash.

Under this agreement, 576,595 shares were purchased in 2021 for €22,887 thousand and 572,996 shares were sold for €22,492 thousand.

At December 31, 2021, financial investments included 332,108 treasury shares totaling €24,892 thousand, in addition to 391,397 treasury shares classified as short-term financial investments (see note 4.5).

It should be noted that at December 31, 2021, net financial expense included a net reversal of provisions for impairment of treasury shares of €(14,262) thousand (compared to an increase of €1,338 thousand in 2020). This reversal was offset by the technical loss generated from the transfer of treasury shares to the free share plan.

4.3 Inventories and work-in-progress

	2021			2020		
(in thousands of euros)	Gross	Provision	Net	Gross	Provision	Net
Raw materials and consumables	76,057	10,893	65,164	66,752	10,297	56,454
Intermediate and finished products	22,577	-	22,577	21,676	-	21,676
Goods	252	-	252	243	-	243
TOTAL	**98,886**	**10,893**	**87,994**	**88,671**	**10,297**	**78,374**

The successive roll-out since 2008 of various National Quotas Allocation Plans (Plan II and III) gave rise to a surplus of 5,101 thousand metric tons at December 31, 2020. This surplus will in particular be used to cover any deficits generated over the new phase IV 2021/2026 trading period, which is aiming to increase the speed of annual quota reductions.

Under phase IV (2021/2026), the allowance shortfall totals 356 thousand metric tons for 2021. The net surplus of free CO_2 allowances stood at 4,745 thousand metric tons at end-2021.

In accordance with ANC Regulation No. 2013-03 article 1, allowances allocated free of charge are not recorded either as assets or liabilities.

4.4 Trade receivables and related accounts

		2021	
(in thousands of euros)	Gross	Maturity < 1 year	Maturity > 1 year
Trade receivables and related accounts	105,072	104,586	486
Other receivables	446,449	446,449	-
TOTAL RECEIVABLES	**551,521**	**551,035**	**486**

4.5 Short-term financial investments

They consist of:

- 119,900 Vicat shares held for allocation to employees under compulsory and discretionary profit-sharing schemes and arbitraging with a net value of €3,403 thousand. This valuation was on the basis of the average share price in December 2021 of €35.23.
- 271,497 Vicat shares held under the free share plan with a net value of €11,620 thousand. This valuation was on the basis of the share price on the date of the meeting that made the decision. It stood at €42.80. The treasury shares were recognized at their net value in line with CNC (French National Accounting Board) notice No. 2002-D.

4.6 Prepaid expenses

(in thousands of euros)	2021	2020
Operating expenses	3,615	1,998
Financial expenses	-	-
TOTAL	**3,615**	**1,998**

4.7 Shareholders' equity

(in thousands of euros)	2021	2020
Opening shareholders' equity	1,788,343	1,761,375
Closing shareholders' equity	1,839,899	1,788,343
Change	**51,556**	**26,968**
Analysis of changes		
Net income for the year	112,747	97,692
Dividend payments(1)	(66,316)	(66,370)
Revaluation adjustment	(13)	(21)
Investment grants	2,656	-
Regulated provisions	2,483	(4,333)
TOTAL	**51,556**	**26,968**

(1) Less dividends on treasury shares

Share capital is €179,600,000, divided into 44,900,000 shares of €4 each, held by:

- Public 35.55%;
- Employee shareholders* 1.27%;
- Pafininco 30.59%;
- Soparfi 26.59%;
- Family 4.38%;
- Vicat 1.61%.

** Pursuant to article L. 225-102 of the French Commercial Code.*

4.8 Provisions

(in thousands of euros)	Opening amount	Increase	Reversals (used)	Reversals (unused)	Closing amount
Regulated provisions	**67,948**	**10,679**	**8,196**	**-**	**70,431**
Price increase provisions	2,478	6,113	166	-	8,425
Special tax depreciation	63,110	4,567	7,970	-	59,707
Special revaluation provision	2,360	-	60	-	2,300
Provisions for risks and charges	**46,692**	**5,871**	**918**	**960**	**50,685**
Provisions for quarry restoration	5,596	1,249	384	960	5,502
Provisions for disputes	307	499	90	-	716
Other provisions for risks and charges	40,789	4,123	444	-	44,468
TOTAL	**114,640**	**16,550**	**9,114**	**960**	**121,116**

Receipt of a new permit for the Sassenage quarry with a mode of operation that is more in line with the geography led us to review the site restoration plan. This gave rise to a provision reversal of €960 thousand.

The schedule for the reversal of regulated provisions breaks down as follows:

(in thousands of euros)	Amount	Reversal within 1 year	Reversal over 1 year
Price increase provision	8,425	-	8,425
Special tax depreciation	59,707	-	59,707
Special revaluation provision	2,300	-	2,300
TOTAL	**70,431**	-	**70,431**

The provisions for risks and charges amount to €50,685 thousand and cover:

- forecast costs under the French quarry restoration obligation of €5.5 million. These provisions are made for each of the quarries based on tonnages extracted as a ratio of the potential deposit and the estimated cost of the work to be performed at the end of operations.
- The other provisions for risks and charges mainly include a provision of €40.9 million for tax to be repaid to subsidiaries under the Group tax consolidation plan. The amount increased €1.2 million on 2020.

4.9 Financial liabilites

Maturities schedule

(in thousands of euros)	Gross amount	1 year max.	more than 1 year and up to 5 years max.	more than 5 years
Bank borrowings and financial liabilities[1]	1,222,992	93,365	830,000	299,627
Miscellaneous borrowings and financial liabilities	270	50	219	-
Short-term bank borrowings	-	-	-	-
Total financial liabilities	**1,223,262**	**93,416**	**830,219**	**299,627**
Trade payables and related accounts	87,592	87,592	-	-
Tax and employee-related payables	27,055	27,055	-	-
Debts on non-current assets and related accounts	10,821	10,821	-	-
Other liabilities	160,974	160,974	-	-
TOTAL	**1,509,704**	**379,858**	**830,219**	**299,627**
(1) of which commercial paper	*550,000*	-	*550,000*	-

During 2021, medium and long-term financial liabilities, current bank facilities and other bank borrowings rose by €105 million. The new loans taken out during the year amounted to €100,000 thousand with no loans being repaid in 2021.

Other information

At December 31, 2021 the Company had €225 million in unused confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€230 million at December 31, 2020).

The Company also has a program for issuing commercial paper amounting to €550 million. At December 31, 2021, the amount of commercial paper issued stood at €550 million. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings.

The medium and long-term loan agreements contain specific covenants, especially as regards compliance with financial ratios. The existence of these covenants does not represent a risk to the Company's financial position.

Risk coverage

Foreign exchange rates	The principal and interest due on loans originally issued by the Group in US dollars were converted to euros through a series of cross currency swaps.
Interest Rates	The variable rate debt (€730 million) is hedged through the use of financial instruments (caps) on original maturities of 5 to 10 years amounting to €715 million at December 31, 2021.
Cash	Unused confirmed lines of credit are used to cover the risk of the Group's inability to issue commercial paper on the market, for an amount corresponding to the notes issued, i.e. €550 million on December 31, 2021.

Financial instruments

(in thousands of euros)	Nominal value *(currency)*	Nominal value *(euros)*	Fair value *(euros)*
CHF forward sales	CHF 135,000	130,675	(253)
USD Forward sales	USD 113,000	99,770	226
Interest rate caps	EUR 714,500	714,500	2,699
Cross Currency Swaps	USD 120,000	105,951	15,596[1]
AAT BRL	BRL 10,000	1,585	132

(1) At the same time, debt increased by €8,159 thousand.

4.10 Accounts payable

Accounts payable *(in thousands of euros)*	2021	2020
Bonds	-	-
Bank borrowings and financial liabilities	2,655	2,672
Miscellaneous borrowings and financial liabilities	-	-
Trade payables and related accounts	72,363	51,185
Tax and employee-related payables	20,136	19,467
Other liabilities	41	704
TOTAL	**95,195**	**74,028**

NOTE 5 OTHER INFORMATION

5.1 Off-balance sheet commitments

Compensation of executive directors *(in thousands of euros)*	Amount
Retirement obligations	9,747
Deposits and guarantees[1]	46,889
TOTAL	**56,636**

(1) Of which €33,704 thousand in bank guarantees given on behalf of a foreign subsidiary, along with a put option to the minority shareholders of its subsidiary Mynaral Tas Compagny LLP. This option, exercisable in December 2013 at the earliest, is valued at €11,802 thousand as at December 31, 2021.

Retirement indemnities are accrued in accordance with the terms of in the collective labor agreements. The corresponding liabilities are calculated using the projected unit credit method, which includes assumptions on employee turnover, mortality and wage inflation. Commitments are valued, including social security charges, pro-rata to employees' years of service.

Principal actuarial assumptions used are as follows:

- discount rate: 1.00%;
- wage inflation: from 1.75% to 2.3%.

Commitments received *(in thousands of euros)*	Amount
Confirmed credit lines[1]	790,000
Other commitments received	-
TOTAL	**790,000**

(1) Including €550,000 thousand allocated to cover the commercial paper issue program.

5.2 Transactions with related companies and other related parties

Commitments in the income statement *(in thousands of euros)*	2021
Financial expenses	627
Financial income excluding dividends	8,121

Commitments relating to multiple balance sheet lines *(in thousands of euros)*	2021 Payables or receivables represented by commercial paper
Investments in associated companies	2,216,619
Trade receivables and related accounts	39,641
Other receivables	418,218
Trade payables and related accounts	18,355
Other liabilities	138,229

All transactions with related parties were at arm's length terms.

5.3 Compensation and workforce

Compensation of executives *(in thousands of euros)*	2021
Compensation awarded to directors	434
Compensation awarded to members of Management	1,798
TOTAL	**2,232**

Headcount	Average	12/31/2021
Management	303	314
Supervisors, technicians, white-collar workers	400	415
Blue-collar staff	217	230
TOTAL	**920**	**959**
Of which Paper Division	*165*	*175*

5.4 Audit fees

(in euros)	KPMG	Wolff & A
Certification of the financial statements	302,800	228,596
Services other than the certification of the financial statements	60,000	1,250
TOTAL	**362,800**	**229,846**

5.5 Payment terms customers and suppliers

Customers *(in euros)*	ARTICLE D. 4411.2: INVOICES ISSUED AND UNPAID AT YEAR-END THAT ARE PAST DUE					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	>= 91 days	Total (>=1 day)
(A): Late payment installments						
Number of invoices	63	158	63	38	172	431
Total amount of invoices, inc. vat	1,083,973	2,901,234	819,198	611,495	1,354,657	5,686,584
Percentage of revenue for the year, inc. vat	0.19%	0.51%	0.14%	0.11%	0.24%	1%
(B): Invoices not included in (A) relating to disputed liabilities and receivables						
Number of invoices not included	502					
Total amount of invoices not included, inc. vat	3,204,235					
(C): Reference payment terms used (contractual or statutory term Article L. 441-6 or L. 443-1 of the French Commercial Code.						
Payment terms used to calculate late payments	Contractual deadlines granted when opening the customer account					

The company has excluded from the above analysis (table A) the receivables of 4 foreign subsidiaries which have, at the end of December 2021, a debt of €10,805,294 towards the company which breaks down as follows:

Total	0 days	1 to 30 days	31 to 60 days	61 to 90 days	>= 91 days	Total (>= 1 day)
Total amount of invoices, inc. vat		272,555	281,114	282,906	9,602,747	10,439,322

Suppliers	ARTICLE D. 4411.2: INVOICES RECEIVED AND UNPAID AT YEAR-END THAT ARE PAST DUE					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	>= 91 days	Total (>=1 day)
(A): Late payment installments						
Number of invoices	33	335	58	20	100	546
Total amount of invoices, inc. vat	229,778	1,908,777	323,068	22,247	599,809	3,083,679
Percentage of total purchases for the year, inc. vat	0.06%	0.51%	0.09%	0.01%	0.16%	0.83%
(B): Invoices not included in (A) relating to disputed liabilities and receivables						
Number of invoices not included	60					
Total amount of invoices not included, inc. vat	333,737					
Amount excluding past due intercompany invoices totaling €149,735						

5.6 Subsequent events

There are no significant subsequent events to report.

5.7 Information on subsidiaries and investments in associated companies

Subsidiaries and investments in associated companies

Subsidiaries and investments in associated companies *(in thousands of monetary units: EUR, USD, CFAF)*	Capital	Reserves and retained earnings before appropriation	Share of capital held *(in%)*	Book value of securities held Gross	Book value of securities held Net	Loans and advances provided not yet repaid	Guarantees and endorsements provided by the Company	Revenue excluding VAT for the past year	Net income for the past year	Dividends received by the Company during the year
A - Subsidiaries (at least 50% of the share capital held by the company)										
Béton Travaux 38081 L'Isle d'Abeau Cedex	27,997	284,224	99.98%	88,884	88,884	103,155	-	115	10,860	8,047
National Cement Company(1) Los Angeles – USA	280,520	202,983	97.85%	229,581	229,581	32,562	-	665,113	43,882	-
Ciplan(2) Brazil	436,922	248,605	74.13%	329,530	329,530	-	-	1,321,257	124,952	-
Parficim 38081 L'Isle d'Abeau Cedex	70,288	1,499,602	100.00%	1,423,624	1,423,624	222,433	-	-	20,076	55,001
Satma 38081 L'Isle d'Abeau Cedex	3,841	3,340	100.00%	7,613	7,613	-	-	21,478	588	960
Cap Vracs 13270 Fos sur Mer	20,540	21,233	100.00%	53,404	53,404	-	-	4,659	2,669	-
Sodicapei 34560 Villeveyrac	164	386	58.47%	10,990	3,728	1,564	-	2,275	66	-
Getrim 38081 L'Isle d'Abeau Cedex	6,015	175	100.00%	6,015	6,015	573	-	318	26	-
B - Investments in associated companies (between 10 and 50% of the share capital held by the Company)										
Société des Ciments d'Abidjan(3) Côte d'Ivoire (2019 figures)	2,000,000	36,930,364	17.14%	1,596	1,596	373		42,381,325	1,044,229	-
C- Other subsidiaries and investments in associated companies										
French subsidiaries (collectively)	-	-	-	14,151	14,151	-	-	-	-	59
Foreign subsidiaries (collectively)	-	-	-	49,667	49,667	18,747	-	-	-	-
TOTAL	-	-	-	**2,215,056**	**2,207,793**	**379,407**	-	-	-	**64,067**

(1) Amounts presented in US dollars.
(2) Amounts presented in Brazilian Real.
(3) Amounts presented in CFA francs.

7.2.3 Auditor's report on annual statutory financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2021

To the general meeting of shareholders of Vicat S.A.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Vicat S.A. for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2021 and of the results of its operations for the year ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory auditors Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 1st January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It's in this complex and evolving context that in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Investment valuation

Description of the risk identified

Investments in Group companies as at 31 December 2021 amount to € 2,198 million and represent one of the most significant items of the balance sheet. As mentioned in Note 2, they are recognized at the purchase price and depreciated when necessary, by taking into account the equity share percentage, the estimated future profitability and stock prices when significant or market prices.

These investments' value estimate requires management estimate in the choice of the elements to be considered for each related investment. These elements may correspond in some instances to historical elements (the shareholders' equity or last-month average stock price), or to forecast (profitability).

Both competition and macroeconomic environment a number of subsidiaries are facing, as well as the geographical context for some of them, may lead to an activity downturn and to an operating result decrease.

In this context and with respect to some inherent uncertainties, in particular the forecast achievement, we considered the Investments in Group companies valuation as a key audit matter.

Audit approach

To assess the reasonableness of Investments in Group companies valuation, on the basis of the information we have been provided with, our work consisted mainly in ensuring that the Management's estimations were based on an appropriate rationale regarding the valuation method used and for the underlying data and:

For valuations based on historical items :

- ensure that the shareholders' equity value considered reconciles with the statutory accounts of the entities which had been subject to an audit or to analytical review;
- assess the consistency of the assumptions used by the Management in the course for previous assesments underlying the valuation of the related entities and the absence of conjonctural or structural factors which would have an incidence at year-end;
- assess whether any adjustments on the shareholders' equity where relevant, have been supported by an appropriate documentation.

For valuations based on forecasts :

- obtain a cash flow forecast and an operating forecast cash flows for the various entities, which have been prepared by operationnal management and assess their consistency with the forecast used in the last strategic plan for each entity, prepared by management and approved, when applicable by the Group General Management;
- assess the consistency of the assumptions used based on our knowledge of the economic environment at year-end;
- compare previous forecasts with achievements in order to get a better understanding of previous forecasted realization;
- ensure that the value derived from cash flow forecast has been adjusted from the financial liabilities.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under Article D.441-6 of the French Commercial Code (Code de commerce).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by the Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (Code de commerce) relating to remunerations and benefits paid or attributed to the members of the Board of Directors and of the Supervisory Board and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies which are within the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

Other information

In accordance with the law, we have ensured that the information relating to the identity of the holders of capital or voting rights has been communicated to you in the management report.

Report on other legal and regulatory requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of Vicat CEO, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the statutory auditors

We were appointed as statutory auditors of Vicat SA by the annual general meeting held on November 25, 1983 for KPMG Audit and on May 16, 2007 for Wolff & Associés S.A.S.

As at December 31, 2021, KPMG Audit and Wolff & Associés S.A.S. were in the 39th year and 14th year of total uninterrupted engagement since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory auditor's responsibilities for the audit of financial statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N°537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The statutory auditors

French original signed on/by

KPMG Audit
A division of KPMG S.A.
Paris La Défense, February 17, 2022
Philippe Grandclerc
Partner

Wolff & Associés S.A.S.
Chamalières, February 17, 2022
Grégory Wolff
Partner

7.3 LEGAL AND ARBITRATION PROCEEDINGS

The Group is involved in certain disputes, legal, administrative or arbitration proceedings in the ordinary course of its business. The Group recognizes a provision each time a given risk presents a substantial probability of occurrence before the end of the financial year and when it is possible to estimate its financial consequences.

The principal disputes and administrative, legal or arbitration proceedings in progress involving the Group are detailed below.

7.3.1 Litigation in India

The Group's partner in Bharathi Cement is the focus of an inquiry by the CBI (Central Bureau of Investigation) regarding the source and the growth of his assets. In connection with this inquiry, the CBI filed 14 charge sheets in September 2012 and over the course of 2013, presenting its allegations. Among these, four also involve Bharathi Cement (the CBI is interested in determining whether the investments made in this company by Indian investors were carried out in good faith in the ordinary course of business and if the mining concession was granted in accordance with regulations).

In 2015, the proceedings gave rise to a precautionary seizure by the *"Enforcement Directorate"* of 950 million rupees (originally approximately €12 million) from a Bharathi Cement bank account. Following this seizure, the corresponding amounts concerned were reclassified from "cash" to "other current receivables".

A second precautionary seizure of 1,530 million rupees (originally approximately €19 million) was made in 2016 in the context of the charges regarding the mining concession. The sums were transferred to the *Enforcement Directorate* as part of this seizure. These deposits were also entered as "other current receivables.".

While this measure is not such as to hinder the Company's operations, the Company is appealing to the administrative and judicial authorities to challenge their validity.

In July 2019, the Court of Appeal in Delhi invalidated the seizure of 1,530 million rupees, and demanded a bank guarantee prior to the repayment of the funds. The *Enforcement Directorate* has appealed this judgment.

The provisional attachments do not prejudice the merits of the case (CBI investigation) which is still under review and has not at this point led to a charge. The Company has no reason to think there is any probable or measurable financial risk.

7.3.2 Ciplan litigation in Brazil

At the time of its acquisition by the Vicat Group, Ciplan received a firm and irrevocable guarantee from its Brazilian partners who were selling for all existing or future litigation relating to the period prior to the acquisition by Vicat. This guarantee is recognized in "other non-current assets" for €28 million as at December 31, 2020 in respect of provisions set aside for indemnifying claims as well as a tax liability (see notes 11.2 and 16.2 to the consolidated financial statements).

7.3.3 Situation in Egypt

To be fully able to benefit from the expected recovery of the market, Sinai Cement, the Group's subsidiary in Egypt, plans to invest in the production facility, damaged by years in a difficult operating environment. To give it the means to carry out these investments to improve productivity and control costs, the Group launched an EGP 650 million capital increase to strengthen the subsidiary's financial structure. The release of the funds contributed by the shareholders will take place after obtaining the administrative approvals, the process of which has been ongoing for more than three years. This deadlock, which gave rise to discussions with the authorities, was due in particular to a difference in the interpretation of the legislation on foreign interests in the Sinai region.

On the back of a favorable decision by the Cairo Economic Court in January 2020, in early June 2021 the Group brought proceedings before an international court of arbitration to find a resolution to this dispute. There has been contact with the authorities in order to find an out-of-court settlement. The temporary suspension, still in place, of the arbitration proceedings for a number of weeks gave space for positive discussions, pointing to a solution in the short-term.

7.4 SIGNIFICANT CHANGES TO THE FINANCIAL OR COMMERCIAL POSITION

The current crisis situation between Ukraine and Russia has not yet had an impact on the Group's business.

However, it cannot be said that this crisis will not have consequences for the markets in which the Group operates in the coming months.

Multi-activity site Port Edouard-Herriot (France)

8 General Meeting

8.1 AGENDA FOR THE COMBINED GENERAL MEETING OF APRIL 13, 2022

8.1.1 Within the competence of the Extraordinary General Meeting

- Change to the term of office of directors in the by-laws and corresponding amendment to article 16 of the by-laws.

8.1.2 Within the competence of the Ordinary General Meeting

- Management report of the Board of Directors.
- Board of Directors' report on corporate governance.
- Report of the statutory auditors on the financial statements for the financial year ended December 31, 2021.
- Report of the statutory auditors on the consolidated financial statements for the financial year ended December 31, 2021.
- Special report of the statutory auditors drawn up pursuant to the provisions of article L. 225-40 of the French Commercial Code.
- Approval of the individual financial statements and transactions for the year ended December 31, 2021.
- Charges and expenses referred to in article 39.4 of the French General Tax Code.
- Approval of the consolidated financial statements for the year ended December 31, 2021.
- Appropriation of earnings for the year ended December 31, 2021 and setting of dividend.
- Discharge to be given to the Board of Directors for the performance of its duties.
- Approval of regulated agreements.
- Authorization to empower the Board of Directors to purchase, hold or transfer the Company's shares and approval of the share buy-back program.
- Renewal of the term of office of Jacques Merceron-Vicat.
- Renewal of the term of office of Xavier Chalandon.
- Approval of the remuneration policy for the Company officers – "ex ante" vote.
- Approval of the information given in the corporate governance report, pursuant to article L. 22-10-8 of the French Commercial Code – "ex post" vote).
- Approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2021 to Guy Sidos, Chairman and Chief Executive Officer – "ex post" vote.
- Approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2021 to Didier Petetin, Chief Operating Officer – "ex post" vote.
- Approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2021 to Lukas Epple, Chief Operating Officer – "ex post" vote.
- Powers.

8.2 DRAFT RESOLUTIONS FOR THE COMBINED GENERAL MEETING OF APRIL 13, 2022

8.2.1 Resolution within the remit of the Extraordinary General Meeting

First Resolution *(Change to the term of office of directors and corresponding amendment to the by-laws)*

The Extraordinary General Meeting, at the behest of the Board of Directors, resolves to change the term of office of directors to four years and to make the corresponding amendment to article 16 "Term of Office of Directors – Age Limit – Reappointment – Co-option – Employee Director" of the by-laws.

By way of exception, it resolves that this amendment will not affect the terms of office of sitting directors, who shall remain in office for the term initially specified.

Cancels and supersedes the previous wording of paragraphs 1, 2, 3, 4, and the second point of paragraph 6, as follows:

"1) Directors are appointed for a term of four years. They can be re-elected. If one or more seats are unfilled, the Board can, under the conditions set by the law, co-opt members for temporary appointments, subject to ratification at the next General Meeting.

2) Subject to the provisions of points 3 and 4 of this article, all terms of office expire at the close of the Ordinary General Meeting called to approve the financial statements for the year during which the term of four years has ended.

3) When a natural person has been appointed as a director and will reach the age of 75 before the expiration of the four-year term mentioned above, the term of office is limited, in any case, to the period of time between the said director's appointment and the Ordinary General Meeting called to approve the financial statements for the year during which this director reaches the age of 75.

4) However, the Ordinary General Meeting at the close of which the term of office of said director expires may, if the Board of Directors so moves, re-elect the director for a further four-year term, although it should be noted that at no time may the Board of Directors have more than one-third of its members over the age of 75.

6) (…)

The Company's Central Economic and Social Committee appoints the employee director(s) for a renewable term of four years."

8.2.2 Resolutions within the remit of the Ordinary General Meeting

Second resolution *(Approval of the statutory financial statements and transactions for the year ended December 31, 2021)*

The Ordinary General Meeting, having reviewed the Board of Directors' report and the statutory auditors' report on the statutory financial statements for the financial year ended December 31, 2021, approves the statutory financial statements for the year as presented to it, as well as the transactions shown in those financial statements or summarized in those reports, showing a profit for the financial year of €112,746,528.21.

Pursuant to the provisions of article 223 quater of the French General Tax Code, the Ordinary General Meeting records that no expense or cost mentioned in article 39.4 of this Code was incurred during the past financial year.

Third resolution *(Approval of the consolidated financial statements for the financial year ended December 31, 2021)*

The Ordinary General Meeting, having reviewed the Board of Directors' management report and the statutory auditors' report on the consolidated financial statements for the financial year ended December 31, 2021, approves the consolidated financial statements for the year as presented to it, as well as the transactions shown in those financial statements or summarized in those reports, showing a consolidated profit for the financial year of €222,184 thousand, with a Group share of net income of €204,184 thousand.

Fourth resolution *(Appropriation of earnings for the year ended December 31, 2021 and dividend)*

Further to acknowledging the existence of distributable profits, the Ordinary General Meeting approves the appropriation and distribution thereof as proposed by the Board of Directors:

• net income for 2021 financial year	€112,746,528.21
• retained earnings carried forward	€246,033,715.55
TOTAL	**€358,780,243.76**

Appropriation:

• dividend (based on the current share capital of 44,900,000 shares with a nominal value of €4 each)	€74,085,000
• allocation to other reserve accounts	€38,695,243.76
• retained earnings	€246,000,000.00

and accordingly fixes the dividend to be distributed for the 2021 financial year at the gross amount of €1.65 per share (excluding levies).

The ex-dividend date is April 29, 2022 and the dividend will be paid out on May 3, 2022.

When it is paid to individuals who are tax resident in France, the dividend is subject either to a single flat-rate withholding tax of 12.8% on the gross dividend, or, if the taxpayer expressly, irrevocably and for all matters so elects, to be taxed using the progressive income tax scale with in particular relief of 40%. The dividend is also subject to social security contributions at 17.2%.

In line with the provisions of article 243 bis of the French General Tax Code, the Ordinary General Meeting records that the following dividends were distributed over the past three years:

	2019	2020	2021
Ordinary dividend per share	€1.50	€1.50	€1.50
Dividends eligible for relief under article 158.3-2 of the French General Tax Code	€1.50	€1.50	€1.50
Dividends not eligible for relief under article 158.3-2 of the French General Tax Code	-	-	-
Total dividend	€67,350,000	€67,350,000	€67,350,000

Fifth resolution *(Discharge to be given to the Board of Directors for the performance of its duties)*

The Ordinary General Meeting provides full and unconditional discharge to the members of the Board of Directors for the performance of their duties during the 2021 financial year.

Sixth resolution *(Approval of regulated agreements)*

Having reviewed the special report issued by the statutory auditors on agreements specified in article L. 225-38 of the French Commercial Code, the Ordinary General Meeting duly notes the conclusions of this report and formally acknowledges that there were no agreements covered by these provisions during the past financial year.

Seventh resolution *(Authorization to empower the Board of Directors to purchase, hold or transfer the Company's shares and approval of the share buy-back program)*

The Ordinary General Meeting, having reviewed the special report of the Board of Directors and the description of the share buyback program in the Universal Registration Document, authorizes the Board of Directors, with the option of sub-delegation under the terms and conditions of the law, to purchase, hold or transfer Company shares, subject to compliance with applicable laws and regulations, and in particular compliance with article L. 20-10-62 of the French Commercial Code, European Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse, and market practices permitted by the Autorité des marchés financiers (French Financial Regulator), for the following purposes (not in order of priority):

(a) To allocate or sell shares to employees and/or officers of the Company and/or of companies which are related to it or will be related to it under the terms and conditions set out in law, particularly for purposes of employee saving schemes, purchase option, free share allocation, and stock ownership plans (notably under the conditions of articles L. 3332-1 et seq. and L. 3344-1 of the French Labor Code);

(b) To foster a liquid trading of the share through a liquidity agreement entered into with an investment services provider in line with the market practice permitted by the Autorité des marchés financiers;

(c) To retain the Company's shares and subsequently use them for payment, exchange or otherwise in the context of external growth transactions within the limit of 5% of the share capital;

(d) To cancel some or all of the shares acquired up to the maximum statutory limit subject to a confirmatory vote by an Extraordinary General Meeting on a resolution for the purpose;

(e) To allow the Company to trade in the Company's shares for any other purpose authorized now or in the future by law or regulations in force.

The Ordinary General Meeting resolves that:

- the unit purchase price must not exceed €100 per share (excluding acquisition expenses);
- the total number of shares that the Company can acquire may not exceed 10% of its share capital; this threshold of 10% must be calculated on the actual date when the buy-backs are made. However, (i) this limit shall be 5% of the share capital with respect to the purpose specified in (c) above and (ii) when the shares are bought back to promote liquidity, in accordance with regulations in force, the number of shares included in the calculation of the 10% equals the total shares less the shares resold during the authorization period.

Pursuant to article R. 225-151 of the French Commercial Code and taking into account the 10% cap and the shares already held by the Company, the General Meeting sets the overall maximum allocated to the buy-back program at €376,649,460, which corresponds to a maximum of 3,766,494.60 shares with a nominal value of €4 each at December 31, 2021.

Pursuant to this decision, within the limits permitted by the regulations in force, the shares may be purchased, sold, exchanged or transferred at any time including during a public offering, in one or more transactions, by any means, on all markets and over the counter, including by acquisition or sale of blocks, and by means including the use of derivatives and warrants.

The General Meeting resolves that the Board of Directors shall be entitled to implement this resolution at any time during a period not to exceed eighteen (18) months with effect from this General Meeting, including during a public offer period, within the limits and subject to the terms and conditions and abstention periods specified by the law and Autorité des marchés financiers' General Regulations.

This authorization cancels and supersedes the authorization granted by the General Meeting of April 9, 2021 with respect to the remaining period of validity.

The General Meeting grants all powers to the Board of Directors, with the option of sub-delegation under the terms and conditions of the law, for the purpose of:

- implementing this authorization and continuing to execute the share buy-back program, allocating or re-allocating the shares acquired for the various purposes in compliance with legal and regulatory provisions;
- undertaking adjustments of unit prices and the maximum number of shares to be acquired in proportion to the change in the number of shares, or the nominal value thereof, resulting from possible transactions relating to the Company's share capital;
- placing all stock market orders on all markets or undertaking transactions outside such markets;
- entering into all agreements, in particular for the purpose of keeping share purchase and sale registers, filing all declarations with the Autorité des marchés financiers and all other bodies;
- undertaking all declarations and other formalities, and generally undertaking all necessary steps.

The Board of Directors shall inform the General Meeting of transactions undertaken in application of this authorization.

Eighth resolution *(Reappointment of Jacques Merceron-Vicat)*

The Ordinary General Meeting resolves to reappoint Jacques Merceron-Vicat as Director for a four-year term expiring at the end of the Ordinary General Meeting to be held in 2026 to approve the financial statements for 2025.

Ninth resolution *(Reappointment of Xavier Chalandon)*

The Ordinary General Meeting resolves to reappoint Xavier Chalandon as Director for a term that will expire, in line with the provisions of article 16 3° of the by-laws following the Ordinary General Meeting to be held to approve the financial statements in the year in which he turns 75, namely following the General Meeting to be held in 2025 to approve the annual financial statements for 2024.

Tenth resolution *(Approval of the compensation policy for the Company officers – "ex ante" vote)*

The Ordinary General Meeting, acting in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance, approves the compensation policy for the Company officers in this report.

Eleventh resolution *(Approval of the information given in the corporate governance report, pursuant to article L. 22-10-9 of the French Commercial Code – "ex post" vote)*

The Ordinary General Meeting, acting in accordance with the provisions of paragraph I of the article L. 22-10-34 of the French Commercial Code, having reviewed the report on corporate governance prepared by the Board of Directors, approves the information contained therein pursuant to the provisions of paragraph I of the article L. 22-10-9 of the French Commercial Code.

Twelfth resolution *("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2021 to Guy Sidos, Chairman and Chief Executive Officer)*

The Ordinary General Meeting, acting in accordance with the provisions of paragraph II of the article L. 22-10-34 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- approves the elements making up the total compensation and benefits of all kinds paid or allocated in respect of the financial year ended December 31, 2021 to Guy Sidos, Chairman and Chief Executive Officer;
- consequently, notes that the elements of variable and exceptional compensation allocated to Guy Sidos, Chairman and Chief Executive Officer for the financial year ended December 31, 2021, will be paid to him.

Thirteenth resolution *("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2021 to Didier Petetin, Chief Operating Officer)*

The Ordinary General Meeting, acting in accordance with the provisions of paragraph II of the article L. 22-10-34 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- approves the elements making up the total compensation and benefits of all kinds paid or allocated in respect of the financial year ended December 31, 2021 to Didier Petetin, Chief Operating Officer;
- consequently, notes that the elements of variable and exceptional compensation allocated to Didier Petetin, Chief Operating Officer for the financial year ended December 31, 2021, will be paid to him.

Fourteenth resolution *("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2021 to Lukas Epple, Chief Operating Officer)*

The Ordinary General Meeting, acting in accordance with the provisions of paragraph II of the article L. 22-10-34 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- approves the elements making up the total compensation and benefits of all kinds paid or allocated in respect of the financial year ended December 31, 2021 to Lukas Epple, Chief Operating Officer;
- acknowledges that Lukas Epple is not compensated for his office as Chief Operating Officer.

Fifteenth resolution *(Powers)*

The Combined General Meeting hereby grants all powers to the bearer of a copy or extract of the minutes of this meeting for the purpose of performing all legal or administrative formalities, filings and publicity specified by current legislation.

High school of Gignac,
built with SmartUP cement (France)

9 Additional information

9.1 INFORMATION ON THE UNIVERSAL REGISTRATION DOCUMENT

9.1.1 General note

Vicat, a French public limited company with a share capital of €179,600,000, whose registered office is located at 4, rue Aristide Bergès, Les Trois Vallons, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne, under the identification number 057 505 539 is referred to as the "Company" in this Universal Registration Document. Unless expressly stated otherwise, the "Group" refers to the Company and its subsidiaries and holdings as set forth in the "Simplified organizational chart" in section 1.3 of this Universal Registration Document.

Unless otherwise indicated, the figures used in this Universal Registration Document, in particular in section 1.1 "Description of businesses" of this Universal Registration Document, are extracted from the Group's consolidated financial statements, prepared in accordance with IFRS. As the figures have been rounded, the total amounts featured in the tables and various sections of this Universal Registration Document may not equal their overall arithmetic sum.

This Universal Registration Document contains indications on the Group's prospects and development policies. These indications are sometimes identified by the use of the future and the conditional tenses, and forward-looking terms such as "consider", "intend", "think", "with the aim of", "expect", "plan", "should", "want", "estimate", "believe", "wish", "could" or, if necessary, the negative form of these terms, or any other alternative or similar terminology. This information is not historical data and must not be interpreted as an assurance that the facts and data stated will occur. This information is founded on data, assumptions and estimates considered as reasonable by the Group. They are likely to change or be modified due to uncertainties, related in particular to the economic, financial, competitive and regulatory environment. Moreover, the occurrence of certain risks described in chapter 2 "Risk factors" of this Universal Registration Document is likely to have an impact on the Group's activities, position, financial results and on its ability to achieve its objectives.

Forward-looking statements contained in this Universal Registration Document also encompass the known and unknown risks, uncertainties and other factors which could, if they materialize, affect the Group's future results, performances and achievements. These factors can in particular include changes to the economic and commercial situation as well as the risk factors set out in chapter 2 "Risk factors" of this Universal Registration Document.

Investors are invited to carefully consider the risk factors, described in order of importance, in chapter 2 "Risk factors" of this Universal Registration Document, before making their investment decision. The materialization of all or some of these risks is likely to have an adverse effect on the Group's activities, financial position or financial results. Moreover, other risks, not yet identified or considered by the Group as not significant could have the same negative effect and investors could lose all or part of their investment.

This Universal Registration Document contains information relating to the markets in which the Group operates. Note that this information comes from studies carried out by third parties. Given the changes which may affect the industry in which the Group operates in France and worldwide, this information may prove to be incorrect or no longer up to date. The Group's activities could consequently evolve differently from what is described in this Universal Registration Document and the declarations or information contained herein could prove to be incorrect.

This Universal Registration Document serves as the annual financial report and includes information required pursuant to article 222-3 of the General Regulations of the Autorité des marchés financiers. In order to facilitate the reading of the annual financial report, cross-reference tables are included on page 281 of this Universal Registration Document.

9.1.2 Historical information incorporated by reference

Pursuant to article 28 of the Commission Regulation (EU) N°. 809/2004 of April 29, 2004, the following information has been incorporated by reference in this 2020 Universal Registration Document:

- the consolidated financial statements for the financial year ended December 31, 2020, prepared in accordance with IFRS, and the statutory auditors' report thereon set out on page 201 of the 2020 Registration Document, submitted to the *Autorité des marchés financiers* on March 10, 2021 under number D.21.0106, in addition to the information taken from the 2020 management report included on pages 137 to 145 of this Universal Registration Document;
- the consolidated financial statements for the financial year ended December 31, 2019, prepared in accordance with IFRS, and the statutory auditors' report thereon set out on page 207 of the 2019 Registration Document, submitted to the *Autorité des marchés financiers* on March 4, 2020 under number D.20.0101, in addition to the information taken from the 2019 management report included on pages 137 to 146 of this Registration Document.

9.1.3 Person responsible for the information contained in the Universal Registration Document

Guy Sidos, Chairman and Chief Executive Officer.

9.1.4 Statement of responsibility for the Universal Registration Document

"I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, consistent with the facts and does not contain any omission likely to alter its substance.

I declare that, to my knowledge, the financial statements have been drawn up in accordance with the accounting standards in force and give an accurate picture of the assets, financial position and results of the Company and of all consolidated firms, and that the management report (details of which can be found on page 281 of this Universal Registration Document) paints an accurate picture of the business development, results and financial position of the Company and of all consolidated firms, and describes the main risks and uncertainties facing all stakeholders."

March 7, 2022

Guy Sidos
Chairman and Chief Executive Officer

9.2 PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

9.2.1 Incumbent statutory auditors

KPMG Audit

Tour EQHO, 2 avenue Gambetta, 92066 Paris La Défense Cedex

Represented by Philippe Grandclerc.

Member of the Regional Company of Auditors of Versailles.

First appointed on: Ordinary General Meeting of November 25, 1983.

Appointment expires at the close of the Ordinary General Meeting called to approve the financial statements for the financial year ended December 31, 2025.

Wolff & Associés SAS

Centre Beaulieu, 19 boulevard Berthelot, 63400 Chamalières

Represented by Gregory Wolff.

Member of the Regional Company of Auditors of Riom.

First appointed on: Ordinary General Meeting of June 16, 2007.

Appointment expires at the close of the Ordinary General Meeting called to approve the financial statements for the financial year ended December 31, 2024.

9.2.2 Alternate statutory auditors

Groupe Audit SERVAL & Associés

115 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Represented by Jean-François Serval.

Member of the Regional Company of Auditors of Paris.

First appointed on: Ordinary General Meeting of June 20, 1995.

Appointment expires at the close of the Ordinary General Meeting called to approve the financial statements for the financial year ended December 31, 2024.

9.2.3 Information on statutory auditors who resigned or were dismissed or not reappointed

Not applicable.

9.3 INFORMATION ON SUBSIDIARIES AND SHAREHOLDINGS

The Group's principal subsidiaries were determined on the basis of their contribution to financial indicators (sales by entity, share in the consolidated EBITDA, value of the intangible and tangible assets for each entity, consolidated shareholder's equity – Group share) such that the aggregate of the indicators retained for these subsidiaries represents almost 90% of the Group's consolidated total. The Group's main holding companies were added to this list.

The controlling percentage determines the consolidation method to be used when consolidating subsidiaries. The percentage of interest enables the shareholders' equity and income to be broken down between Group share and minority shareholders.

On December 31, 2021, the Group's fully consolidated subsidiaries were distributed across various countries as follows:

Country	Number of companies
France	49
Europe excluding France	33
Americas	20
Asia	6
Mediterranean	20
Africa	8
TOTAL	**136**

The main subsidiaries are described below.

Holding companies

Parficim

Incorporated on June 7, 1974, Parficim is a French simplified joint-stock corporation with a share capital of €67 728 368 with its registered office at L'Isle d'Abeau (38080), Les Trois Vallons, 4 rue Aristide Bergès, registered in the Trade and Companies Register of Vienne under number 304828379. The corporate purpose of Parficim, a holding company, is the acquisition and management of transferable securities, shares in interests, and tangible and intangible assets.

As at December 31, 2021, the Company held 100% of Parficim's share capital.

Béton Travaux

Incorporated on March 27, 1965, Béton Travaux is a French Public company with a share capital of €27,996,544, with its registered office at Les Trois Vallons, 4 rue Aristide Bergès, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne under number 070503198. Béton Travaux's corporate purpose is the shareholding and management of manufacturing, transport and ready-mixed concrete companies and of all materials or equipment relating to their manufacture.

As at December 31, 2021, the Company held 99.98% of Béton Travaux's share capital (others: 0.02%).

National Cement Company, Inc.

Incorporated on April 17, 1974, National Cement Company, Inc. is a Limited Liability Company under US law with a share capital of US$ 280 520 000, with its registered office at 15821 Ventura Blvd, Suite 475, Encino, CA 91436-4778 (United States), registered in the State of Delaware under number 63-0664316. National Cement Company's corporate purpose is the acquisition, administration and financing of holdings in companies, in particular in the cement and ready-mixed concrete sectors.

As at December 31, 2021, the Company held 97.85% of the share capital of National Cement Company, Inc. and Parficim held 2.15%.

Vigier Holding

Incorporated on August 25, 1884, Vigier Holding is a Swiss Public Company (Société Anonyme), with a share capital of CHF 1 452 000, whose registered office is located at Wylihof 1, Deitingen, 4542 Luterbach (Switzerland), registered in Solothurn under number CH-251.3.000.003. Vigier Holding's corporate purpose is the acquisition, administration and financing of holdings in firms, commercial transactions and sectors of industrial services of all types, in particular in the cement and ready-mixed concrete branch. The Company may acquire shareholdings in other companies and acquire, buy and sell land.

As at December 31, 2021, Parficim held 100% of Vigier Holding's share capital.

Main French subsidiaries

Béton Vicat

Incorporated on January 7, 1977, Béton Vicat, formerly Béton Rhône-Alpes, is a French Public Company with a share capital of €10 800 352 whose registered office is located at Les Trois Vallons, 4 rue Aristide Bergès, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne under number 309918464. Béton Vicat's corporate purpose is the production, transport and marketing of ready-mixed concrete and all materials or all equipment relating to its manufacture.

As at December 31, 2021, Béton Travaux held 93.39% of the share capital of Béton Vicat and BCCA held 6.60%.

Granulats Vicat

Incorporated on January 1, 1942, Granulats Vicat, formerly Granulats Rhône-Alpes, is a French simplified joint-stock corporation with a share capital of €5 601 488 with its registered office at Les Trois Vallons, 4 rue Aristide Bergès, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne under number 768200255. Granulats Vicat's corporate purpose is the operation of all businesses relating to the sale of construction materials, the public transport of goods and the rental of land, air, sea and river vehicles.

As at December 31, 2021, Béton Travaux held 87.24% of the share capital of Granulats Vicat, Béton Vicat held 9.16% and BCCA held 3.59%.

SATM

Incorporated on November 16, 2015 (by taking over the business of the historical company SATM created in 1958), SATM is a French simplified joint-stock corporation with a share capital of €1 255 680 with its registered office at 1327 avenue de la Houille-Blanche, 73000 Chambéry, registered in the Trade and Companies Register of Chambéry under number 814723441. The corporate purpose of SATM is the purchase, sale, use, rental and operation of all transport and other types of equipment, and all transport and freight-forwarding activities, in particular: road transport, public transport, shipping to all countries and regions, LCL shipping, truck rental, and all commercial, financial or capital transactions directly or indirectly related to the above activities, or which could facilitate their expansion or growth.

As at December 31, 2021, Béton Travaux held 100% of the share capital of SATM.

Vicat Produits Industriels – VPI

Incorporated on May 1, 1957, VPI is a French simplified joint-stock corporation with a share capital of €3 221 776 with its registered office at Les Trois Vallons, 4 rue Aristide Bergès, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne under number 655780559. The corporate purpose of VPI is to manufacture and install all covering, sealant and insulating products and articles and all adjuvants etc. as well as any operations as an agent or brokerage connected with these products or this work.

As at December 31, 2021, Béton Travaux held 100% of the share capital of VPI.

Main foreign subsidiaries

Bastas Baskent Cimento Sanayi Ve Ticaret A.S.

Incorporated on July 26, 1967, Bastas Baskent Cimento Sanayi Ve Ticaret A.S. is a Turkish Public company with a share capital of YTL 131 559 120, with its registered office at Ankara Samsun Yolu 35 km, 06780 Elmadag, Ankara (Turkey), registered in the Trade Register of Ankara under number 16577 and whose corporate purpose is the production and sale of cement and limestone.

As at December 31, 2021, Parficim held 91.6% of the share capital of Bastas Baskent Cimento Sanayi Ve Ticaret A.S. and Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S. held 3.7% (others: 4.7%).

Konya Cimento Sanayi A.S.

Incorporated on December 11, 1954, Konya is a Turkish Public company with a share capital of YTL 4 873 440, whose registered office is located at Horozluhan Mahallesi Cihan Sokak No:15, 42300 Selçuklu, Konya (Turkey), registered in the Trade Register of Konya under number 2317 and whose corporate purpose is the production and marketing of various types of cements and concretes. The Company's shares are listed on the Istanbul Stock Exchange (BIST).

As at December 31, 2021, Parficim held 83.3% of the share capital of Konya and Konya Cimento Ticaret held 1.5%. The remaining shares, representing 15.2% of the share capital, are held by approximately 5,000 shareholders, with no shareholder holding more than 1% of the Company's share capital.

Bastas Hazir Beton Sanayi Ve Ticaret A.S.

Incorporated on December 20, 1990, Bastas Hazir Beton Sanayi Ve Ticaret A.S. is a Turkish Public company with a share capital of YTL 19 425 000, whose registered office is located at Ankara-Samsun Yolu 35 km, 06780 Elmadag, Ankara (Turkey), registered in the Trade Register of Elmadag under number 488 and whose corporate purpose is the production and marketing of ready-mixed concrete.

As at December 31, 2021, Bastas Baskent Cimento Sanayi Ve Ticaret A.S. held 99.99% of the share capital of Bastas Hazir Beton Sanayi Ve Ticaret A.S. (others: 0.01%).

Sococim Industries

Incorporated on August 7, 1978, Sococim Industries is a Senegalese Public company with a share capital of XOF 4 666 552 110, with its registered office at km 33, Ancienne Route de Thiès, Dakar (Senegal), registered in Dakar under number 78 B 104 and whose corporate purpose is the manufacture, import, marketing and export of limes, cements and sometimes hydraulic products and generally, of all products, materials, goods, articles and services related to construction.

As at December 31, 2021, Postoudiokoul held 55.56% of the share capital of Sococim Industries and Parficim held 44.33% (others: 0.11%). Furthermore, Parficim held 100% of Postoudiokoul.

Sinaï Cement Company

Incorporated on December 27, 1997, Sinaï Cement Company is an Egyptian Public Company with a share capital of EGP 700 million, with its registered office at Sama Tower, Ring Road Katameya, 11411 Cairo (Egypt), registered in Giza under number 118456 and whose corporate purpose is the manufacture, import, marketing and export of bags of cement and construction materials.

Cementi Centro Sud

Incorporated on September 5, 2001, Cementi Centro Sud S.p.a., is an Italian Public Company with a share capital of €3 434 013, with its registered office at Corte Lambruschini – Torre A, Piazza Borgo Pila, 40/57 F-G – 16129, Genoa (Italy), registered in Genoa under number 02154090985 and whose corporate purpose is the management of harbor terminals and the production, import and export of construction materials.

As at December 31, 2021, Parficim held 100% of the share capital of Cementi Centro Sud S.p.a.

Bharathi Cement Corporation Private Limited

Incorporated on May 12, 1999, Bharathi Cement Corporation Private Limited is an Indian company with a share capital of INR 792 million with its registered office at Reliance Majestic Building, door No. 8-2-626, road No. 10, Banjara Hills, Hyderabad 500034, Andhra Pradesh (India), registered in the Trade and Companies Register of Andhra Pradesh under number U26942AP1999PTC031682, and whose corporate purpose is the operation of quarries and the manufacture of cement.

As at December 31, 2021, Parficim held 51.02% of the share capital.

Kalburgi Limited

Incorporated on July 22, 2008, Kalburgi Limited (formerly Vicat Sagar Cement Private Limited) is an Indian company with a share capital of INR 5 459 million, whose registered office is located at Reliance Majestic Building, road No. 10, Banjara Hills, Hyderabad 500034, Telengana (India), registered in the State of Andhra Pradesh under number U26941TG2008FTC060595.

As at December 31, 2021, Parficim held 99.98% of the share capital.

Mynaral Tas Company LLP

Incorporated on March 27, 2007, Mynaral Tas Company LLP is a Kazakhstan company with a share capital of KZT 20 258 454 800, whose registered office is located at Mynaral village, Reserved lands "Betpakdala", Moyinkum District, Zhambyl Oblast, 080618 (Republic of Kazakhstan), registered with the Ministry of Justice of the Republic of Kazakhstan under number 84559-1919-TOO, and whose corporate purpose is the working of a quarry.

As at December 31, 2021, the Company (through Parficim and Vigier Holding) held 90% of the share capital (10% is held by International Finance Company).

Jambyl Cement Production Company LLP

Incorporated on August 5, 2008, Jambyl Cement Production Company LLP is a Kazakhstan company with a share capital of KZT 16 729 195 512, whose registered office is located at Cement plant, Reserved lands "Betpakdala", Moyinkum District, Zhambyl Oblast, 080618 (Republic of Kazakhstan), registered with the Ministry of Justice of the Republic of Kazakhstan under number 10544-1919-TOO. Its corporate purpose is to run a cement factory.

As at December 31, 2021, the Company (through Parficim, Vigier Holding and Mynaral Tas) held 100% of the share capital.

Vicat Latin America

Acquired on August 14, 2019, Vicat Latin America is a public limited company under Brazilian law with a capital of BRL 1 332 779 577 whose registered office is located at SCN QD 4 bloco B. Ed. Centro Emp. Centro Emp. Varig salas 1244 e 1246 Asa Norte 70714-900 Brasilia (Brazil), registered in Brasilia under number 31 454 087/0001-09. Vicat Latin America's purpose is to act as a holding company.

As at December 31, 2021, the Company held 99.9% of the share capital of Vicat Latin America.

Ciplan

Incorporated on December 2, 1969, Ciplan (Cimento do Planalto) is a Brazilian law company, with a share capital of BRL 436 921 812.40, whose registered office is located at Rodovia DF 205 km 2.7 Sobradinho 73070-043 Brasilia (Brazil), registered in Brasilia under the number 00.057.240/0001-22. Its purpose is the operation of quarries, manufacture of cement and other activities.

As at December 31, 2021, the Company (through Vicat Latin America) held 74.13% of the share capital.

Cross-reference tables

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Glossary

Activated clays	Activated clays are obtained from calcination of certain types of clay. The activation consists of transforming the inert component of the clay into a product that reacts during hydration of the cement as a pozzolanic material that can be substituted in the clinker.
Additives	All products incorporated into concrete that are not cements, aggregates, additives, mixing water or additions (e.g. fibers, color pigments, etc.).
Adjuvant	Chemical incorporated in small doses (less than 5% of the cement mass) in the concrete or mortar to modify some of its properties. The incorporation takes place either before or during the mixing operation.
Aggregate	Fragment generally of rock, used as an aggregate in concrete or mortar. N/A. See: Aggregates.
Alternative fuels	Combustible by-product or waste used in the production of heat as a substitute for a "noble" fuel (fuel oil, coal, petroleum coke). Also called "secondary fuel".
Aluminates	Tricalcium aluminate (C3A) is one of the main chemical components in Portland cement along with silicates. It is an active element in cement strength and contributes significantly to resistance in the initial phases given the relative speed of its reaction.
Asphalt concrete	A mixture of aggregates and fillers bound together with asphalt or tar.
Bagging machine	Automated bagging system. In cement plants, its capacity can reach 5,000 bags/hour. The rotating assembly is driven by nozzles (8 to 16) and is supplied with empty bags by arms or by projection from one or two peripheral stations. The central silo feeds the slats mounted on weighing scales. Automatic extraction takes place during the rotation; the bags are taken up by belts that feed the palletizing system.
Binder	Material with the property of passing – under certain conditions (in the presence of mixing water for hydraulic binders) – from the plastic state to the solid state; it is therefore used to bind inert materials. Concrete component which, following the setting process, ensures the cohesion of aggregates.
Blast kiln slag	By-product of cast iron manufacturing stemming from blast kilns in the iron and steel industries. It has hydraulic characteristics similar to those of clinker, and is therefore used in the composition of certain cements.
Calcination	Transformation of limestone into lime by firing at high temperature.
CEM	This designation characterizes a cement that complies with the European standard EN 197-1. CEM cements are made of different materials and are statistically homogeneous in composition.
CEM I	This designation according to standard NF EN 197-1 characterizes the type of cement, "Portland cement", that is to say a cement composed of at least 95% clinker. Certain CEM I cements have been recognized as being resistant to sulfates, under the CE mark, since the entry into application of standard NF EN 197-1: 2012, on July 1, 2013, three categories were distinguished: • CEM I SR0: cement with clinker's C3A = 0%; • CEM I SR3: cement with clinker's C3A ≤ 3%; • CEM I SR5: cement with clinker's C3A ≤ 5%.
CEM II	This designation according to standard NF EN 197-1 characterizes cements of which the most common are "Portland composite cement" (the letter "M" completes the description of the cement), and"Portland limestone cement" (the letter "L" completes the description of the cement),"Portland slag cement" (the letter "S" completes the description of the cement) or "Portland silica fumes cement" (the letter "D" completes the designation of the cement). A CEM II cement has a clinker content: • either from 80 to 94%; this cement is then designated CEM II/A; • or from 65 to 79%; this cement is then designated CEM II/B.

CEM III	This designation according to standard NF EN 197-1 characterizes the type of cement, "blast kiln cement", consisting of clinker and blast kiln slag, in the following alternative proportions: • 35 to 64% clinker and 36 to 65% slag; this cement is then designated CEM III/A; • 20 to 34% clinker and 66 to 80% slag; this cement is then designated CEM III/B; 5 to 19% clinker and 81 to 95% slag; this cement is then designated CEM III/C. CEM III/B and CEM III/C cements have been recognized as being resistant to sulfates, under the CE mark, since the entry into application of standard NF EN 197-1: 2012, on July 1, 2013; they are rated CEM III/B-SR or CEM III/C-SR.
CEM IV	Refers to "pozzolan cement".
CEM V	Refers to "composite cement".
Cement	Hydraulic binder, i.e. a fine powder which, mixed with water, forms a paste that sets and hardens as a result of reactions with water. After hardening, this paste retains its strength and stability even under water.
Clay	Compact and impermeable sediment becoming plastic, malleable and more or less thixotropic in the presence of water. Depending on its grade, it has variable physicochemical characteristics. With a composition based on silico-aluminates, clay is present in raw materials for the manufacture of cements and hydraulic lime. It is present in greater or lesser quantity in the marls. See: "Marl".
Clinker for natural quick-setting cement	Clinker for natural quick-setting cement is produced exclusively by firing at a moderate temperature (1,000 °C to 1,200 °C) a clay-like limestone of regular composition, extracted from homogeneous beds.
Concrete	Construction material formed by a mixture of cement, aggregates and water, possibly supplemented by adjuvants, additives and additions. This mixture, which is applied on the building site or in the factory in a plastic state, can adopt very different shapes because it is moldable; it hardens gradually to finally form a monolith. Depending on its formulation,application and surface treatments, its performance and appearance can vary considerably.
Concrete batching plant	Stationary equipment for the industrial production of ready-mixed concrete (RMC).
Concrete strength	All behavioral characteristics under compression, traction and bending stresses. In France, it is conventionally verified for concrete structures 28 days after their installation. In the United States, this period is 56 days.
Cooler	Unit located at the outlet of a cement kiln intended to cool the clinker from 1,400 °C to room temperature. Grid and perforated plate coolers are the most common; the old coolers are made up of a series of rows of movable plates that push the clinker towards the outlet end (arranged as a bed of material 60 to 90 cm thick). Air blowing from the bottom upwards through the plates ensures cooling: at the outlet of the clinker bed, some of the hottest air (secondary air) rises into the kiln to supply combustion, the excess air comes out at the back of the unit. In modern coolers, all plates are fixed. They are protected from the hot clinker by a bed of cold clinker. The displacement of the clinker towards the outlet is ensured by various devices such as "rakes" or "moving floors".
Crushed aggregate	Aggregate from rock crushing.
Crusher	Crushing equipment, mainly used in quarries. Crushers can be jaw crushers (reciprocating motion, nutcracker principle), hammer crushers, for softer or gyratory materials, by grinding between inverted vertical cones (as for gravel).
Crushing	Breaking up rocks into small pieces by crushing or hammering.
Crystallography	Science related to the study of crystallized matter as a whole (laws governing its formation, structure and properties).

Decarbonation	Reaction of release of CO_2 contained in limestone raw materials under the action of heat (850 to 950°C). The remaining lime (CaO) then combines with silicates and aluminates to form clinker. This reaction absorbs a lot of heat and is the main source of heat consumption for the kiln.
Drum	See "Mixer truck".
Dry process	A cement manufacturing process. In the dry process, the raw materials (see Raw materials) are dried and then ground before being homogenized. They then enter the preheating tower before entering the kiln.
Energy recovery	Introduction into the production process of by-products, waste or fuels in principle unnecessary in order to use the heat content for heat production. These products are a complete or partial replacement for primary fuels such as coal, fuel oil or gas. Their use saves primary energy resources, avoids their environmentally damaging destruction and their discharge into the natural environment. In cement plants for example, tires or residual solvents are used as fuel for the kiln.
Filler	Very fine mineral matter (less than 0.063mm in size) used to fill the gaps left by a granular stacking of gravels and sands. Generally the filler comes from ground limestone.
Flying ashes	By-product of coal combustion in power plants used as a source of silica and alumina in the manufacture of clinker, or as a replacement for a portion thereof in the manufacture of compound Portland cement.
Formulation	Operation consisting in defining the dosage – by weight rather than volume – of the various constituents of a concrete, in order to meet the desired strength and appearance requirements.
Granulometry	(a) (Measurement of the granularity of an aggregate, i.e. the grading of the dimensions of the grains it contains, by passing it through a series of square meshed sieves with standardized dimensions. (b) Particle size analysis: this is the measurement of the proportion of the various granular sizes of a powder, sand or aggregate.
Gravel	Aggregate with a diameter of between 1 and 63 mm.
Greenfield	A greenfield factory construction project is a project whereby the Group undertakes the construction of a cement plant on a site that had no previous Cement manufacturing business. The project generally consists, after ensuring the existence and accessibility of a natural reserve necessary for the manufacture of cement in sufficient quality and quantity, to design and implement the various components of the industrial and commercial process. In contrast, a project is said to be brownfield if a Cement manufacturing business already exists on the site.
Grinding	Reduction into powder or very fine particles. Grinding can be involve crushing (minerals), compressing (dyes, cement) or fragmenting (waste). In cement plants, grinding workshops are generally composed of a grinding device, a separator that returns oversized materials to the raw mill and a ventilation dust collection system.
Gypsum	Natural Calcium Sulfate or by-product from the Phosphoric Acid or Citric Acid Manufacturing Industries. It is added to cement as a setting regulator.
Heat balance	Expression of the measurement of heat exchange between a closed environment and the outside. More specifically, for cement kilns, the heat balance assesses the heat input and compares it with the needs related to physical-chemical transformations and heat losses.
Homogenization	Operation performed in a cement plant to obtain an intimate mixture of the components of the flour before baking. It can be carried out discontinuously in batches or continuously. Mechanical and/or pneumatic mixing means can be used.
Hopper	Truncated cone-shaped high-bay storage device for bulk materials (sand, aggregates, cement), steel or concrete. In the lower part, a hopper ends with a gravity-fed extraction system.

HPC	Abbreviation for "high performance concrete". This concrete, made particularly compact by its formulation and therefore of low porosity, has a mechanical resistance greater than 50 MPa and a much higher durability than that of common concretes.
Lime	Binder obtained by the calcination of more or less siliceous limestone. A distinction is made between aerial limes, which harden under the action of carbon dioxide in the air, and hydraulic limes, which set by mixing with water.
Limestone	Sedimentary rock containing mainly calcium carbonate (CaCO3). Calcite is the most stable and common crystalline form. Dolomites constitute a distinct class: they are mixed carbonates (calcium and magnesium). Limestone is one of the basic raw materials for clinker; it provides the lime necessary for the formation of silicates and aluminates. The magnesia content of the limestones used must remain limited to a few percent in order to avoid the formation of uncombined magnesia during firing, which could cause concrete swelling in the medium or long term.
Maneuverability	Condition defining the suitability of a mortar or concrete to be transported, handled and used; it is characterized by the consistency and plasticity of the material.
Marl	Mixture of natural clay and limestone in various proportions. If the level of limestone is less than 10%, the marl is said to be argillaceous. For higher rates, marl is classified as marly limestone. It is generally characterized by its carbonate content (of lime and magnesia in a lesser proportion). It is one of the essential raw materials in the manufacture of cement; it provides the argillaceous fraction rich in alumina and iron silicates.
Materials recovery	Introduction into the production process of by-products or waste in order to use their chemical characteristics. These products are a total or partial replacement for products extracted in quarries. Their use saves primary energy resources, avoids their environmentally damaging destruction and their discharge into the natural environment. In cement plants for example, foundry sands are used in the raw materials to provide silica as a substitute for natural sand, and synthetic gypsum (for desulfurization of fumes from thermal power plants, among others) replacing all or part of the gypsum or natural anhydrite in cements, to regulate the setting time.
Meal feed	Name given to the raw material of the cement kiln after grinding (the grain size corresponds to that of baker's flour).
Mixer truck	Vehicle used to transport fresh concrete from the production site to the construction site. Also called mounted mixer or drum.
Mortar	Mixture of cement, sand and water, possibly supplemented by additives and additions. It differs from concrete by its absence of gravel. Prepared on-site – from pre-dosed dry industrial mortar or by dosing and mixing all the components – or delivered on-site from a batching plant, the mortars are used for jointing, plastering, screeds and for various repair work, sealing, reworking and capping.
Natural quick-setting cement	Cement with rapid setting and hardening, consisting solely of clinker for natural quick cement, ground, not requiring the addition of a setting regulator.
Plaster	Surface coating (approximately 2 cm for traditional plasters) consisting of a cement and/or hydraulic lime mortar, intended to cover a wall, in order to homogenize the surface and make it waterproof. A distinction is made between traditional plasters (which require three coats), bilayers and finally monolayers (based on industrial mortars and applied in two passes).
Portland cement	CEM I, CEM II, CEM III, CEM IV, CEM V, made from Portland clinker and a setting regulator, or even other constituents. Cement compliant with standard NF EN 197-1.
Portland clinker	Basic constituent of a Portland cement, composed from four major mineral elements: limestone, silica, alumina and iron oxide. It is obtained by firing at high temperature in a cement kiln (1,450 °C).
Pozzolan	Volcanic product composed of silica, alumina and iron oxide which, in the form of a fine powder, can combine with lime to form stable compounds with hydraulic properties (hardening under water). By extension, refers to natural or artificial materials with the same property. Pozzolans are constituents of certain types of cements.

Precalcination	System allowing combustion to be started before entering the kiln, thereby reducing the amount of energy required in the kiln.
Precalciner	Combustion chamber located at the foot of the preheating tower, supplied with all types of fuel and hot combustion air (750 to 900 °C) from the cooling of the clinker. The precalciner can provide up to 55% of the heat required for the kiln to operate properly. See: "Preheater".
Prefabrication	Manufacture of building components at a different site to where they are due to be definitively located, in a factory or at a site close to the works. Many concrete components can be prefabricated such as structural posts, beams, supporting or envelope panels, façade panels, classing as well as standardized blocs, beams, pre-slabs, hollow core slabs, tiles and products for streets, sanitation and street furniture.
Preheater	Tower made up of a succession of cyclone stages. On each stage, the cooler flour coming from the upper stage is reheated in contact with the hotter gases coming out of the lower stage. The gas-flour mixture is then decanted in the cyclone. The reheated flour then goes down to the lower stage to heat up a little more. The cooled gases rise to the upper stage to continue to heat the flour. At the foot of the preheater, the flour enters the rotary kiln. The preheaters may also include a precalciner.
Pumping	Method of conveying concrete, pushed from a feed hopper to the pouring site, through tubes. It can cover horizontal distances of up to 400 m (or even 1.5 km) and vertical distances of up to 100 m (or even 300 m).
Quarry	Construction site for materials regulated as Classified Installations for the Protection of the Environment. These operations are generally open-cast, with the exception of the Chartreuse underground quarries from which the stone to be fired is extracted for the manufacture of natural cement. Quarries produce the natural raw materials needed for cement production or for the manufacture of aggregates used in the composition of ready-mixed concrete or materials intended for earthworks. Quarrying is generally carried out using explosives in the case of massive rock deposits. The extraction of loose and alluvial materials, whether in water or out of water, is carried out by mechanical equipment. Quarry operations are carried out with the strictest respect for the environment in accordance with a prefectural decree which concludes an administrative examination based on numerous studies, including an impact study. Wherever possible, the redevelopment is coordinated with the local government bodies and authorities, and is carried out as the operational fronts progress.
Raw materials	Name given to the dosed raw material before entering the cement kiln.
Raw mill	Grinding machine. In cement plants, this can be a ball, roller or drum.
Ready-mixed concrete (RMC)	Concrete manufactured in a facility external to the construction site or on the construction site, mixed in a mixer, delivered by the producer to the user, fresh and ready for use.
Rolled aggregate	Alluvial aggregate made up of round grains.
Sand	Aggregate with a diameter of less than 6.3mm.
Setting	Process whereby concrete, mortar or cement paste begins to develop resistance. It is characterized by the setting test (NF P 15-431, NF EN 196-3).
Setting regulator	Component of cement intended to slow down hydration reactions. These are most often gypsum and calcium sulfates.
Setting time (measurement)	The setting time of cements is determined by observing the penetration of a needle into a cement paste of standardized consistency ("normal" paste) to a specified depth (NF EN 196-3). The device, known as the "Vicat device", makes it possible to record the time between the start of contact between water and cement and the start of setting (the Vicat needle is inserted up to 4 mm from the bottom) as well as the end of setting (almost no insertion).
Silicates	Silicates (C2S and C3S) are one of the main chemical components of Portland cement along with aluminates. The noble substance in cement is tricalcium silicate (C3S), which provides its great strength.
Silo	Large capacity tank, generally cylindrical; intended for dry materials (sand, cement, etc.), steel or concrete, loaded from the top and unloaded from the bottom, it is equipped with various types of extraction devices. See: "Hopper".

Solid recovered fuel (SRF)	A dry and clean fuel made from waste that has not been able to be sorted or recycled and is considered as non-hazardous or polluting.
Standard	Document that specifies a set of technical or other specifications drawn up in collaboration with the parties concerned (representatives of manufacturers, users, consumers, public authorities, and specialized bodies such as the CSTB). Standards are only made mandatory by ministerial orders. They can be of various types: testing, performance, safety and terminology standards. An ISO standard is a standard developed and/or adopted by the International Organization for Standardization. An EN standard is a standard adopted by the European Committee for Standardization. An NF EN ISO + no. referenced standard reproduces in full the European standard, which itself reproduces the international standard of the same number.
Thermie (th)	Unit of heat energy. 1 th = 1,000 kcal = 1,000,000 cal. This unit is replaced by the unit of energy, the Joule (J): 1 th = 4.1855 MJ (4,185,500 J). The specific consumption of cement kilns is assessed: either in thermie per metric ton of clinker (old units); or in gigajoules per metric ton of clinker (new units). Example: a kiln consumes 850 thermie per metric ton of clinker; the equivalent of 3,558 megajoules per metric ton produced.
Type of cement	Element of a standardized classification according to the nature of the constituents of a cement. There are five types. See "CEM I", "CEM II", "CEM III", "CEM IV", "CEM V". This designation is associated with its current strength class: 52.5; 42.5; 32.5, as well as its short-term strength class: R; N; L.
Ultra-high performance fiber-reinforced concrete (UHPFRC)	The addition of metal fibers gives this concrete a ductile behavior in bending traction. It differs from high-performance concretes (HPC) by the ability to dispense with traditional reinforcements, by a compressive strength of over 130 MPa and a direct tensile strength of over 10 MPa.
Wet process	A cement manufacturing process. In the wet process, raw materials (see Raw materials) are ground and mixed with water to make a liquid paste. This paste is then homogenized before entering the kiln.
X-ray diffractometry	This technique is used to determine the mineralogical composition of cements, clinkers or raw materials. It allows a quick and very precise control of the different stages of the Cement manufacturing process. During the analysis, which takes only a few minutes, samples in the form of compacted powder (or diluted in a glass bead) are subjected to a beam of X-rays. A beam of X-rays emitted from a powerful tube hits the sample elements that cause the light beam to be scattered in specific directions. Analysis of the diffractogram makes it possible to determine the minerals comprising the sample and their concentrations.
X-ray fluorescence (analysis by)	This technique is used to determine the mineralogical composition of cements, clinkers or raw materials. It allows a quick and very precise control of the different stages of the Cement manufacturing process. During the analysis, which takes only a few minutes, samples in the form of compacted powder (or diluted in a glass bead) are subjected to a beam of X-rays. A beam of X-rays emitted from a powerful tube is used to excite the sample elements. By X-ray fluorescence, the excited atoms re-emit at characteristic wavelengths; the measurement of their intensity makes it possible to obtain their concentration.

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