Universal Registration Document

Including the Annual Financial Report

2022

Build together, live together

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

UNIVERSAL REGISTRATION DOCUMENT **2022**

including the Annual Financial Report

Present in 12 countries, the Vicat Group develops a performance offering of mineral and bio-based materials and services that meet the needs of the construction industry. Everywhere that its cement plants, aggregate quarries, concrete batching 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, and protecting biodiversity.

Against the crisis backdrop which has been accompanied by a surge in inflation, notably in terms of energy, the Group's performance in 2022 was impacted but remained solid, demonstrating the relevance of its business model. Business remained stable overall in its markets, and price increases were implemented to limit the impact of inflation on Group results.

Backed by a healthy financial situation and strong *cash flow* generation, enabling tight control of debt level, which suffered from inflation of WCR, Vicat continues to pursue its objectives of profitable and sustainable growth, resolutely focused on decarbonation of its business lines, as illustrated with the modernization of plants in the United States and Senegal.

AUTORITÉ DES MARCHÉS FINANCIERS AMF

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The annual financial report is a translation of the version of the annual financial report, in format ESEF (*European Single Electronic Format*) and is available on the issuer's website.

“ As industrialists, we are aware of our duties in terms of the ecological transition, but also of our social and societal responsibilities. ”

Guy Sidos
Chairman and Chief Executive Officer

Following the long health emergency, 2022 did not turn out to be a quiet year. How did the Group overcome the difficulties linked to the war in Europe, economic upheaval and global energy disruptions?

Over these past years, we have indeed endured exceptional events: the health crises, wars in Europe and the Sahel, climate and energy disruptions, societal challenges and high inflation. These significant changes impact our daily lives, how we think, and how we live together, consume, work, travel, build, etc. But they also reveal the resilience of our Group and our model. Our industrial policy, focused on reducing our environmental footprint, energy efficiency and cost cutting, turned out to be particularly relevant to tackle this situation. Group employees are the source of this resilience, because, more than just a mere group, we are a family of committed personalities, essential to maintaining industry and employment in the regions where we carry out our business activities. More agile than ever, with a human approach, built on solid foundations, our Group is resolutely focused on the future.

Following in the tradition of the heritage of Louis Vicat, what are the Group’s main strengths, for today and for tomorrow?

Our determination and our imagination! We develop new innovations to decarbonize industrial processes and our products, leveraging the circular economy and protecting natural resources and biodiversity. This tradition of innovation is the source that will enable us to reach carbon neutrality for our value chain by 2050.

The reduction in the clinker rate and defossilization of our industrial processes are our priorities, with an objective set at 100% defossilization in Europe and 50% for all of our plants by 2030. The challenge is ambitious and requires the mobilization of all of our teams.

What were the major investments of 2022?

We continued to modernize our production facilities and to improve our energy and environmental performance and this required significant investment. In Turkey, at the Bastas Cimento plant, a new electricity generation system was installed, based on the recovery of fatal energy produced by our furnaces. In Senegal, a new 6,500 metric ton/day clinker production line is under construction at the Sococim Industrie site.

In the United States, at the Ragland (Alabama) plant, a new kiln was installed which will eventually use 100% fossil fuel substitution and double production.

Major innovative projects leveraging the potential of hydrogen are being finalized. Vicat has become Haffner's strategic partner for the development of a module capable of producing hypergas, a renewable synthetic gas rich in green hydrogen, and biochar, a vegetable-based coal. As part of a public-private partnership Vicat is a shareholder in Genvia, a specialist in the production of high-temperature electrolyzers, a virtuous and resilient technology. A first demonstrator should be unveiled in 2024 and then a mega-factory producing electrolyzers.

Lastly, in association with Hynamics, subsidiary of the EDF group, we are developing an integrated CO_2 capture solution and production of decarbonized methanol. Called "Hynovi", it aims to create the first decarbonated methanol production scheme in France and fits with the French government's targets in terms of decarbonation and energy independence, for which synthetic fuels are one of the main levers. By combining our substitution policy with such innovations, we massively decarbonize our activities and are less exposed to fluctuations in energy costs.

In terms of carbon neutrality, Vicat does not just act on cement production. Your policy of developing low-carbon products is accelerating also...

Our new carbon-negative binder CARAT enables the production of very low carbon concrete while offering performance equivalent to 42.5R cement, with a 90% lower carbon footprint per cubic meter thanks to its reduced clinker content, enriched with biosourced matter. Today, this solution has become a reality, rolled out on a large scale at our customers' work sites. Our R&D teams have also developed 3D printing in concrete, with Lithosys, which reduces the quantity of material needed by half for the same usage. Another concrete example: our mixed solutions using concrete together with hemp or wood.

Let me add that, as industrialists, we are aware of our duties in terms of the ecological transition, but also of our social and societal responsibilities.

> **“This ability to innovate and our regional roots means that Vicat has a key role as an industrial group committed to rolling out the circular economy and the decarbonation of its businesses”**

Like the determination shown by Louis Vicat, we have the intimate conviction that we build our success over time, to build together and live together! Our pragmatic approach in risk-taking, combined with our constant ambition to invest sustainably in what makes us stand out and is the key to our success: our teams, our facilities and the ecosystems in which we operate.

GUY SIDOS
Chairman and Chief Executive Officer

A strategy that reflects the fast-changing construction materials market

The Vicat Group is focusing on its historic area of expertise: Cement. It is vertically integrated in the Concrete and Aggregates business lines when market conditions allow.

It 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 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 objective of decarbonizng its activities, but also safety for its employees, inclusion and value creation for all stakeholders.

GROUP VALUES

Our teams are mobilized around five major principles that have been the keys to 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.

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 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.

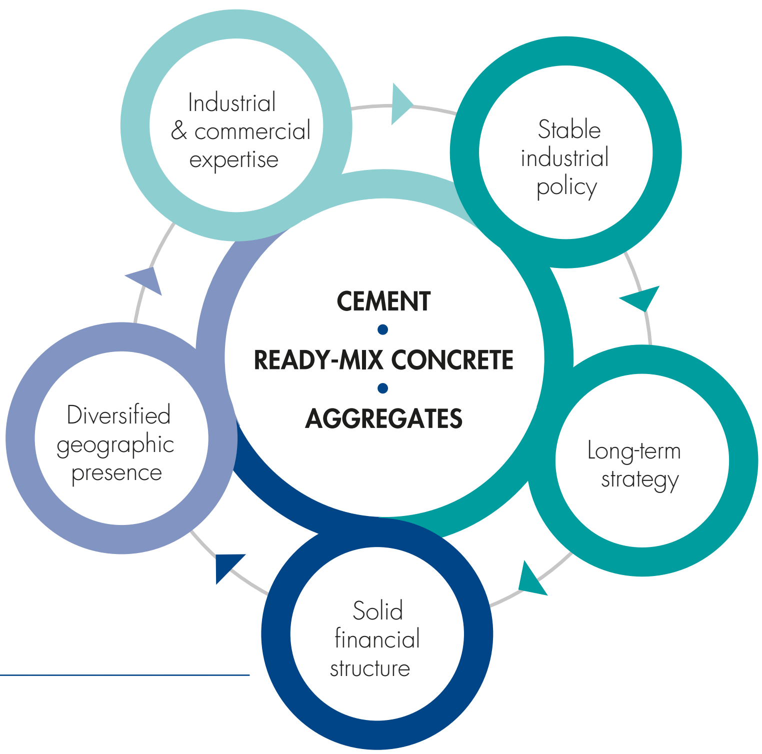
THE GROUP'S STRENGTHS

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 170 years and boasts in-depth experience of the businesses;
- **A SOLID FINANCIAL STRUCTURE** with levels of profitability enabling the Group, as has been the practice in the past, to finance its growth objectives 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 steadily growing markets by 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 document.

▪ INTERNAL GROWTH SUSTAINED BY INDUSTRIAL INVESTMENT

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

- 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 installed cement capacity to keep in step with its markets and to consolidate or increase its positions as a regional leader, as is the case with the new Ragland kiln (United States), as well as the construction of the new firing line in Senegal, to be commissioned in 2024.

The Group intends to take advantage of its strong market positions, the quality of its production facilities and its strict cost controls in order to maximize *cash flow* and cut debt, so enabling further 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 (objective of 100 years for cement) and securing of operating permits;
- 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 policy to date.

▪ 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.

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 this sector. The aim is to create a network of ready-mixed concrete batching plants around cement factories and close to its consumption markets, whether by constructing industrial sites or facilities or by acquiring existing producers. The Group's objective 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 so as 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 response to its clients' demand for construction materials and to secure the aggregate 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 (objective 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.

DEVELOPMENT STRATEGY GEOGRAPHIC

The Group operates in 12 countries. It generates 32% of its consolidated revenue in France, 11% in Europe (excluding France), 16% in the United States, and 41% 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. 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.

THE GROUP'S SUSTAINABILITY TARGETS

The Group has set itself the following sustainability targets:

Climate TARGETS

To contribute to the carbon neutrality of the entire value chain, an ambition for 2050.

By 2030:

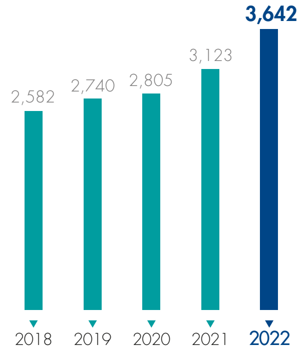
1. Reduce Group emissions to 497 kg CO_2 net/t cement eq.
   (430 kg CO_2 net/t cement eq.
   for Europe).
2. Reach 50% of alternative fuels at the Group level, including 100% of alternative fuels in artificial cement manufacturing plants in Europe.
3. Reduce the clinker content of cement to 69%.
4. Reach 40% decarbonized electricity in its electricity mix, with half self produced.
5. Initiate 2 CCU/CCS (carbon capture usage/storage) projects by 2030.

CSR TARGETS

1. Produce locally, preferring virtuous circular-economy solutions for sustainable cities.
2. Preserve the wealth of ecosystems encountered on the production sites by implementing initiatives in favor of biodiversity; developing products that help welcome biodiversity; optimizing forest management to increase carbon storage.
3. "Zero accidents" health and safety policy.
4. Increase the proportion of women in the overall workforce and in managerial positions.
5. Promote responsible and local procurement with suppliers.

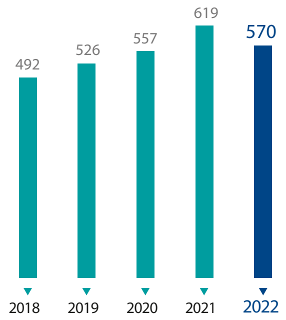
FINANCIAL INDICATORS

Consolidated revenue
(in millions of euros)



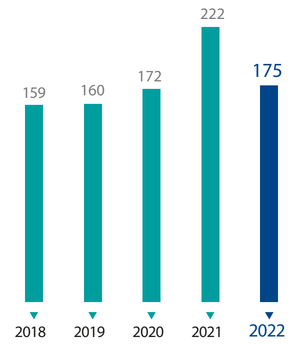
Consolidated revenue for 2022 amounted to €3,642 million, up +16.6% on a reported basis and up +19.7% at constant scope and exchange rates compared with 2021.

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



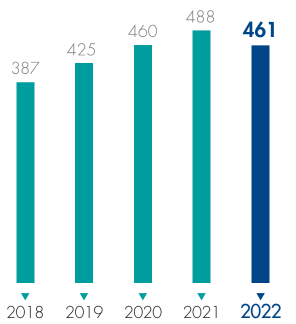
At €570 million, the Group's consolidated EBITDA was down -7.9% relative to 2021 and down -5.9% at constant scope and exchange rates.

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



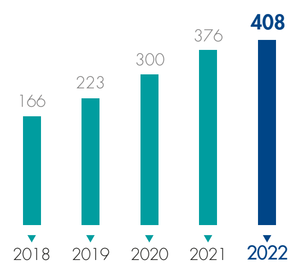
Consolidated net income amounted to €175 million, down -21.0%, and down -28.0% at constant scope and exchange rates.

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



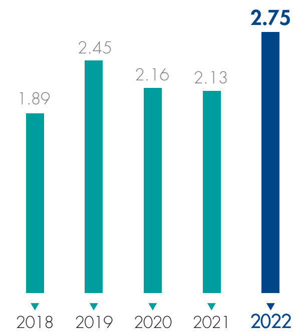
Operating cash flow amounted to €461 million, generating free cash flow before strategic investments of €210 million in 2022.

Net industrial investments disbursed
(in millions of euros)



Net industrial investment disbursed amounted to €408 million in 2022.

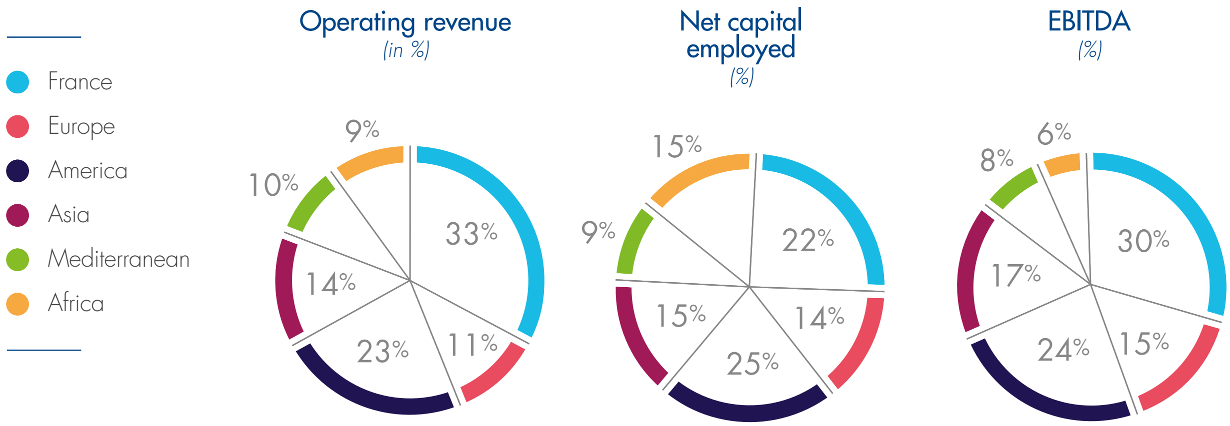
Net debt/EBITDA(2)



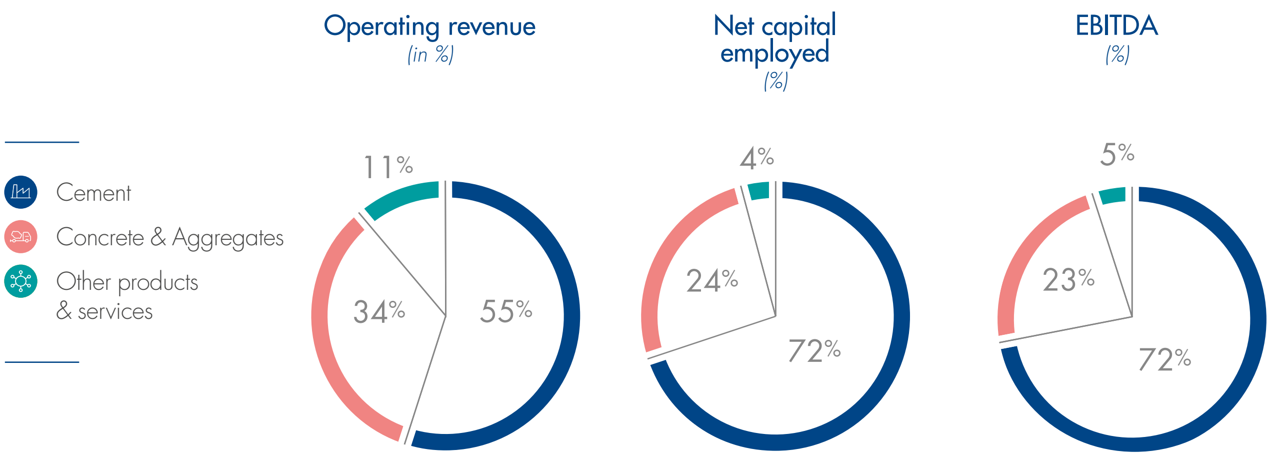
Leverage(3) is 2.75 times EBITDA at December 31, 2022.

(1) EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) is calculated as the sum of operating revenue, cost of goods sold, payroll expenses, taxes and duties and other ordinary income and expenses on ongoing business.
(2) The figures for 2018 have been restated in accordance with IFRS 16.
(3) Gearing is a financial ratio used to determine ability to repay debt. It is the ratio of net debt to EBITDA.

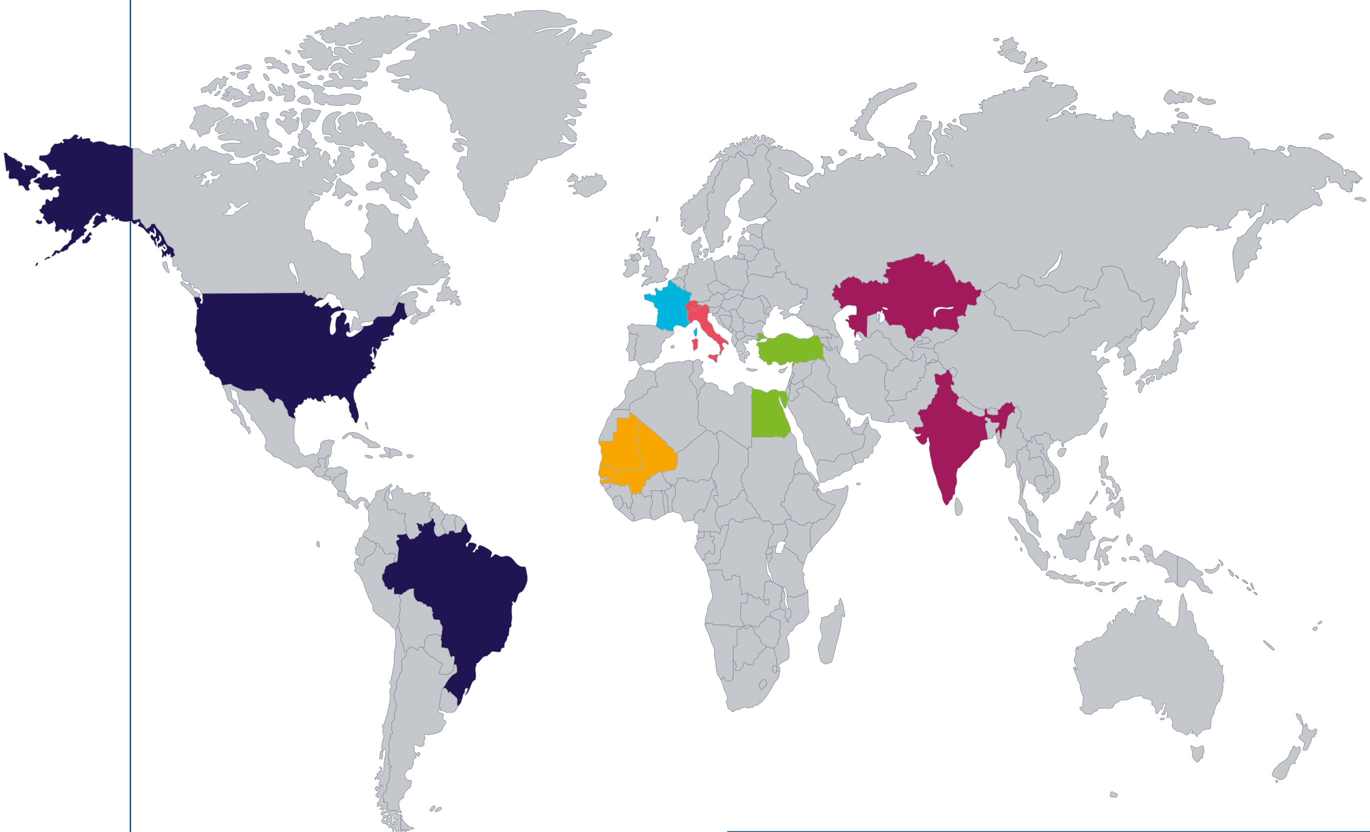
BREAKDOWN BY GEOGRAPHICAL AREA



BREAKDOWN BY BUSINESS SEGMENT



Vicat in the world



€3,642 million
REVENUE

9,912
EMPLOYEES

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

12 COUNTRIES WHERE VICAT OPERATES

27.1 MILLION METRIC TONS OF CEMENT SOLD

10.0 MILLION CUBIC METERS OF CONCRETE SOLD

25.3 MILLION METRIC TONS OF AGGREGATES SOLD

16 CEMENT PLANTS
5 GRINDING PLANTS

272 CONCRETE BATCHING PLANTS

72 AGGREGATE QUARRIES

38 MILLION METRIC TONS OF INSTALLED CEMENT CAPACITY

Cement plant

Concrete batching plant

Aggregate quarries

Europe

SWITZERLAND

Cement plant 1 · Concrete batching plant 18 · Aggregate quarries 17
CAPACITY **0.9 MT OF CEMENT**

ITALY

1 GRINDING PLANT
2 TERMINALS
CAPACITY **0.5 MT OF CEMENT**

France

Cement plant 5 · Concrete batching plant 156 · Aggregate quarries 45
CAPACITY **4.6 MT OF CEMENT**
2 GRINDING PLANTS

Africa

MAURITANIA

Concrete batching plant 1
1 GRINDING PLANT
CAPACITY **0.5 MT OF CEMENT**

SENEGAL

Cement plant 1 · Aggregate quarries 2
CAPACITY **4.0 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 39 · Aggregate quarries 5
CAPACITY **5.1 MT OF CEMENT**

Americas

UNITED STATES

Cement plant 2 · Concrete batching plant 45
CAPACITY **4.3 MT OF CEMENT**

BRAZIL

Cement plant 1 · Concrete batching plant 13 · Aggregate quarries 2
CAPACITY **3.2 MT OF CEMENT**

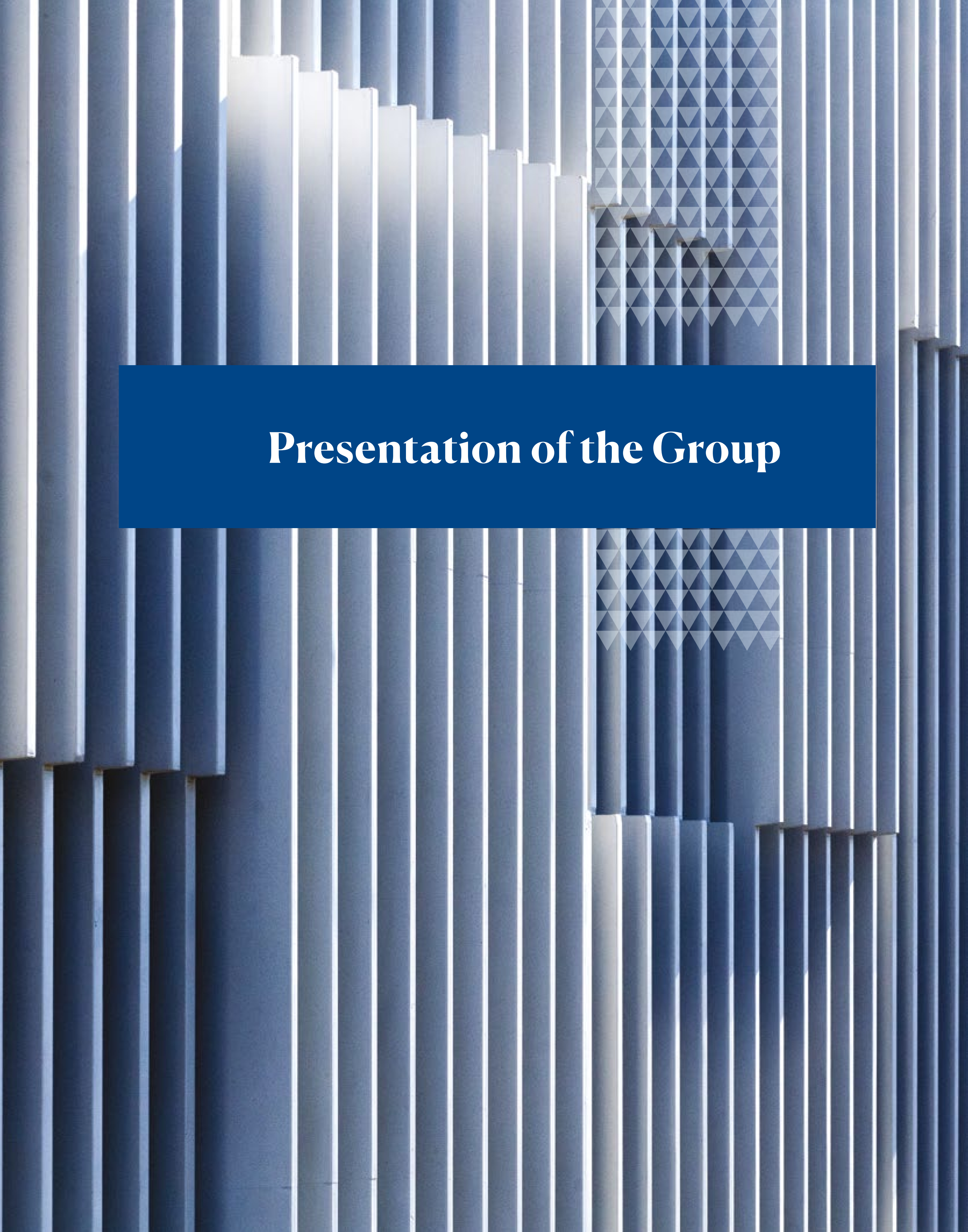
Asia

KAZAKHSTAN

Cement plant 1
CAPACITY **1.6 MT OF CEMENT**

INDIA

Cement plant 2 · Aggregate quarries 1
CAPACITY **9.0 MT OF CEMENT**
2 TERMINALS



Presentation of the Group

Chapter 1

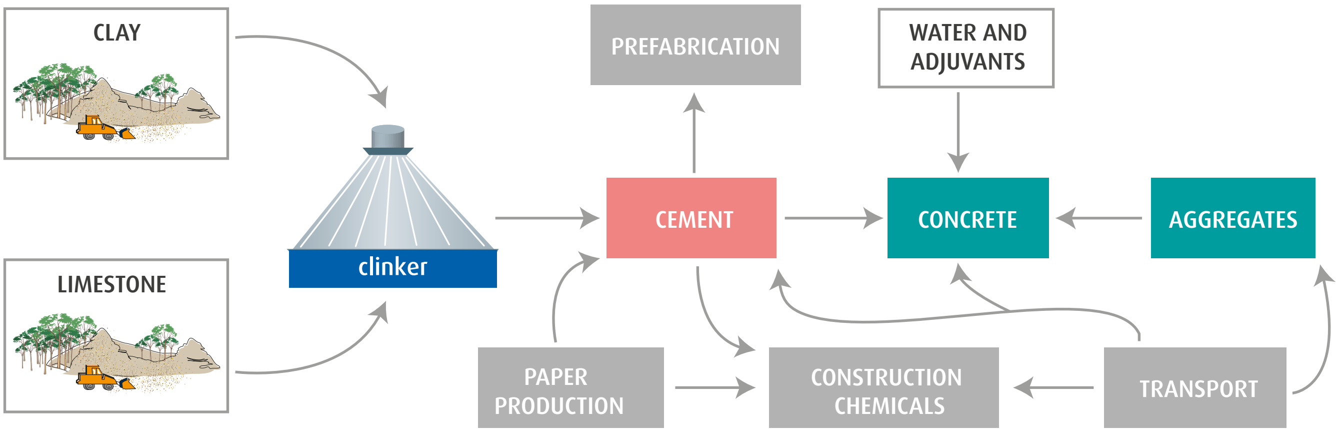
1.1 DESCRIPTION OF BUSINESSES

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.

Ready-mixed Concrete (RMC): 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 be part of circular economy schemes.

Other Products and Services: the Group 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.

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 & Services
France	▼	▼	▼
Switzerland	▼	▼	▼
Italy	▼		
United States	▼	▼	
Brazil	▼	▼	
India	▼	▼	▼
Kazakhstan	▼		
Turkey	▼	▼	▼
Egypt	▼		
Senegal	▼	▼	
Mali	▼		
Mauritania	▼	▼	

Consolidated revenue by business segment in 2022

(in millions of euros)	2022	%
Cement	1,964	53.9
Concrete & Aggregates	1,363	37.4
Other Products and Services	315	8.7
TOTAL	**3,642**	**100.0**

The share of the Group's core business contributed by Cement, Concrete & Aggregates increased slightly in 2022 to 91.3% of consolidated revenue.

EBITDA by business segment in 2022

(in millions of euros)	2022	%
Cement	411	72.1
Concrete & Aggregates	132	23.1
Other Products and Services	27	4.8
TOTAL	**570**	**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 document).

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, 2022, 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 2022 (before intra-group eliminations) amounted to 27.1 million metric tons (compared with 28.1 million metric tons in 2021). In 2022, the segment thus accounted for 53.9% of the Group's consolidated revenue (52.3% in 2021) and 72.1% of the Group's EBITDA (73.7% in 2021).

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.

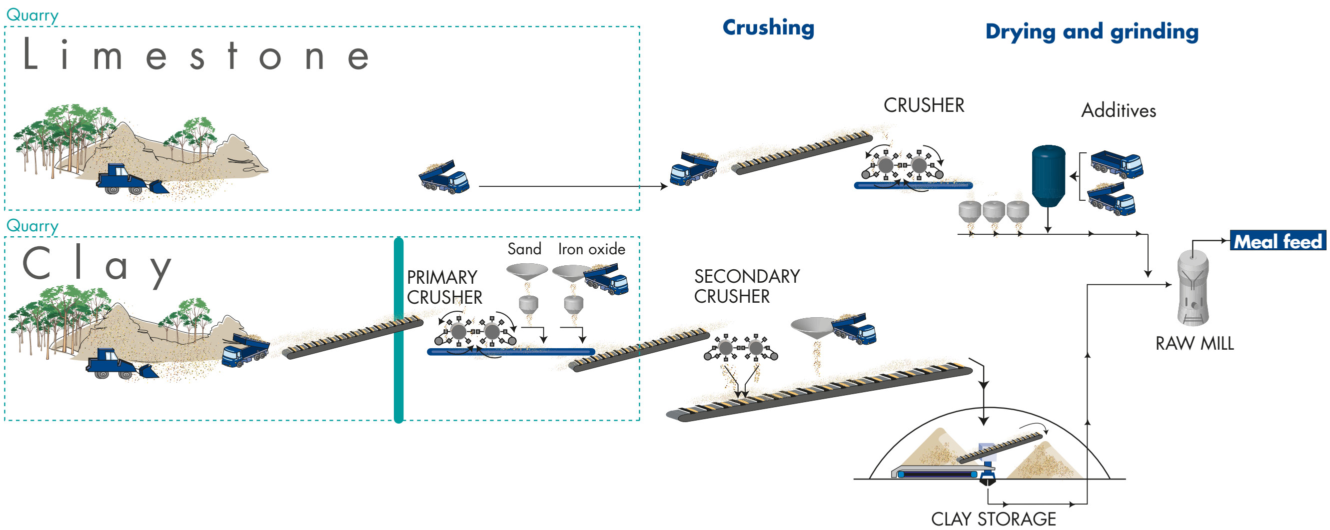
Natural quick-setting cement has been added to these categories: a special quick-hardening cement, whose strength is immediately superior and increases gradually over time. For 160 years, the Group has produced its quick-setting cement from a natural alpine stone, with an exceptional performance offering 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 1.5. "R&D and innovation" of this document).

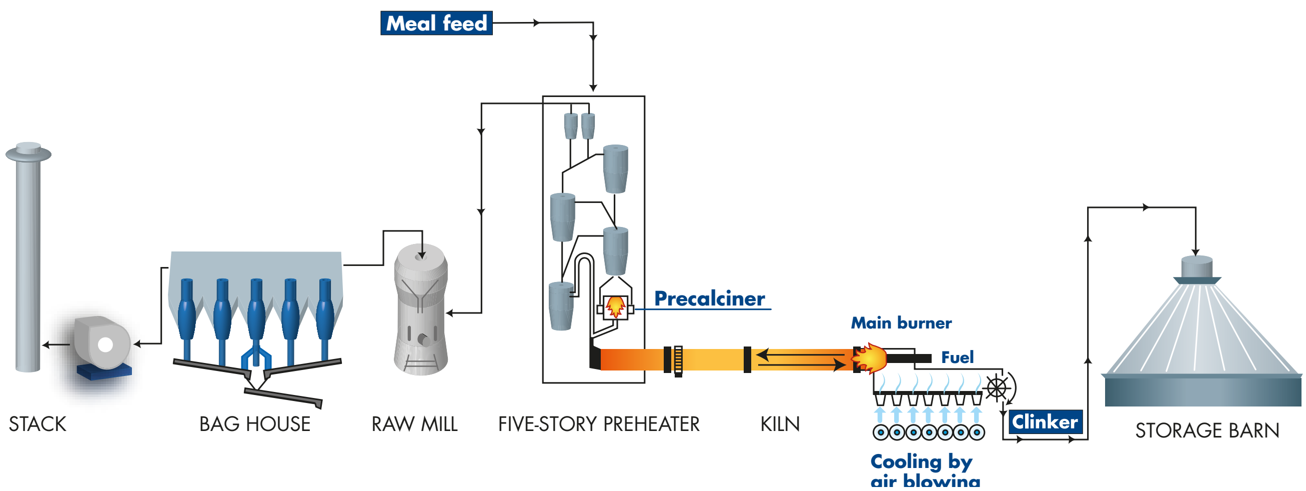
1.1.1.2 Manufacturing methods

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

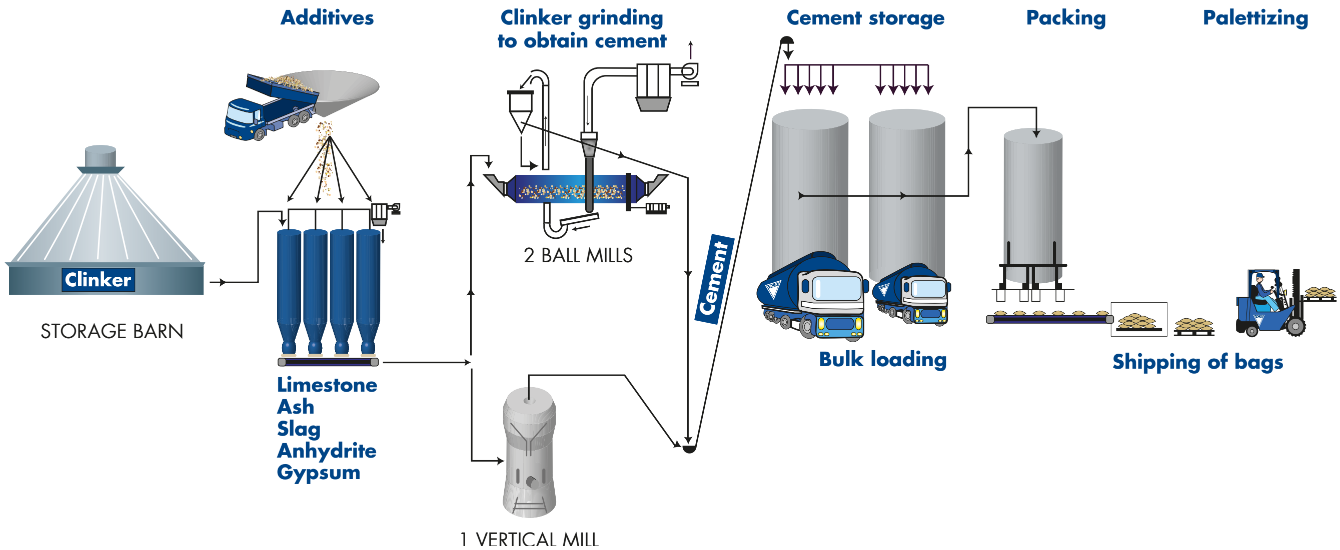
- extraction of raw materials: limestone and clay are extracted from quarries located near the cement factory. The rock is blasted out with explosives. The rocks and blocks obtained are then transported to crushers, in order to reduce their size and obtain stones less than 6 cm in diameter;
- preparation of the raw material: the materials extracted from the quarries 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). The raw meal undergoes complex chemical reactions during this firing: 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. As this product is easier to transport and store, over time we have started to see more clinker shipments from zones with over-capacity. 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 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 and 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 (clay or limestone). Recently, the cement industry has invested heavily in a migration from the wet to the dry process, which consumes less energy, when raw material resources permit. Of the Group's 25 kilns currently in service, 24 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. Energy costs account for over 30% of the cost price of cement on average and represent the top expense item. In 2022, energy costs for the Group as a whole amounted to over €600 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 cement kiln makes it possible to recover and use the energy released. The relevant Group plants obtain 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 2022, the share of secondary fuels was 28.2% on average (compared with 26.2% in 2021), with significant variations (from 0% to 96%) depending on the availability of fuels in the countries where Vicat operates.

For further information on alternative fuels, see section 3.1.1. "Climate – Reducing the carbon footprint of operations" in the Statement of Extra-Financial Performance in this 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 furnace slag (which is a by-product from steel works). Their usage improves certain cement properties but also reduces the amount of clinker and in turn the quantity of fossil fuels required for its production (see section 3.1.1. "Climate – Reducing the carbon footprint of operations" in the Statement of Extra-Financial Performance in this document).

1.1.1.3 Operating sites and production facilities

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. 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	**4.3 MT**	Ragland (2 dry-process kilns)	The 1974 acquisition of this cement factory in Alabama marked the first step in the Group's international development. In 2022, start-up of the new firing line to enable 100% fuel substitution further out.
		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	**5.1 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	**9.0 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 3,5 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, via Mauricim, operates a cement grinding mill near the capital.

This represents **a total installed cement capacity of over 38 million metric tons of cement.**

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

As mentioned in section 6.4 "Investments" of this document, 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 installed cement 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.

The Group generally owns the land on which its cement plants are built or enjoys long-term leases. 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 through renewable concessions granted by the state, which offer both possession of the land and the right to exploit it.

From the outset of its operations, the Group takes into account the constraints of restoring its sites. This aspect is discussed in Section 3.1.3 "Preserving biodiversity and ecosystems" in the Statement of Extra-Financial Performance in this 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 9%[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.

Moreover, the players active in a local market should be able to provide their customers with continuous services 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.

Furthermore, 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) Source: Global Cement Report.

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 the Group 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. 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 272 concrete batching plants in six countries at the end of 2022, and its companies sold more than 10.0 million m^3 of concrete.

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. 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 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. 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, 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 (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 specific properties sought by the customer. Significant technical expertise and demanding quality control is thus 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. 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, some of which are owned or leased directly by the Group (in particular in France by its subsidiary Delta Pompage).

Raw materials vary considerably according to the national markets in which the Group operates. In general, they 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.

1.1.2.3 Operating sites and production facilities

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, 2022, the Group operated 272 concrete batching plants, located near its principal cement production sites, forming regional networks in order to supply construction sites.

- France: 156 concrete batching plants;
- Switzerland: 18 concrete batching plants;
- Brazil: 13 concrete batching plants;
- United States: 45 concrete batching plants;
- Turkey: 39 concrete batching plants;
- Mauritania: 1 concrete batching plant.

These plants are located near where concrete is consumed. In fact, the concrete prepared in the plant must be delivered to the site on which it will be used within at most 90 minutes, within an operating range of between 20 and 30 kms, somewhat depending on the traffic conditions in the area.

The majority of the concrete batching plants are fixed, although the Group also uses some 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 25.3 million metric tons of aggregates in 2022, produced by its 72 quarries.

1.1.3.1 Products

Aggregates (sands and gravel), which are the main 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, cut-offs, 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.

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 crushing 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. With the exception of some vehicles held under leases or finance leases, the Group generally owns this equipment.

1.1.3.3 Operating sites and production facilities

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, 2022, the Group operated 72 aggregate 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 and ecosystems" of this document.

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.

Operations in the Other Products and Services segment are described in section 1.4. of this 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, 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, he soon decided to build a factory at Genevrey-de-Vif in France.

1875

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

After rigorous research, 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 installed cement 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 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 an installed cement 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 an installed cement capacity of 5.1 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 an installed cement 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 partnership in which the Group owns the majority. Today, the El Arish cement factory located in the northern Sinaï Peninsula has an installed cement 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 an installed cement 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 Group Chairman and Chief Executive Officer.

2017

Creation of the Louis Vicat Corporate Foundation

2019

Acquisition of Ciplan in Brazil

Ciplan (Cimento do Planalto) operates a cement factory near Brasilia with an annual installed cement capacity of 3.2 million metric tons, 13 concrete batching plants and two aggregate 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

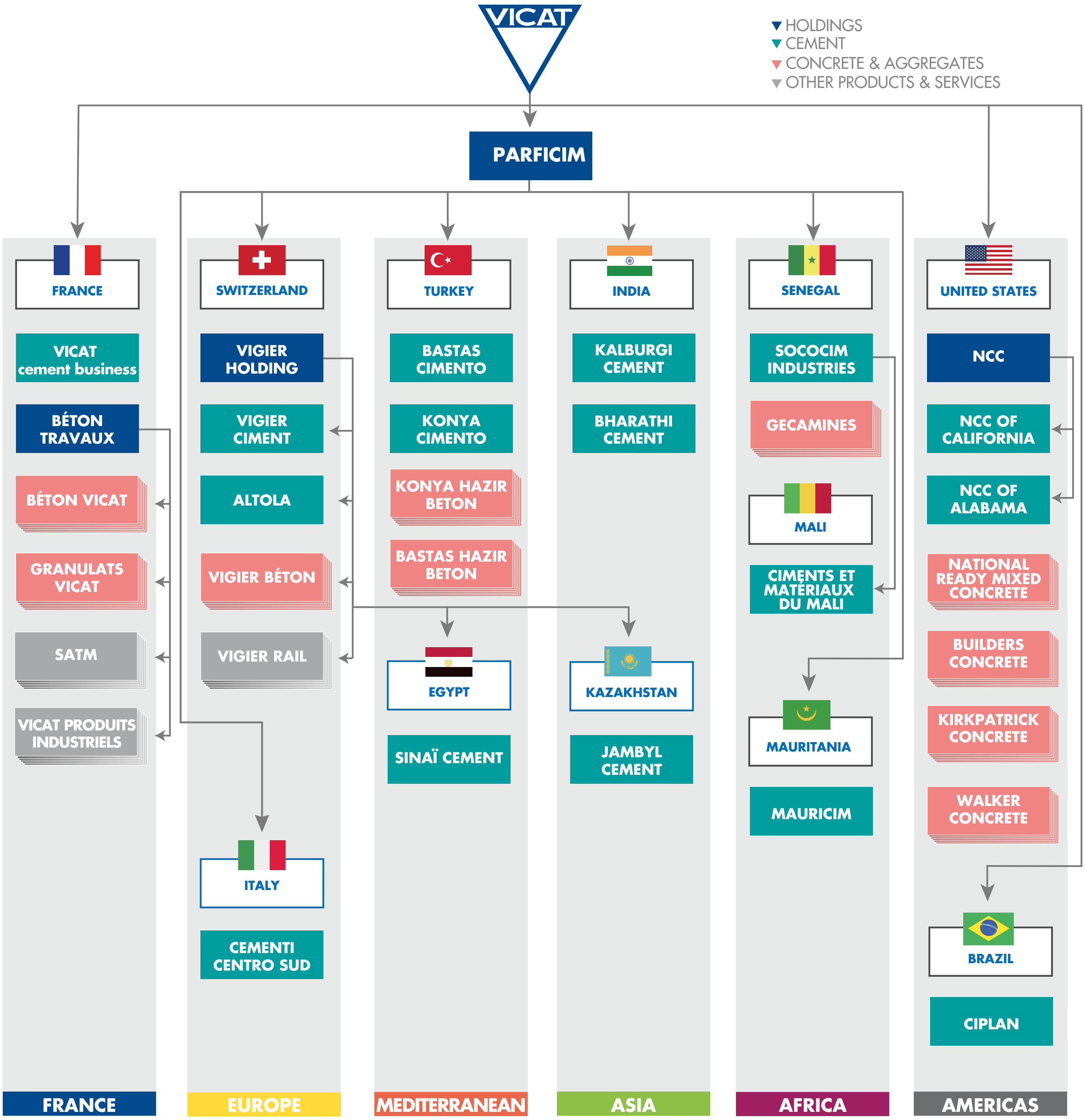
Commissioning of the new kiln in Ragland (United States)

The new kiln in Ragland, with capacity of 1.8 million tons, benefits form the latest technologies and contributes to the Group's climate objectives.

1.3 SIMPLIFIED ORGANIZATIONAL CHART

The organizational chart below summarizes the main Group companies (139 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.



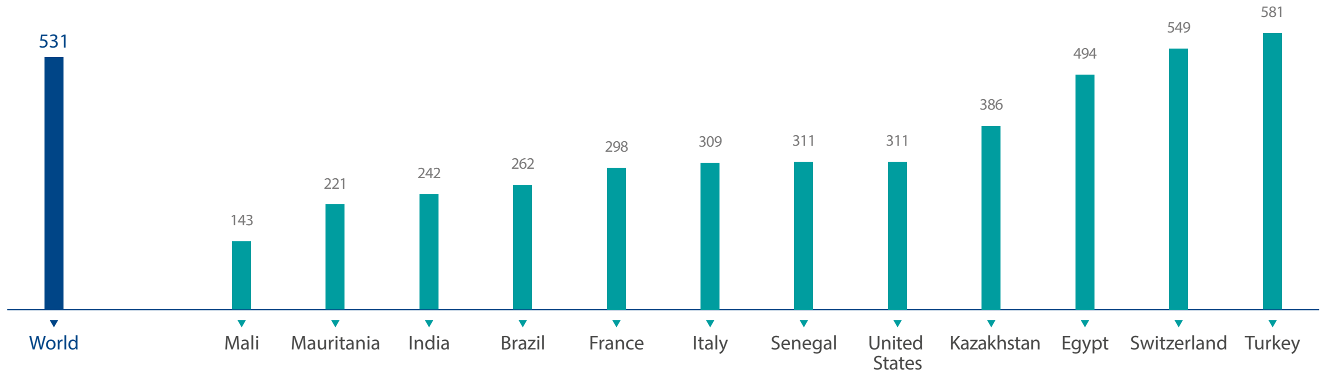
Some of the subsidiaries directly and indirectly controlled by the Group have minority shareholders who may be industrial or financial partners, or historical shareholders in the subsidiary in question before it was acquired by the Group. The presence of these minority shareholders may lead to the signing 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 16 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 document and in note 23 to the consolidated financial statements as at December 31, 2022.

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.

Breakdown of consolidated revenue by geographical area in 2022

(in millions of euros)	2022	%
France	1,177	32
Europe (excluding France)	388	11
Americas	860	24
Asia	500	14
Mediterranean	374	10
Africa	343	9
TOTAL	**3,642**	**100.0**

Due to the Group's significant geographical diversification efforts in recent years, the portion of revenue generated in emerging countries reached 41% of the Group's consolidated revenue in 2022.

Cement sales volumes

The Group has 16 cement factories spread over nine countries, as well as five clinker raw mills established in three countries. Sales were 27,140 thousand metric tons of cement and clinker in 2022.

(in thousands of metric tons)(1)	2022	2021
France	3,129	3,202
Europe (excluding France)	1,100	1,128
Americas	5,334	5,426
Asia	8,104	7,996
Mediterranean	5,639	6,339
West Africa	3,834	4,050
TOTAL	**27,140**	**28,141**

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

Intra-group cement sales accounted for 19.3% of this business in the Group, with a significant disparity, ranging from 0% to 43% 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 272 concrete batching plants which produced and sold 10,023 thousand m^3 of concrete in 2022.

(in thousands of m^3)	2022	2021
France	3,642	3,517
Europe (excluding France)	593	681
Americas	3,093	3,157
Mediterranean	2,692	3,113
West Africa	4	3
TOTAL	**10,023**	**10,472**

Aggregates sales volumes

The 72 quarries operated by the Group's Aggregates business sold 25,518 thousand metric tons of aggregates in 2022.

(in thousands of metric tons)	2022	2021
France	10,597	10,861
Europe (excluding France)	2,803	2,952
Americas	2,962	2,592
Asia	618	518
Mediterranean	5,645	4,782
West Africa	2,893	2,293
TOTAL	**25,518**	**23,998**

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

	2022	2021	Change
Cement *(in thousands of metric tons)*	3,129	3,202	-2.3%
Concrete *(in thousands of m^3)*	3,642	3,517	+3.6%
Aggregates *(in thousands of metric tons)*	10,597	10,861	-2.4%

Despite the crisis linked to the conflict in Ukraine, followed by the surge in energy prices, GDP suffered only a limited slowdown, with growth reaching 2.6%. Price inflation hit 6% over the year.

Housing starts were down close to 5%, with close to 400,000 units started. Non-residential building starts were up 5% over the year, despite the decline witnessed over the second half.

The public works business contracted by 7.5%, since the increase in costs generated delays in public orders.

1.4.1.1 Cement

The French cement industry is concentrated; four groups account for over 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.

After a recovery in cement consumption of more than 4% in 2021, cement demand declined by 3% in 2022 due to the inflationary backdrop.

In 2022, Vicat's sales were down 2.3% in a lackluster market. However, selling prices were increased to limit the impact of inflation.

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 2022, as for cement, consumption of ready-mixed concrete should decline by close to 4% to close to 40 million cubic meters.

The Group's 156 concrete batching plants cover 10 of the 19 French regions, mainly located in the eastern half of France, and sold nearly 3,642 thousand m^3 in 2022, 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 320 million metric tons in 2022 (excluding recycled materials), down more than 4% also.

The Group has some 60 sites, including 45 quarries, which enabled it to produce and market 10,597 thousand metric tons of aggregates in 2022, down 2.4% on 2021. Selling prices were up.

1.4.1.3 Other Products and Services

Other Products and Services in France 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)	2022	2021	Change
Transport and Major Projects	193.0	183.5	+5.2%
Construction chemicals, Vicat Produits Industriels	96.4	90.7	+6.3%
Paper	54.4	42.5	+28.1%

TRANSPORT AND MAJOR PROJECTS

Through its 15 branches in France, SATM uses three means of road transport: bucket, tank and platform trucks. SATM also offers multimodal low-carbon transport solutions (river, rail) as an alternative to road transport. 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 +12.2% in 2022.

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 true partner in the major projects field, in France and abroad. Owing to the slowdown of major building projects in 2022, revenue was down 39% in 2022.

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 more than 6% in 2022 driven by the strength of the Building activity and export business.

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 2022, the Company exported 32% 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 installed cement 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 2022, sales remained stable in volume compared with 2021.

1.4.2 Europe (excluding France)

Group sales volumes in Europe (excluding France)

	2022	2021	Change
Cement *(in thousands of metric tons)*	1,100	1,128	-2.5%
Concrete *(in thousands of m³)*	593	681	-13.0%
Aggregates *(in thousands of metric tons)*	2,803	2,952	-5.0%

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 2022, Switzerland's GDP grew by +2.0% while the inflation rate was 2.9%.

CEMENT

Demand for cement in Switzerland was around 4.6 million metric tons in 2022, which represents slightly less than 600 kg of cement consumption per capita, a very high level of demand for a mature market. National deliveries were stable[1], with a marked decline in 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 2022, the Cement business, including the waste treatment activities, saw revenue grow +16.7% on 2021. Price increases were implemented to counter cost price inflation.

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 600 thousand m^3 in 2022, down 13% compared with the previous year. It was possible to increase prices in 2022.

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 2.8 million metric tons in 2022, down 5.0% on the previous year.

(1) Source CemSuisse/internal estimate.

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 Track* ballast-less systems.

Revenue generated by this business line was stable in 2022 at €49 million.

1.4.2.2 Italy

With cement consumption of just over 20 million metric tons of cement in 2022, Italy suffered a contraction of close to 5% owing the macroeconomic backdrop.

Cementi Centro Sud, the Group's subsidiary, operates a raw mill in Sardinia and two shipping terminals, one near Genoa and the other in the south of the country, which jointly totaled 240 thousand metric tons sold in 2022, including quick-setting cement trading, up 9%. For the Group, this operating site represents a strategic observation position, in a market undergoing profound change.

1.4.3 Americas

Group sales volumes in the Americas

	2022	2021	Change
Cement *(in thousands of metric tons)*	5,334	5,426	-1.7%
Concrete *(in thousands of m^3)*	3,093	3,157	-2.0%
Aggregates *(in thousands of metric tons)*	2,962	2,592	+14.2%

1.4.3.1 United States

GDP growth came to 2.1% in 2022, admittedly weaker than in 2021 but nevertheless solid. Unemployment returned to its historical low-point at 3.5% of the working population. Inflation slowed to 6.5% over the year.

Construction spending was up +8.5% compared with 2021, driven mainly by the non-residential commercial sector.

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 97 million metric tons in 2022 [(1)], up by around 1.6% on 2021. 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 following table presents cement consumption in the two regions of the United States where the Group is present[(2)] as well as for all of the United States:

(in millions of metric tons)	2022	2021	Change
South-East	9.5	9.2	+2.7%
California	9.7	9.6	+0.8%
TOTAL UNITED STATES	**97.1**	**95.6**	**+1.6%**

The Group has two factories, 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.

To respond to the anticipated growth in the market in the South-Eastern United States and to increase considerably the use of alternative fuels, a new firing line was commissioned in 2022 at the Ragland plant in Alabama.

Group sales volumes were down close to 3% in 2022 owing to the impact of the start-up of the new firing line in the South East, which offset steady business in California. Price increases were also effected in the two regions.

(1) Internal estimates.

(2) Source: United States Geological Survey (USGS) and end-of-year estimate.

(3) Source: Global Cement Report.

READY-MIXED CONCRETE

Ready-mixed concrete is widely used in the United States. The US market for ready-mixed concrete was estimated at around 306 million m^3 in 2022[1], up +1.6% on a year earlier.

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.

In 2022, the Group's Ready-mixed Concrete market in the South-East (Alabama and Georgia) accounted for a production of over 15 million m^3, around a 6% increase over 2021[1]. In California, production of ready-mixed concrete came to close to 30 million m^3 in 2022, up 0.8% compared with a year earlier[1].

The Group has grown through successive acquisitions and runs 45 concrete batching plants in the US, mainly through Kirkpatrick Concrete, National Ready Mixed, Walker Concrete and Builders Concrete.

These companies generated sales volumes down 2.8% to more than 2.3 million m^3 in 2022. 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 13 concrete batching plants and two aggregate quarries.

The GDP growth forecast for 2022 stands at +3%. The unemployment rate continued to decline in 2022 to 8%. Inflation remained stable at +5.8%.

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.

At the national level, cement consumption came to 63[2] million metric tons, down 2.8% compared with 2021, hit by unfavorable weather conditions, the election backdrop and the soccer world cup.

Against this backdrop, sales generated by Ciplan were stable compared with 2021, at more than 3 million metric tons, and benefited from price increases.

CONCRETE

With its network of 13 concrete batching plants, sales came to more than 800 thousand m^3 in 2022, i.e. an increase of close to 4%. Prices also trended positively.

AGGREGATES

Ciplan operates two aggregate 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 surged 14% in 2022 to close to 3 million metric tons.

1.4.4 Asia

Group sales volumes in Asia

	2022	2021	Change
Cement *(in thousands of metric tons)*	8,104	7,996	+1.4%
Aggregates *(in thousands of metric tons)*	618	518	+19.4%

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 installed cement capacity of 9 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 is expected to expand by close to 7% in 2022 despite inflationary pressures, with the price index rising 5.7%. The unemployment rate exceeded 8% at end-2022, up slightly versus a year earlier.

(1) Our estimates and NRMCA data.

(2) Source: Sindicato Nacional da Industria do Cimento (SNIC), 2020 preliminary data (consumption) and CIA World Factbook (population).

CEMENT

The cement market in India was estimated at over 330 million metric tons in 2022[1], 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. Around 80 producers are active in the country, with the 17 biggest producers representing 70% of total cement production. Note the 2022 acquisition by Adani of the ACC and Ambuja companies from the Holcim group, making Adani the second-largest cement producer in India, after UltraTech Cement.

In 2022, 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 113 million metric tons, up +12% on 2021.

The Group markets the production of its two factories under both the Bharathi Cement and Vicat brands through a broad network of distributors. In 2022, the Group thus sold 6.7 million metric tons of cement, up +4.9% on 2021. Selling prices also increased.

AGGREGATES

Bharathi Rock Products operates an aggregate quarry approximately 50 km from Bangalore, in Karnataka. This company sold 0.6 million metric tons of aggregates in 2022, up +19% on 2021.

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 52 million bags in 2022, 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.

GDP growth in Kazakhstan should amount to 3% in 2022, despite inflation up more than 20%.

Business in the construction remained stable in 2022. In public works, 11,000 km of public roads were built or repaired.

Domestic consumption of cement declined by close to 6% in 2022, to 12 million metric tons.

Sales generated by Jambyl Cement were also down more than 12%, to around 1.4 million metric tons, the Astana market being more dynamic than the Astana market this year. Selling prices also trended upwards.

1.4.5 Mediterranean

Group sales volumes in the Mediterranean

	2022	2021	Change
Cement *(in thousands of metric tons)*	5,639	6,339	-11.0%
Concrete *(in thousands of m^3)*	2,692	3,113	-13.5%
Aggregates *(in thousands of metric tons)*	5,645	4,782	+18.0%

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.

With its economy still fragile owing to the devaluation of the Turkish lira in 2018, Turkey nevertheless reported solid growth in 2022, with GDP growth of +5% thanks notably 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 24% over the year, also bringing inflation to 64% at the end of December, meaning the country was in hyperinflation.

Despite the budgetary measures, the building industry collapsed in 2022 owing to the surge in the cost of construction materials.

CEMENT

The downtrend also hit cement consumption, which was down close to 12% at 53 million metric tons in 2022.

Despite some level of consolidation in recent years with the emergence of multinational players such as Vicat, HeidelbergCement and Cementir (Italy) and Turkish groups of national stature (such as Oyak, Sabanci and Nuh), the Turkish cement manufacturing sector remains highly fragmented with the emergence of new local players in 2022. The main 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.

Against this backdrop, cement sales in Turkey were down close to 18% to 3.4 million metric tons. However, selling prices increased sharply in 2022, offsetting the impacts of cost inflation.

(1) Source: internal estimate.

READY-MIXED CONCRETE & AGGREGATES

The Turkish RMC market is estimated at around 90 million m^3 in 2022 [(1)], down around 12% compared with the previous year, and the same was true for cement.

The Group has 39 concrete batching plants around its two cement plants. In the context described above, the production of Bastas Béton and Konya Béton reached 2.7 million m^3 in 2022, down 13.5%, 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 55% of its sales.

At 5.6 million metric tons, aggregates sales increased +18% in 2022 compared with 2021, thanks to the promotion of new products in 2022. 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 viewpoint, the situation in Egypt deteriorated in 2022, with the impacts of Covid-19 and the conflict in Ukraine sparking a clear surge in inflation to reach almost 22% at end-2022. Obliged by the IMF to let its currency float, the currency collapsed 33% versus the euro in 2022.

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 and 2022, thanks in particular to a major works program undertaken by the Egyptian State, including for example the new capital project.

Cement consumption rose +5.4% in 2022, reaching 51 million metric tons.

There are currently 22 cement companies in Egypt, throughout the country, including Holcim, Cemex, Heidelberg Cement, Titan and Intercem, and above all the Egyptian army, which already directly controls almost 30% of the country's private industry. Most cement factories are concentrated within a 200 km radius around Cairo, the capital.

Despite the economic backdrop, sales generated by the Sinaï Cement Company increased 1.4% to 2.3 million metric tons thanks to the marketing of new cements and the development of export business. The market regulation agreement concluded between the Egyptian government and all producers which came into force in July 2021 was renewed in 2022, thereby contributing to greater sector rationality. Price increases were possible to limit the impact of inflation.

1.4.6 Africa

Group sales volumes in Africa

	2022	2021	Change
Cement *(in thousands of metric tons)*	3,834	4,050	-5.4%
Concrete *(in thousands of m^3)*	4	3	+5.4%
Aggregates *(in thousands of metric tons)*	2,893	2,293	+26.1%

1.4.6.1 Senegal

The economy in Senegal was hit by the global macroeconomic backdrop. Inflation reached 8.5% in 2022 and GDP growth was close to 5%. A social support plan was implemented, notably to assist households. The construction sector slowed but continued to hold up well, up +2.8%, driven by major construction 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 of more than 10 million metric tons.

The cement market in Senegal enjoyed 5% growth in 2022 to amount to more than 6 million metric tons.

The Group faces competition in Senegal with Ciment du Sahel and, since January 2015, with the Nigerian group Dangote.

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 3.4 million metric tons in 2022, stable versus 2021, Sococim Industries has maintained its leadership position amid intense competition. After having been frozen by the government, it was possible to increase selling prices in 2022 to partially offset inflation.

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.

(1) Estimate provided by the THBB.

After a difficult 2020 owing to stoppages or postponements of major State projects, 2021 and 2022 saw the delivery of certain major projects (Grand Stade, the gas project, etc.), and an improvement in the residential housing sector.

Against this backdrop, the Group enjoyed volume growth of +26% to 2.8 million metric tons in 2022.

1.4.6.2 Mali

2022 was marked by both political and economic crises in Mali. The clear disconnect during the first half of 2022 between Mali authorities and its main economic and security partners, stemming from the transitional government's inability to keep to the pre-determined election timeframe, led to the imposition of a number of economic and financial sanctions, and in particular border closures. This led to a sharp slowdown in economic growth.

Against this backdrop, cement consumption was down 2% to 2.4 million metric tons. Ciments et Matériaux du Mali nevertheless managed to sell 231 thousand metric tons, in addition to 166 thousand metric tons of direct sales by Sococim Industries, i.e. an overall decline of 40% compared with 2021. The reopening of borders in July 2022 led to a partial resumption of business.

1.4.6.3 Mauritania

2022 saw economic growth of 4%, inflation of 10% and an unemployment rate of 36%. Annual cement consumption in Mauritania rose +4.0% in 2022 to over 1.1 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 sales rose in 2022.

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 areas of R&D are intended to help the Group meet the goals laid out in its low-carbon roadmap, while anticipating major changes in its markets. The development of new products is thus guided by the following issues:

- reduction of their carbon footprint;
- 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 2022.

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 brings together large teams across a range of areas like the properties of materials, understanding biosourced resources, robotics and the thermal performance of buildings.

This research requires cutting-edge analytical equipment like electron microscopes, thermogravimetric or infrared analysis and also pilot equipment to prepare the industrialization of new cements and concretes. This research resulted, for example, in the development of a carbon negative 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 equivalent per 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. Vicat's researchers are also working on storing CO_2 by mineralizing industrial by-products and waste like aggregates of recycled concretes. Lastly, the Research and Development teams in Cement, Concrete, Aggregates, Mortar and Building Systems provide support to the sales teams 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 was commissioned 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. For example, Vicat's researchers have developed formulations using different types of cement (Portland, Sulfoalumineux and Prompt) allowing for faster repairs to airport and road infrastructure and thereby limiting operating losses and traffic disturbance. The development of high and very high performance concretes (HPC and VHPC) and ultra-high performance fiber-reinforced concrete (UHPFRC), SMART UP at Vicat, increased the strength of the material ten-fold (200 MPa compressive strength) and enables renovation, repair and lightening of aging infrastructure such as bridges.

These concrete products also 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 partnership with the INES/CEA in Chambéry and ARaymond, 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 exterior walls.

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 several public and private research centers such as the Commissariat à l'énergie atomique (CEA), the Gustave Eiffel University, École centrale de Nantes, Écoles des Mines, 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 have therefore partnered with 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. Work on mineralizing contaminated soil is being done with the CNRS and the Claude Bernard University Lyon. The replacement of synthetic fibers with biosourced fibers in concrete is being studied in partnership with the Ecole Supérieure des Travaux Publique. Both these last projects are supported by ADEME.

Risk factors and Internal Control

Chapter 2

The Vicat Group continually analyzes and manages its risks. The Group's Internal Audit has thus identified 25 primary gross risks. After management of these risks and at the date of filing of this document, 10 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 results.

Risk mapping

Category	Risks	Probability of occurrence	Possible impact	Criticality
Operational risks	Country risk	Possible	Significant	High
	Health risk	Possible	Moderate	High
	Risks related to resources	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	Environmental responsibility	Possible	Significant	High
Legal risks	Ethics and corruption	Possible	Significant	High
	Regulatory risks, non-compliance with tax and regulations	Possible	Moderate	Limited
Financial risks	Exchange rate and interest rate risk	Possible	Moderate	Limited

2.1 OPERATIONAL RISKS

2.1.1 Country risk[1]

Risk description	Risk management
An integral part of the Group's growth strategy is to seize development opportunities in growing markets. In 2022, around 41% of the Group's revenue 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 or price controls, export controls, nationalizations or expropriations of private property. If these situations were to last, they may thus result in a deterioration in cash flow generation and thus the need for impairment losses to be recorded for certain investments or goodwill. Thus, in 2022, the Group's activity and results remained affected by the consequences of the devaluation of the Egyptian pound and the still very sensitive security situation. In Turkey, the country's economy is officially in hyperinflation, with growth in the consumer price index in excess of 80% (*see* note 1 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* (59% of Group revenue and 60% of EBITDA in 2022), 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.

(1) 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 limit risks of cyberattack. The Group continues to favor local operational flows, which limits material supply disruption 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 (WCR, investments, savings plans) when necessary to secure cash flow make it possible to face the economic consequences of these health crises.

2.1.3 Risks related to resources

2.1.3.1 Risks of unavailability of raw materials

Risk description	Risk management
The Group has reserves of land, concessions and operating permits 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 furnace 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 permits, 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.

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 can buy fossil fuels on international markets and can therefore be 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 private power plants, 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 locally recovered waste and thereby avoiding landfill.

2.1.4 Risks related to the construction market[1]

Risk description	Risk management
The products and services sold by the Group, and in particular cement, concrete and aggregates, are used for construction of industrial or commercial buildings or housing, and for infrastructure. 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). 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.

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.

(1) High risk.

2.2 RISKS RELATED TO ENVIRONMENTAL RESPONSIBILITY[1]

Risk description	Risk management
The Group must comply with many 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, concrete batching plants 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 permits, incur liabilities, or be sentenced to pay fines. Furthermore, 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: innovative projects designed to reduce greenhouse gas emissions, integrate quarries into their environment, preserve biodiversity, optimize choices of energy sources, with an increasing share of alternative fuels and energy recovery from waste, managing and recycling and reducing 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.

2.3 LEGAL RISKS

2.3.1 Regulatory risks, non-compliance with tax and regulations[1]

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 chapter 7 of this 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.

(1) High risk.

2.3.2 Ethical or corruption risks[1]

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. Thus, five of the countries where the Group operates are ranked beyond 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 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 document.

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 limited and 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. 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, 2022:

(in millions of euros)	USD	EUR	CHF
Assets	196	89	86
Liabilities and contracted commitments	-206	-112	-7
Net position before risk management	**-10**	**-23**	**80**
Hedging instruments	-13	4	-84
Net position after risk management	**-23**	**-20**	**-5**

A significant portion of non-hedged positions correspond to markets for which liquidity is not sufficient to carry out hedging transactions. 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).

(1) High risk.

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	(6,600)	(435)
Impact of a -100 bps. change in the interest rate	6,098	435

(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;
- 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 include the list of potential dysfunctions observed and remedial recommendations.

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 2022, 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, but also by implementing new ERPs in Mali, Senegal and Kazakhstan.

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

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 whistleblower system and training to educate and raise awareness among directors, employees and third parties (see also chapter 3 section 3.1.6). 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.

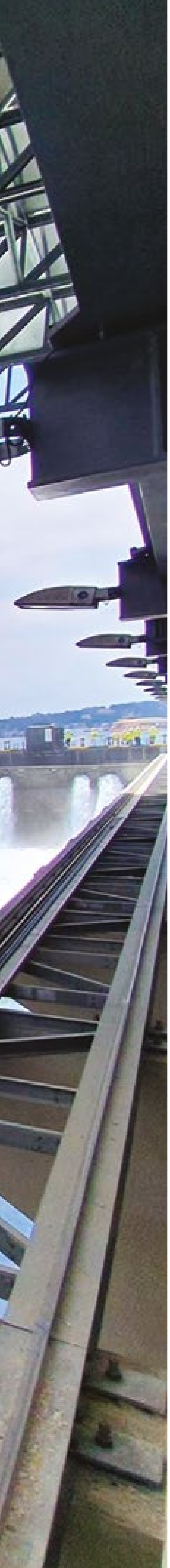
The risk of environmental civil liability is taken into account in each country.

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 2022, the total cost of insurance cover on the main risks managed under Group policies was approximately 3.7 per thousand revenue.

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.

2022 Statement of Extra-Financial Performance



Chapter 3

THE VICAT GROUP'S CSR APPROACH

An approach that is at the heart of the Group's industrial strategy and market trends

The Vicat Group, controlled by the founding family, pursues a long-term strategy.

The way it values its employees and how it engages within the countries play a direct role in the development of the local economic and social fabric.

These countries are chosen based on objective criteria regarding the business climate and in particular the political, legislative and economic environment.

The Group, which is actively committed to the ecological transition, is transforming its industrial processes and products to reduce their carbon footprint. These efforts, which require significant industrial investment, are done on the back of expected market demand that is just beginning to take shape.

Vicat's Business Model

Built on stable fundamentals and rolled out over time within the countries, Vicat's business model means it is highly resilient. With a view to achieving sustainable growth alongside all its stakeholders, the Group's strategy is to consolidate and accelerate its development across all business lines while addressing the major environmental and societal challenges.

VICAT GROUP'S BUSINESS MODEL

MEGA TRENDS

DEMOGRAPHIC GROWTH

Our resources

INDUSTRIAL ASSETS

- Modern high-performance production facilities, close to its markets, being continually upgraded. **16** cement plants worldwide, **272** concrete batching plants, **72** aggregate quarries.
- Self-production of **140** GWh of renewable electricity.
- **7** subsidiaries dedicated to the circular economy (Altola, ALTèreNATIVE, Bioval, CIRCULère, Çözüm, Terenvie, Vito Recycling).

NATURAL CAPITAL

- Strong land management that ensures long-term access to geological reserves.
- Rich, diversified land holdings that respect biodiversity and ecosystems: forests, wetlands, natural reserves.

HUMAN CAPITAL

- Putting occupational health and safety first: **Zero accident** target.
- **9,912** engaged and passionate employees sharing the Group's values, in **12** countries. **90%** of teams on permanent contracts.
- Strong social dialogue built on respect.
- **100%** gender wage equality (see vicat.com)
- Target of **100%** of employees to receive awareness training on the challenges surrounding the energy transition.
- Close to **100%** of general management positions are held by locals, in the **12** countries in which the Group operates.

SOCIAL CAPITAL

- Ongoing dialogue and trust with the stakeholders (local populations, institutional partners, customers, scientific and technical communities, regional authorities, voluntary organizations, etc.)
- Local identities in each of the **12** countries in which the Group operates.
- **2** corporate foundations: the Louis Vicat Foundation and the Sococim Foundation.
- Supplier dealings built around top-level, local and responsible suppliers (**65%** of purchases are in the countries in which the Group operates).
- Committed to inclusion.

ECONOMIC AND FINANCIAL CAPITAL

- Long-standing majority family shareholding.
- Generation of geographically diversified cash flow (**64%** in the mature countries, **36%** in emerging countries).
- Financial strength – high levels of equity (**€2.8 billion**) – diversified and managed debt burden (average maturity of 5 years).

INTELLECTUAL CAPITAL

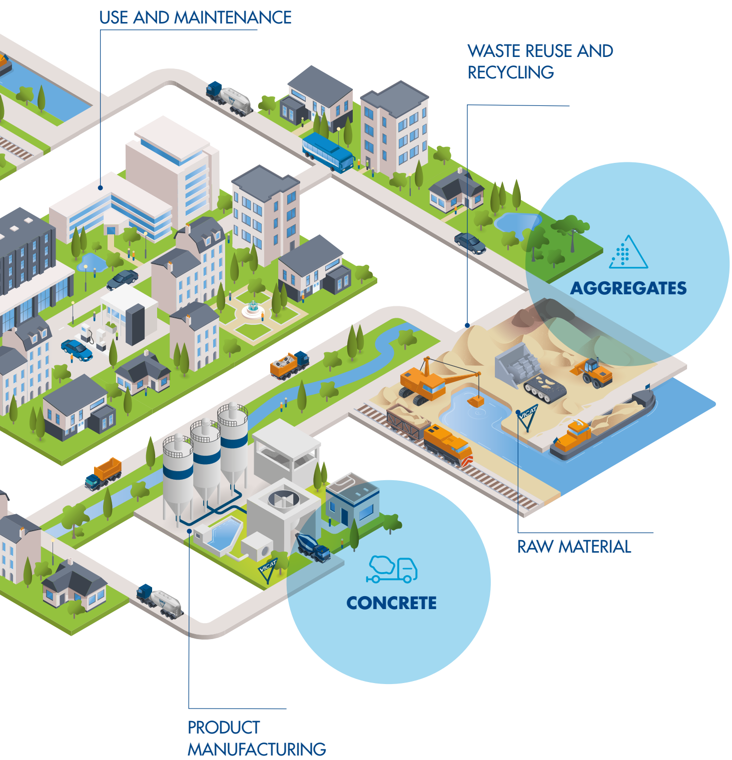
- Invention of artificial cement by Louis Vicat in 1817.
- Recognized technical know-how and excellence in the Cement, Ready-mixed Concrete and Aggregates businesses.
- **100%** of top management trained in ethics and compliance.
- Innovation, a modern R&D center focused on product and process innovation (**100** engineers and technicians).

Our businesses

Our strategic priorities

A role as a cement manufacturer serving our customers.

SOCIAL AND SOCIETAL TRANSITION | ENERGY AND ENVIRONMENTAL TRANSITION



Ongoing engagement of its teams, at the heart of its countries.

A committed player to the environmental and energy transitions

Our value creation

PEOPLE

- Safety culture: ongoing reduction in the severity rate (**-8.3%**) and frequency rate (**-17.1%**).
- **100%** of employees trained in safety.
- Steady increase in the number of training hours (**21.2 hours** per person, up **+3%** on 2021).
- Steady increase in the number of women in all socio-professional categories (**11.8%** women).
- Over **90%** of direct employees on **permanent contracts**.
- **Zero tolerance** policy as regards discrimination, bullying, sexual harassment and sexist behavior.
- **100%** of activities providing support to local communities in 2022.
- **600** suppliers have signed up to our Supplier Code of Conduct (upholding human rights, safety, prohibition of child labor, compliance with labor law, etc.).
- The Louis Vicat Foundation/Sococim Foundation: Supporting initiatives to improve education, awareness around disability, culture, heritage and entrepreneurship.

CREATION OF ECONOMIC VALUE BY STAKEHOLDERS

- Customers: **€3.6 billion** (2022 revenue).
- Employees: **€500 million** in payroll.
- Suppliers: **€2.5 billion** in purchases from our suppliers (Group scope including energy).
- Shareholders: **€74 million** for shareholders.
- Debt holders: **€30 million** in interest on debt.
- Governments: **€110 million** paid to Governments (direct and indirect taxes). Over €**700 million** in VAT collected.
- Investment in future growth: **€400 million** (including the decarbonation projects).

PLANET

- Biodiversity: **74%** of Group sites have a rehabilitation plan.
- **3.9 million** metric tons of recycled or reused materials
- **420,000** metric tons of CO_2 emissions avoided at constant cement volumes.
- Substitution rate: **26.2%** in 2021 to **28.1%** in 2022 for the Group (equivalent of **860,000** metric tons of coal avoided), **66.0%** in Europe.
- Clinker content: **78.9%** in 2021 to **77.5%** in 2022
- CDP score: **A-**
- **64** projects relating to decarbonation – **€85 million** in funding for these projects
- **5%** of the electricity consumed is self-produced renewable energy (hydroelectric, photovoltaic, fatal heat). See page 93.
- Offering of quality products and services, **100%** standardized and sustainable, making it possible to reduce the carbon intensity of the value chain.

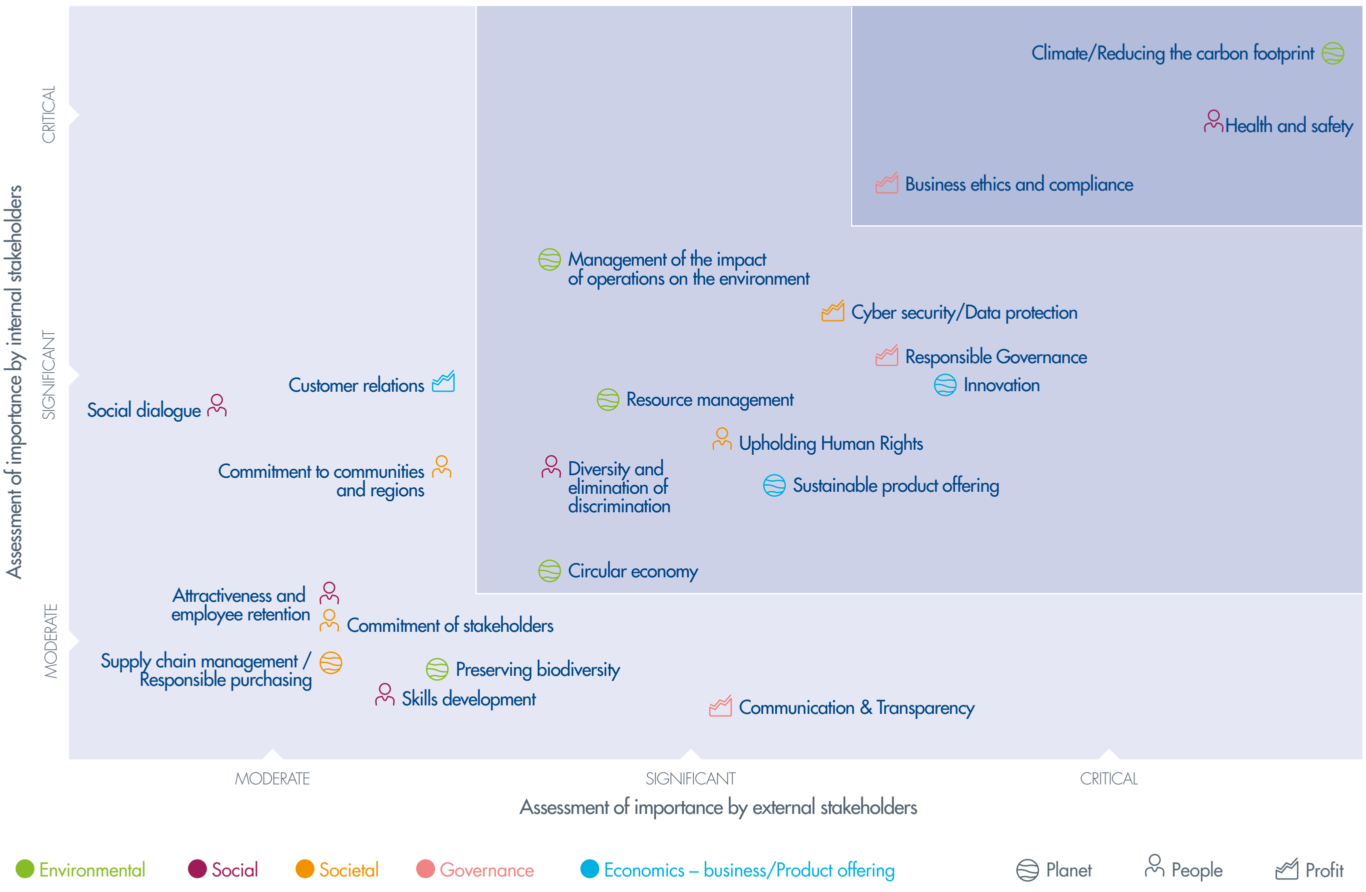
MATERIALITY ANALYSIS AND IDENTIFICATION OF PRIORITY ISSUES

In 2022, the Vicat Group completed the materiality analysis it had decided to undertake to further involve its internal and external stakeholders with whom it already has constructive dialogue and ensure it will contribute as best it can to the shared goal of sustainability. The stakeholders in question are:

- the increasing number of customers who are committed to carbon neutrality;
- suppliers;
- investors, who are looking to see progress on reducing the carbon footprint;
- employees, whose health and safety are a major concern;
- the applicants or future talent who increasingly pick their employer based on their commitments and their progress in terms of CSR;
- public authorities who, particularly in Europe, are ramping up their demands as regards the energy transition and the circular economy;
- local communities who directly or indirectly benefit from the value created by the Vicat Group in the countries in which it operates;
- the public or private partners, institutions, schools, universities, etc.

The stakeholders interviewed as part of this first exercise, which comprised more internal than external stakeholders, felt that the following issues were highly significant for the Vicat Group:

- climate and reduction in carbon footprint;
- health and safety;
- business ethics and compliance;



The analysis was done by an independent firm. It allowed the Vicat Group to ensure that it had not discounted any extra-financial risk or opportunity, to strengthen its ties with its stakeholders and to become aware of their expectations, rank its priorities and further improve its approach to strategic issues. This analysis offers a 360° view of the risks and is a useful complement to the internal risk mapping done by the Finance Department and the Compliance Department. These risks are presented in chapter 2 of this document.

DESCRIPTION OF THE SUSTAINABILITY CHALLENGES

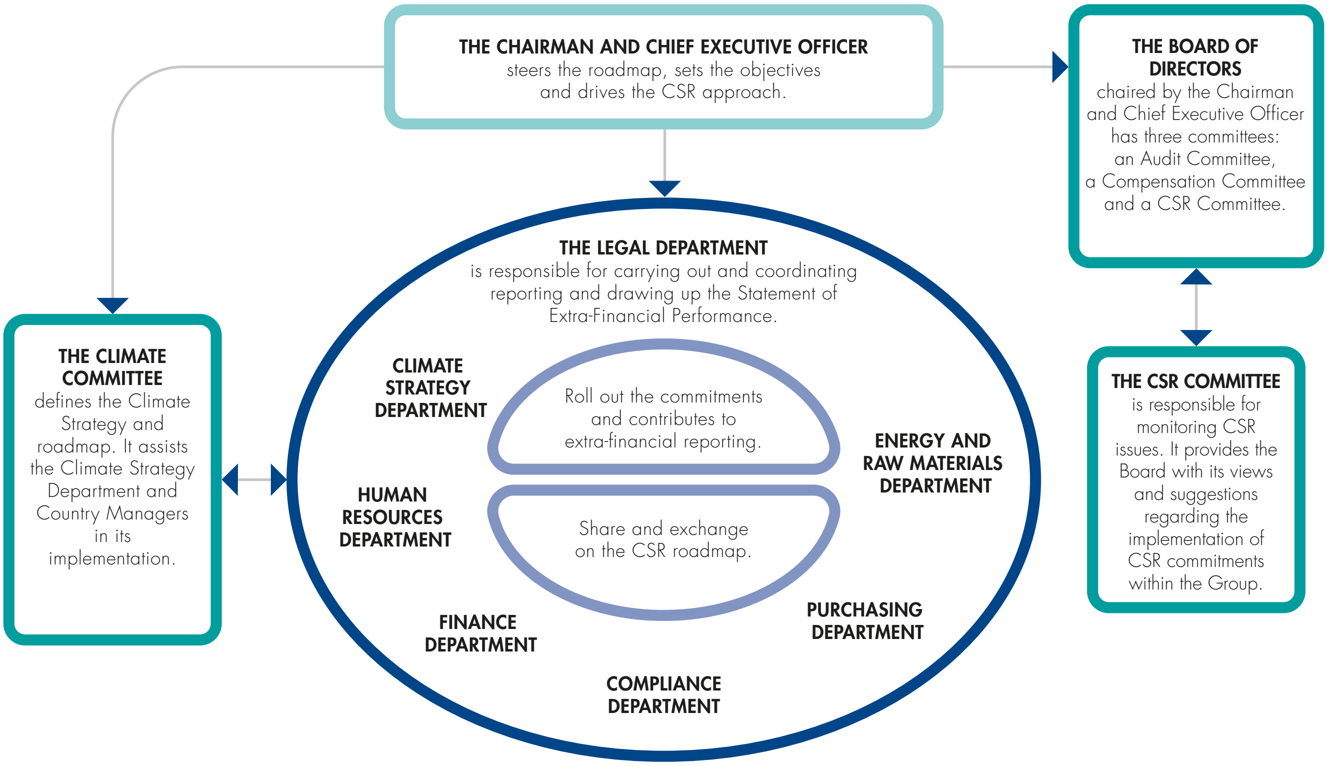
The challenges covered in the Statement of Extra-Financial Performance are the same ones already identified in the course of the materiality analysis and which were ranked as follows: **critical**/**important**/**moderate**.

Description of the challenges	Measures taken by the Group	Performance indicators	Contribution to the Sustainable Development Goals (SDGs)
ENVIRONMENT			
Climate – Reducing the carbon footprint of operations and products Risk (*versus* opportunity) of not taking all necessary steps to mitigate the impact of the Group's operations and products and the efforts to combat global warming Risk of being impacted by the consequences of climate change: higher costs and impact on production (production shutdown, supply of materials….)	Ambitious targets for Scopes 1 and 2 by 2030 A 2050 target: carbon neutrality across its value chain by 2050 Focal points of the Climate Plan: Substitution of primary fossil fuels Improvement in thermal and electrical energy efficiency of operations Production of renewable and low-emissions energies Reduction of clinker content in cement CO_2 capture, storage and utilization Reduction in the carbon footprint of mobility	CO_2 emissions across Scopes 1, 2 and 3 A- score on the CDP climate change questionnaire Specific cement emissions Scope 1	SDG 13 "Climate action" SDG 9 "Industry, innovation and infrastructure" SDG 7 "Affordable and clean energy"
Management of the impact of operations on the environment Risk of not being able to reduce the environmental footprint of the Group's operations and products	Operating policy for industrial and environmental performance Sound efficient management of water resources and management of wastewater Sound efficient management of raw materials and circular economy Responsible waste management Protecting air quality	Water extraction, wastewater, water consumption and specific water consumption Consumption involving substitution materials Emissions of dust, NO_x and SO_2	SDG 6 "Clean water and sanitation" SDG 14 "Life below water" SDG 12 "Responsible consumption and production"
Protecting biodiversity Risk that the Group's operations will impact other species and their ecosystems	Policy to "Avoid, Reduce, Offset" net biodiversity loss Limited man-made influence Ambitious rehabilitation plan Voluntary actions and partnerships	Share of quarries with a natural rehabilitation plan Share of quarries with a biodiversity management plan or taking positive steps to promote biodiversity Number of site visits by the stakeholders	SDG 15 "Life on land" SDG 14 "Life below water"
Sustainable product offering and Customer Relations Risk of reducing the Earth's ability to meet growing demand for housing and infrastructure Risk characterized by failing to meet expectations or targets set	Eco-design Quality management system Innovation policy DECA low-carbon offering 3D printing	OFG (Origine France Garantie) label Number of patents filed	SDG 12 "Responsible consumption and production" SDG 11 "Sustainable cities and communities"

Description of the challenges	Measures taken by the Group	Performance indicators	Contribution to the Sustainable Development Goals (SDGs)
SOCIAL	HUMAN RESOURCES POLICIES		
Human Health and Safety Likelihood that employees or subcontractors will be exposed to a hazardous situation (causing physical and/or psychological harm)	Zero accidents policy Training – Raising awareness Prevention	Frequency rate Severity rate	SDG 3 "Good health and well-being" SDG 8 "Decent work and economic growth"
Attractiveness and employee retention Risk of causing low employee engagement Risk of impacting productivity or the Group's development	Managerial policy Career management and internal mobility Social dialogue Compensation policy	Turnover rate Average years of service Gender Equality Index	SDG 8 "Decent work and economic growth" SDG 5 "Gender equality"
Talent management and upskilling Risk of causing frustration amongst employees or slowing the Group's momentum and performance	Training plan Digital transformation and energy saving plan Support for apprenticeships	Total number of hours of training Number of hours of training/ employee/year Apprenticeship rate	SDG 8 "Decent work and economic growth" SDG 4 "Quality education" SDG 5 "Gender equality" SDG 10 "Reduced inequalities"
Equal opportunities Risk of discrimination	Diversity and inclusion policy Efforts to combat discrimination	Female employees as a percentage of the workforce Percentage of female managers Employment rate of people with disabilities in France	SDG 5 "Gender equality" SDG 10 "Reduced inequalities"
SOCIETAL			
Business ethics and compliance Risk of fraud, corruption, conflicts of interest, insider trading, anti-competitive practices Risk of intent to defraud or cause damage in tax matters	Code of Ethics Code of Conduct Risk mapping Training Oversight, whistleblower, audit and sanction mechanisms Tax policy	% of audits addressing compliance matters Change in the proportion of third parties assessed Change in the training coverage rate	SDG 16 "Peace, justice and strong institutions" SDG 8 "Decent work and economic growth"
Cybersecurity Risk of financial loss, business interruption or reputational damage to a company as a result of a failure in its IT systems.	Cybersecurity policy Data protection	/	SDG 8 "Decent work and economic growth"
Supply chain management and responsible purchasing Risk of impacting the Group's operations, performance or reputation as a result of a failure in some part of the supply chain.	Purchasing Directive Supplier assessment procedure Responsible purchasing roadmap Supplier Code of Conduct Supplier mapping Broad use of CSR provisions in contracts	Number of suppliers that have signed the Supplier Code of Conduct Proportion of local purchasing Proportion of purchasing from small and medium-sized companies Proportion of inclusive purchasing	SDG 8 "Decent work and economic growth" SDG 13 "Climate action"
Commitments to communities and the socioeconomic development of the countries Risk of violating one of the fundamental human rights within the workplace or value chain.	Policy of building local roots through employment Local programs involving health, the environment, education, support for local events and entrepreneurship	Proportion of local employment Donations *(in euros)* Number of beneficiaries by category of most vulnerable stakeholders	SDG 10 "Reduced inequalities" SDG 3 "Good health and well-being" SDG 1 "No poverty" SDG 2 "Zero Hunger" SDG 16 "Peace, justice and strong institutions" SDG 17 "Partnerships for the goals"

RESPONSIBLE GOVERNANCE MATCHING THE CHALLENGES

The Vicat Group is mindful of the level of CO_2 emissions generated by the production of cement and its use in concrete. The Vicat Group also believes that concrete is an irreplaceable construction product and 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 8 billion inhabitants in November 2022 to more than 10 billion by 2050.



Both the Board of Directors and General Management play a key role in looking at risks and opportunities relating to the Climate and the reduction in the carbon footprint of the Vicat Group's operations and products. The Climate Issues Committee, established in early 2020 and chaired by the Chairman and Chief Executive Officer, is the cornerstone of responsible governance that is tailored to the importance and complex nature of this top-level issue within its CSR approach. The Board, which meets at least three times a year, reviews, prior to their adoption, any measures designed to mitigate and adapt to the effects of climate change arising from the climate plan and any updates to them: major capital expenditure to reduce the carbon footprint of operations, guidance on new low-carbon product development choices and new strategic partnerships designed to help reduce the carbon intensity of the economy. The Audit Committee reviews the indicators presented by the Group against the Green Taxonomy, which is designed to identify those companies making a substantial contribution to the sustainability goals set by the European Commission both in terms of climate change adaptation and mitigation. It also receives reports on the work done by the Compliance Department. The twelve members of the Board of Directors took part in a series of internal training webinars on climate issues.

More broadly, the CSR Committee undertook a preliminary analysis of all the CSR initiatives in the Vicat Group's roadmap, which also aims to contribute to other sustainability issues (social and societal) identified as being very important in the materiality analysis done in 2022.

All Departments (members of the Management Committee) come together at least twice a year to discuss CSR matters at the invitation of the CSR Coordination unit. The discussions cover matters like: review of commitments, presentation of stakeholder expectations, updating of the CSR roadmap, reviewing the consolidation of collected data presented in the Statement of Extra-Financial Performance (or sustainability report), sharing best practice, identifying new performance indicators. Seeing CSR as a new unifying cross-company project, Vicat Group has built an international community of CSR contacts (trained by Vicat Group employees drawn from various departments and countries) to coordinate and contribute to sustainability.

3.1 VICAT GROUP'S CONTRIBUTIONS TO SUSTAINABILITY ISSUES

3.1.1 Climate and reducing the carbon footprint of operations

3.1.1.1 Management of climate risks and Vicat Group vision

Climate change is a complex issue encompassing deep and lasting changes to the environment with global implications for human activities. This phenomenon is due to the increased atmospheric concentration of greenhouse gases like CO_2, caused by extensive use of fossil fuels (85% of the energy consumed worldwide).

The risks associated with climate change encompass transition risks and physical risks. Transition risks relate to the process of regulatory, economic and technological changes on the road to a low-carbon economy. The physical risks arising from damage caused directly by weather and climate phenomena as a result of extreme events (e.g., flooding, storms, tornados, droughts, etc.) as well as chronic events (water stress or series of hot summers….), which may impact the Vicat Group's operations.

The analysis of such risks is an integral part of the process of managing the Vicat Group's risks. Transition risks figure very prominently in terms of the Group's operations:

- regulatory risks: the Group operates in the European Union, Switzerland and California (United States) where CO_2 emission allowances trading schemes are currently in place and regulate emissions. The reduction in allowance allocations may impact the operating costs of its production sites;
- market risks/reputation risk: the growing interest in "low-carbon" products may lead the market to gradually move away from cement or concrete in favor of construction solutions considered less carbon intensive, something that would erode the Group's revenue;
- technological risks: reducing the carbon footprint of the Group's operations relies in part on the use of cutting-edge carbon capture, utilization and storage technology. Uncertainty surrounding the development of these technologies is a risk factor for the Group.

In response to these risks, the Vicat Group has committed to an ambitious plan to reduce the carbon footprint of its operations and products by 2030. This will also allow it to take new market opportunities and put in place the necessary measures to mitigate the identified physical risks. By signing the French Business Climate Pledge in 2017, the Chairman and Chief Executive Officer publicly confirmed Vicat Group's commitment to rise to the challenge of climate change.

By 2050, Earth's population will be 10 billion, and close to 75% of its inhabitants will live in urban environments. The Vicat Group believes that given its long-life, abundance, low cost and ease of use concrete is THE unparalleled irreplaceable construction material for the towns and cities of the future to meet infrastructure and housing needs.

That is why, everywhere it is located, the Vicat Group acts in favor of establishing a market environment encouraging carbon neutrality, involving the appropriate 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 United States (California), the Vicat Group is faced with solid climate regulations, whereas in Brazil, Africa, Asia and the Mediterranean they are still evolving.

The Vicat Group therefore acts in line with the pace of change to regulations and standards favoring the roll-out and marketing of its low-carbon products and services.

Europe is currently the Group's laboratory in terms of research and innovation in the fight against climate change, which requires substantial investments. Additional resources were therefore provided.

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. More stringent in Europe than in the other regions in which it operates, they echo those set by the European Union through the implementation of support measures for the transition, public orders and the "Fit for 55" legislative package since July 14, 2021.

On *Capital Markets Day*, held on November 16, 2021, a first tranche of targets was unveiled and presented to investors. The Vicat Group confirmed at that time that while reducing the carbon intensity is technically possible, it can only materialize economically if, and only if, environmental regulations are adapted and if all governments back this approach. This is the philosophy underpinning the Group's climate plan to achieve carbon neutrality, a plan that has been widely shared internally. Since then, the Vicat Group continues to work on ensuring the stated targets are achieved and to go beyond this by presenting new more demanding and more sustainable targets. The Climate Action Oversight Department works closely with all Country Managers to ensure the plan is properly implemented and to track actual performance.

2022 was an important year for the Vicat Group, which saw an initial substantial fall in its specific and absolute CO_2 emissions, and got an A- score from CDP. A year that saw two major decisions: i) to strengthen its goal to reduce specific CO_2 emissions by 2030 using existing drivers, cutting the target to 497kg net CO_2 per metric ton of cement equivalent from 540 kg net CO_2 per metric ton of cement equivalent previously; ii) to set targets for its electricity emissions.

2030 targets – Scope 1	Ambition for 2050
To reduce its emissions to **497kg net CO_2** per metric ton of cement equivalent at **Group level** To reduce its emissions to **430kg net CO_2** per metric ton of cement equivalent for the **Europe region**	To contribute to the carbon neutrality of the entire value chain

Net CO_2: *direct emissions including the physicochemical transformation of raw materials at high temperatures and the use of extracted fossil fuels, excluding all alternative fuels.*

Per cement equivalent *(eq): direct emissions, gross or net, divided by clinker production and multiplied by the percentage of clinker in the cement.*

3.1.1.2 A climate plan that is working towards carbon neutrality across its value chain

Planning for the reduction in direct emissions, implemented by country, requires the use of mature technologies but also technologies that are still under development with pilots or demonstrators. It allows the Vicat Group to update its means of production, steer its organization, product innovations and market positioning.

The Vicat Group's CO_2 impact stems primarily from its cement production business. CO_2 emissions account for over 99% of the Group's 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 for clinker production (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 raw materials, especially limestone, during firing. This item "non-energy processes" represents approximately 60% of Scope 1 emissions,
  - emissions related to electricity self-produced at its sites are accounted for 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 – Scope 2:**
  - is made up of emissions relating to purchased electricity consumption, in particular for mechanical grinding upstream and downstream from firing of clinker during cement production,
  - the electricity booked in Scopes 1 and 2 is equivalent to approximately 15% of the thermal energy booked in Scope 1;
- **other indirect emissions – Scope 3:**

  Four categories in Scope 3 of the fifteen in the GHG Protocol are material for the cement business, namely:
  - upstream energy emissions, mostly supply of fuels (extraction and transport),
  - the purchase of raw materials, products and services,
  - upstream goods transport, and
  - downstream product transport (when done by third-party carriers).

The proportion of these emissions is highly variable depending on the source of the input materials and destination markets. The Vicat Group sources its materials locally and sells into nearby markets in the same territories as the integrated factories.

The investment associated with the implementation of the climate plan to reduce Scope 1, 2 and 3 emissions is currently estimated at €80 million per annum up to 2030.

The Climate Plan focuses on the following key areas: substitution of primary fossil fuels, improvement in the thermal and electrical energy efficiency of operations, production of renewable and low emissions energy, reduction in the clinker content in cement, capture, storage or utilization of CO_2, reducing the carbon footprint of mobility.

3.1.1.2.1 Substituting fossil fuels

Even though the firing of raw materials in cement production requires thermal energy that is still generated by fossil fuels, the Vicat Group has been actively transitioning its energy sources over the past number of years.

A clear roadmap has been drawn up for the switch from fossil fuels to alternative fuels. Alternative fuels are waste that needs to be treated, for example waste from biomass, solid recovered fuel (SRF), tires, waste oils, solvents or other liquids stemming from industrial waste.

The Group has taken the following steps: voluntary sourcing of waste available in the countries in which it operates, primarily via its dedicated subsidiaries [CIRCULère and ALTèreNative (whose plant will be commissioned in 2024) in France, ALTOLA in Switzerland and ÇOZUM in Turkey], the incorporation of its production facilities in circular economy loops in response to the needs of countries to find an outlet for their waste, the adaptation of its production facilities to use alternative fuels, the signing of partnerships with other players to undertake upstream preparation of the waste flowing into its processes.

The Vicat Group aims is to eliminate use of fossil fuels in the cement manufacturing process. To achieve this, the Group has set itself the 2030 goal of 100% alternative fuels in Europe and Group-wide it was decided in 2022 to increase its 2030 target from 40% to 50%.

Track record on the use of alternative fuels (Cement business)

(%)	2022	2021
Use of alternative fuels (Group)	28.1%	26.2%
Use of alternative fuels (Europe)	66.0%	62.9%

In 2022, the share of alternative fuels rose significantly, helping to avoid the use of an equivalent of 860,000 metric tons of coal. In 2021, the equivalent of 780,000 metric tons of coal had already been avoided. While reducing its emissions (gross and net CO_2), the Group thus helps reduce the amount of natural resources used, the proportion of waste of countries put into landfills and improve the trade balance of countries.

3.1.1.2.2 Improving thermal and electrical energy efficiency

Thermal energy (Cement business)

Maintaining an efficient heat balance of cement kilns is a key indicator for the Group in its ongoing efforts to reduce its CO_2 emissions. The Vicat Group thus continues to invest in the best technologies available, with the commissioning of the Ragland kiln (in Alabama, USA) in 2022, and of a new kiln in Rufisque (in Senegal) in 2024. These developments make it possible to increase the proportion of alternative fuels used without impacting the heat balance. With 91% of Vicat Group's installed capacity consisting of dry-process precalciner kilns, it benefits from very modern plants. In 2022, the slight reduction in thermal energy consumption is correlated with business levels.

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. All new projects are studied under the prism of energy savings, the use of renewable energies and reducing the carbon footprint.

The Vicat Group's commitment to the energy transition is also reflected in the application of a strict energy management system similar to that set out in the ISO 50001 standard, from which the cement plants in Grave-de-Peille, Montalieu-Vercieu, Xeuilley and Créchy in France and Bastas and Konya in Turkey, benefit.

Track record on electricity consumption by business

(GWh)	2022	2021
Cement business	2,678	2,709
Aggregates business	81	79
Concrete business	30	31
Other Products & Services	38	47
TOTAL	**2,826**	**2,866**

Track record on specific electricity consumption by business

	2022	2021
Cement *(kWh/metric ton)*	101	99
Aggregates *(kWh/metric ton)*	3.5	3.3
Concrete *(KWh/m^3)*	3.3	3.2

3.1.1.2.3 Production of renewable and low-emissions energies

Wherever possible, the Vicat Group encourages the transition towards renewable energies. In 2022, it set the target of 40% electricity from renewable sources in its electricity mix, including 20% self-produced renewable electricity by 2030.

This new electricity target, combined with the Scope 1 target that was strengthened in 2022, will enable the Vicat Group to more closely monitor its track record on reducing the carbon footprint.

Apart from buying low-carbon electricity (nuclear or hydraulic origins), Vicat Group 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 (installed capacity of 1 MWp), Kadapa (10 MWp) and Kalburgi (8.5 MWp) being added to Rufisque's in Senegal (6.9 MWp).

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.

The Vicat Group 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. In France, the Group operates a biomass-fired boiler for Papeteries de Vizille.

Electricity production and consumption

	2022	2021
TOTAL - ELECTRICITY CONSUMPTION *(GWh)*	**2,826**	**2,866**
Of which self-produced renewable electricity *(GWh)*	140	139
of which solar (%)	*27%*	*27%*
of which hydraulic (%)	*2%*	*3%*
of which waste heat recovery (%)	*71%*	*70%*
Of which electricity that is certified from renewable sources *(GWh)*	99	91
Proportion of self-produced renewable electricity in overall electricity consumption *(%)*	5.0%	4.8%
Proportion of renewable electricity in overall electricity consumption *(%)*	8.5%	8.0%
TOTAL - ELECTRICITY PRODUCTION *(GWh)*	**464**	**641**
Proportion of renewable electricity in electricity production *(%)*	35.2%	26.1%

3.1.1.2.4 Reduction of clinker content in cement

The carbon footprint of cement is highly correlated with its clinker content, which is produced by the high-temperature firing of limestone and clay. Clinker content in cement is thus a key factor in reducing specific CO_2 emissions. By revising its target to reduce clinker content in cement to 69% in 2022 from 75% previously, the Vicat Group is demonstrating its desire to contribute to raising the existing barriers, in some countries, to the consumption of low-clinker products, which may be the case of a market with little desire for change, an unsupported price criterion or restrictive standards that require a high percentage of hydraulic binder in cement.

To reduce the carbon footprint of its materials with an equivalent performance rate and in line with changes to standards in each country, the Vicat Group is developing low clinker content cements. This involves the following types of cement:

- **limestone cement;**
- **cement based on natural pozzolans** has one of the best Environmental and Health Data Sheets (FDES) on the market, aside from CEM III, with CO_2 emissions of 490 kg CO_2 equivalent per metric ton of cement compared to 765 kg of CO_2 equivalent per metric ton for a CEM I 42.5 R (France average), thereby reducing the CO_2 equivalent emissions per metric ton of cement by one-third. The Vicat Group manufactures and sells this type of cement (CEM IV) under the NATURAT brand (CEM IV/A (P) 42.5 R CE NF) in France, Italy and Turkey;
- **cement based on activated clays (artificial pozzolans)** has been produced and marketed by its 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. In France, the Group plans to bring an activation unit on stream at its cement plant in Xeuilley (Lorraine) in 2023. The project, called Argilor, 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;
- **"Carat" cement,** a new cement manufactured at the Montalieu-Vercieu cement plant in France, which has a mix of clinker and a bio-sourced material and has a carbon footprint equivalent to net negative emissions of (15) kg equivalent. CO_2 per metric ton;

- **cement based on micronized limestone filler additions,** developed by the 2170 start-up in which Vicat SA has had an interest since 2019;
- **Vicat Group only produces blast kiln slag and fly ash cements** to meet current market needs. It cannot be considered to be a long-term low carbon solution. The carbon weight of slag was booked at zero until 2014. In France, it now has a weight of 147.5kg of CO_2 equivalent per metric ton. The same applies to the fly ash based cements.

As a result of these developments, the clinker content in cement has fallen for the second year running.

(%)	**2022**	2021
Clinker content *(Group)*	77.5%	78.9%
Clinker content *(Europe)*	80.2%	80.2%

3.1.1.2.5 CO_2 capture, storage and utilization

The Vicat Group is pursuing its research on the capture, permanent storage and utilization of CO_2 by joining up with institutional and industrial partners facing the same issues.

- **The FastCarb Project** is a French project launched in 2017, validated in 2021 with the results being presented in 2022, designed to store CO_2 through the carbonation of recycled concrete. The Vicat Group is involved, with a pilot installed at the Créchy plant as part of a project called "CarbReCoGBR". This pilot works by accelerating the natural carbonatation of concrete by mixing, through rotation, concrete aggregates from demolition with the gases produced when manufacturing clinker that have a high level of CO_2. This process may thus make it possible to permanently store up to 10% of the CO_2 emitted annually by the cement manufacturing business.
- **The "CarbReCocl"** project corresponds to the CO_2ntainer demonstrator installed at the Montalieu-Vercieu plant in France, which is designed to produce light aggregates from chlorinated dust, generated in larger quantities as a result of the increased use of alternative fuels, that also contain some of the CO_2 emitted by the cement manufacturing process. The solution is developed by the UK company Carbon8.
- **The "Ciment Algue" project** aims to recover CO_2 and residual heat from cement manufacturing to produce microalgae. The demonstrator was commissioned in 2022 at the Montalieu-Vercieu cement plant in France. This project, which brings together Vicat, AlgoSource technologie, Total Énergies and the University of Nantes, obtained financial support from ADEME (the French agency responsible for the ecological transition) as part of the BIP2014 call for projects.
- **The "Catch4Climate" project** brings together Vicat and three other European cement manufacturers (Buzzi, HeidelbergCement and Schwenk) to build and test a pre-industrial scale demonstrator for the Oxyfuel technology on the site of the Schwenk cement plant in Mergelstetten in Germany. The construction work began in 2022. The aim is to develop a breakthrough innovation to profitably eliminate CO_2 emissions caused by cement production. This technology is based on feeding oxygen into the cement kiln rather than ambient air to obtain the high temperature necessary for clinker manufacture. The gases produced by the combustion are therefore very pure in their CO_2 content, and thus facilitate its capture.
- **The production of low-carbon synthetic e-fuels like e-methanol or e-kerosene for mobility**

  The production of hydrogen in a cement plant by electrolysis of water has many advantages. Hydrogen makes it possible on the one hand to recover emitted CO_2 by converting it into a usable molecule in the energy or chemical fields (methane, methanol, etc.) and, on the other hand, to supply a fleet of trucks. The oxygen, a byproduct of water electrolysis, injected into the clinker manufacturing process makes it possible to increase the CO_2 concentration in the smoke, thereby making it easier to capture. The use of high-temperature electrolysis technology would make it possible to recover the final fraction of the residual energy of the cement kiln.

  The Vicat Group has several actions in this field in France:
  - **investment in Genvia**, which brings together Vicat, the CEA (The French atomic energy and alternative energies commission), Schlumberger, Vinci Construction and the Occitania region and which aims to build a mega-factory for the production of "high temperature" electrolyzers. A first demonstrator should be up and running in 2024.
  - **investment in Haffner** for the development of a green hydrogen production solution using biomass waste thanks to the Hynoca technology (copyright).
  - The **Hynovi Project**, jointly established by Vicat and Hynamics, a subsidiary of the EDF Group specialized in hydrogen production, to develop an integrated solution to capture CO_2 emissions and produce decarbonated methane. This project fits with the French government's targets in terms of industrial decarbonation 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.

3.1.1.2.6 Low-carbon mobility

Low-carbon mobility is one of areas of carbon intensity that needed to be tackled to mitigate the CO_2 impact of the Vicat Group's operations. The Group strengthened its commitment to sustainable mobility on the back in particular of certain regulations and the expectations of its stakeholders. Its policy in this area focuses on three areas: reducing its fuel consumption, replacing fossil fuels with non-fossil equivalents and the development of hydrogen. All three are reasons for the Vicat Group to upgrade its fleet of vehicles (light and heavy).

The use of "Oléo 100", a fuel 100% made from rapeseed grown and processed in France (without competing with food production) to replace off-road diesel in construction vehicles allowed 15 French sites to reduce their greenhouse gas emissions. The truck fleet of the SATM subsidiary was upgraded in 2018 to be able to use this fuel.

The development with Jacky Perrenot of a drum truck, called Oxygen, which runs on biomethane natural gas and allows for 96% lower CO_2 emissions as compared with a traditional vehicle thanks to its Iveco engine and a drum developed by Cifa Energya, which runs on a lithium battery-powered electric motor.

The use in particular of 2nd generation biodiesel in its truck fleet enabled its Swiss subsidiary Vigier to achieve a substitution rate of 33% in 2022. Since 2022, Vigier can offer very low carbon transport throughout the value chain – from quarry to delivery of concrete onsite.

The use of compressed biogas from the methanation of dairy farms throughout the fleet at the Vernon site owned by the Group's Californian concrete subsidiary was also a significant investment. This exact same system will shortly be rolled out for the Irwindale plant.

The replacement of part of its fleet with 10 pre-ordered 44 metric ton hydrogen trucks, represents a further step by the French subsidiary SATM towards the greening of Vicat's fleet as does the installation of hydrogen stations, the first in Chambéry in partnership with HYMPULSION and the second shortly on the site of the Saint-Égrève plant as part of the Zero Emissions Valley project supported by the Auvergne Rhône-Alpes region in France.

Beyond these areas of work, Vicat developed a mobility plan, in line with or depending on the area ahead of French regulatory requirements. Its implementation is being led by a Mobility Officer. This plan covers a number of aspects:

- The installation of electric car charging stations on Vicat's sites is part of a multi-annual plan that is partly funded by the company.
- The annual replacement of vehicles in its fleet that emit less than 60 grams of CO_2 with a target achieved that goes beyond the targets in the mobility framework act.
- The roll-out of an effective electric car-sharing scheme for the head office teams, which is ongoing.
- The "eco-driving" training, which is part of the training plan for every employee in France and is being rolled out in the foreign subsidiaries.
- The Group's Travel policy, which systematically favors the train and best practice for responsible trips, in particular replacing certain trips with video-conferencing.

3.1.1.3 Track record on reducing the carbon footprint of operations

3.1.1.3.1 Vicat Group CO_2 emissions in 2022

All the policies and actions in place in 2022 enabled the Vicat Group to make up for the slight delay in 2021 in terms of its overall progress on reducing its CO_2 emissions.

The overall number of projects designed to reduce the carbon intensity of the value chain remained broadly flat, with 68 projects in 2021 compared to 64 projects in 2022, the average amount of which is increasing.

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

France & Europe	25
Americas	13
Mediterranean	13
Africa	6
Asia	7
TOTAL	**64**
INVESTMENTS* *(millions of euros)*	**85.0**

* *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 regard, they cover all the measures taken by the Vicat Group to reduce the carbon footprint of its operations and products, whether they relate to the Green Taxonomy alignment criteria, very strict and ambitious, or not. On the other hand, they do not include the growth investments at Ragland (United States) and Rufisque (Senegal), which, using the latest technology, also make it possible to significantly reduce the specific emissions of cement manufactured in these new production units.*

The data presented below shows the beginning of a reduction in specific CO_2 emissions correlated with its strategic decision to make Europe its laboratory.

The Group's total Scope 1 and 2 emissions totaled 18.1 million metric tons of CO_2 in 2022 versus 18.7 million tons in 2021, to which 0.9 million metric tons of CO_2 can be added for use of biomass fuels.

Gross CO_2 emissions in Scope 1 and Scope 2 in 2022 (Group scope)

(in millions of metric tons)	2022	2021
Cement business	18.0	18.5
Concrete & Aggregates business	0.1	0.2
Other Products & Services	0.0	0.0
TOTAL	**18.1**	**18.7**
o/w total Group Scope 1 emissions	*17.3*	*18.0*
o/w total Group Scope 2 emissions	*0.8*	*0.7*

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

	2022	2021	2030 target
CO_2 *emissions (in kg net* CO_2 [1] *per metric ton of cement equivalent* [2]*)*	608	624	497
CO_2 *emissions (in kg net* CO_2 [1] *per metric ton of cementitious* [3]*)*	606	619	

(1) Net CO_2: direct emissions including the physicochemical transformation of raw materials at high temperatures and the use of extracted 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) Cementitious: total clinker and mineral additives consumed for production of cement and cement substitutes including clinker sold but excluding clinker bought.

The 16 kg CO_2 net per metric ton of cement equivalent performance improvement between 2021 and 2022 represents 420 thousand metric tons of CO_2 from fossil fuels that were avoided at constant cement volumes.

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

	2022	2021	2030 target
CO_2 emissions *(in kg net* CO_2 *per metric ton of cement equivalent)*	530	544	430
CO_2 *emissions (in kg net* CO_2 *per metric ton of cementitious)*	527	538	

Estimated Scope 3 CO_2 emissions by category (Group) in 2021*

(in millions of metric tons)	2021	2020
Purchases of materials and services	1.8	1.2
Fuel and energy (excluding Scope 1 and 2)	1.0	0.7
Upstream transport and distribution	0.5	0.6
Downstream transport and distribution	1.0	0.5
TOTAL	**4.2**	**3.0**

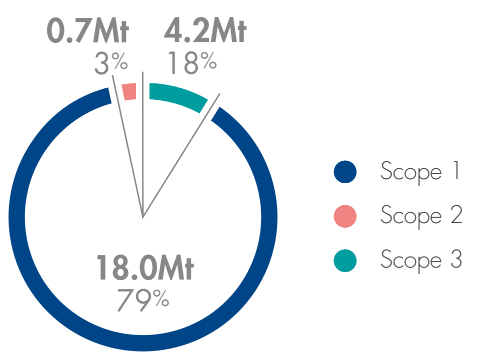
* *See Methodology and scope of the Statement of Extra-Financial Performance.*

For reference, the measurements carried out during 2021 based on data from 2020 show that Scope 3 emissions represented 15% of the Group's CO_2 equivalent emissions in 2020. The measurements done in 2022 for 2021 reaffirm the order of magnitude of the initial measurements. In 2021, the Scope 3 emissions represented 18% of the Group's CO_2 equivalent emissions. The very slight increase between 2020 and 2021 was due to the purchase of clinker as a result of the saturation of some of the Group's installed capacity over the period and a refining of the methodology used to calculate them.

The Vicat Group is looking to reduce the proportion of Scope 3 emissions in tandem with its upstream and downstream value chain stakeholders.

The breakdown of the Vicat Group's CO_2 emissions in 2021 is set out in the chart below.

Vicat Group CO_2 equivalent emissions in 2021



3.1.1.3.2 A commitment as part of efforts to combat climate change recognized by the CDP

The Vicat Group's efforts to reduce its CO_2 emissions and mitigate climate risks were acknowledged by the CDP, a leading international non-profit that encourages companies and governments to reduce their emissions by publishing environmental data relating to their activities. The CDP's questionnaires are wholly aligned with the recommendations of the TCFD (*Taskforce on Climate-related Financial Disclosure*) and well-positioned to incorporate the widescale adoption of other frameworks (e.g., the Green Taxonomy) and emerging standards (Efrag). The CDP gave the Vicat Group a score of "A-" based on the data provided by the company in response to CDP's 2022 climate change questionnaire. For reference, Vicat Group has obtained a score of "B" in 2021. Thanks to this remarkable progress, the Group is thus ranked amongst the top-performing companies of the 12,000 plus assessed. The Vicat Group thus reaffirms its leadership in efforts to combat climate change, against a background of CDP's ever more stringent requirements.

3.1.2 Efficient resource management and management of environmental impact of operations

3.1.2.1 Vicat Group vision

Access to water is a global challenge for populations in terms of healthcare, food and combatting inequality. Preserving water resources is also one of the 17 priority SDGs. Currently, around 20% of global water extracted is by industry. In this context, the Vicat Group needs to reduce its water consumption, an essential resource for its operations and also unevenly distributed around the globe, and ensure it manages its wastewater to help safeguard water quality. The Vicat Group has regard to local factors and regions exposed to water stress like in India, Senegal, Egypt, Turkey and California in the United States.

Mineral raw materials are also a major resource for the long-term survival of the Vicat Group's businesses. The receipt of the necessary permits for their extraction is the result of ongoing dialogue with its stakeholders. Therefore, to satisfy the growing needs of its customers, the Vicat Group is promoting the utilization of secondary raw materials available in the countries in which it operates and to roll out a circular economy approach wherever possible by reusing not only its waste but that of others.

The challenges around indoor and outdoor air pollution involves health, the environment and economics. There are a whole series of immediate and long-term effects of atmospheric pollutants with vulnerable groups the first to be affected. Large metropolitan areas are increasingly exposed to pollution spikes. A pioneer in monitoring its own air emissions, the Vicat Group is aware of the need to continue its efforts to help safeguard the environment and the health of those residing around its production sites.

3.1.2.2 An operating policy that combines both industrial and environmental performance

The Vicat Group's industrial policy complies with the environmental regulations in the countries in which it operates. By incorporating an ongoing improvement program into its manufacturing methods, Vicat Group ensures it sustainably manages all resources and manages all waste, effluent and emissions.

Its operational structures clearly reflect the direction taken by the Group to support this policy. The "environmental officers" in each business line (Cement/Concrete & Aggregates/Other Products & Services) check that facilities comply with the environmental regulations. They actively participate on working groups dedicated to monitoring regulatory developments within industry bodies or specialist associations (whether national bodies like SFIC, UNPG or SNBPE; European organizations like CEMBUREAU or international bodies). They monitor and ensure the achievement of the expected environmental performances. They monitor the proper functioning of the internal self-assessment systems, support the teams with voluntary certification processes of their management systems. 112 sites are ISO 9001 certified for quality management while 70 sites are ISO 14001 certified for their environmental management. They assess the risks posed by the activities to the Group's values and operating strategy. Targeted training is also provided to operators.

Environmental data is available at all times within each production unit, as it is embedded as one of the facility management and production parameters. It allows operating staff to take any necessary corrective actions under the ongoing improvement programs.

Vicat Group employees are made aware of all environmental issues and of the importance of protecting biodiversity and ecosystems. The human resources and equipment dedicated to preventing environmental risks and pollution mean it is possible to control emissions beyond the limits required by law.

The amount of environmental provisions funded is presented in the Group's consolidated financial statements. At December 31, 2022, they totaled €64.4 million.

3.1.2.2.1 Sound efficient management of water resources and management of wastewater

As a responsible industrial operator, the Vicat Group tailors the amount extracted to its needs, the state of local resources (with special care taken in water stress areas) and environmental conditions. The Group keeps a record of all extractions and waste, which helps facilitate the work of the oversight authorities. The Group has the necessary permits for the extraction facilities it operates. The Group aims to avoid any use conflict and buys as little water as possible from water suppliers, network operators.

In parallel with its climate plan, the Vicat Group has started thinking about a water management plan. Various steps were taken in this respect in 2022:

- the updating of the "water" indicators in line with the "GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing November 2018";
- assessing cement plant water management practices and the utilization of water fed into its processes. Water utilization varies across activities. In the cement manufacturing business, the extracted water is primarily used to cool certain equipment. In the concrete business, the extracted water is used as an ingredient in the manufactured concrete. In the aggregates business, the extracted water is primarily used to wash equipment. Vicat Group favors recycling systems to meet its operating needs;
- the identification of cement plants located in regions exposed to water stress on a map done using the *Aqueduct Water Risk Atlas*. According to this data, six of the Group's sixteen cement plants are in high water stress or critical water stress areas. Furthermore, an internal study made it possible to better assess the vulnerability of the sites identified as being exposed to this risk. Mitigation measures are in place in several of them;
- recommendations are made and reduction targets set for the most exposed sites as well as for those subject to a drought decree;
- encouraging the use of water used to wash equipment, recycled as an ingredient of concrete where so permitted by law.

Wastewater likely to be released is subject to specific monitoring both in terms of quality and quantity and communicated to the oversight authorities. Where necessary, the Vicat Group has installed treatment systems either to comply with regulatory emissions limits or to prevent damage to the host environment.

Track record on water and waste management

Water management by business activity

	Cement	Aggregates and Concrete	OPS
Total water extracted *(million m^3)*	9.9	8.1	0.9
Total water waste *(in millions of m^3)*	5.6	3.3	0.9
Total water consumption *(in millions of m^3)*	4.3	4.8	0.0

In 2022, the Group's water consumption was up slightly on 2021. This increase involved the Aggregates and Concrete businesses and was primarily due to an improvement in the water measurement methodology used for these activities.

Specific water consumption by business

	2022	2021
Cement business *(l / metric ton)*	163	166
Aggregates business *(l / metric ton)*	129	115
Concrete business *(l/m^3)*	207	181

3.1.2.2.2 Sound management of raw materials and circular economy

Vicat Group's land policy looks to anticipate and plan for its long-term needs. The extraction of natural raw materials is then defined by an operating phase optimized to conserve them. Raw materials procurement is managed with the same precision by the Energy and Raw Materials Department.

The Vicat Group looks to encourage innovative management by closing the materials loops in the countries in which it operates. The actions encouraging resource conservation, recycling and materials substitution are also the purpose of several Group subsidiaries that enhance regional synergies and promote industrial and regional ecology, like Terenvie (in France) and VITO Recycling (in Switzerland). In line with applicable regulations, the materials substituting locally sourced natural raw materials are primarily as follows. To manufacture clinker, the Vicat Group uses ash from fuels, iron, aluminum or calcium oxide, silica inputs and also contaminated soil. To manufacture its cements, it can use sulphogypsum or phosphogypsum, waste minerals from quarries, ash, slag, dust from kilns or by-pass. To manufacture recycled aggregates and cement, returned fresh concrete or demolished concrete can be used. These substitution materials meet strict specifications based on physicochemical characteristics.

To this end, the materials fed into its manufacturing methods (consumed) are carefully recorded.

Track record on resource management

Materials substitution in clinker, cement and aggregates manufacturing

	2022	2021
Clinker		
Consumption of raw materials for clinker production *(in millions of metric tons)*	33.6	34.1
o/w share of consumed materials stemming from substitution materials (%)	*4.8%*	*4.2%*
Cement		
Consumption of raw materials for cement production *(in millions of metric tons)*	5.9	5.8
o/w share of consumed materials stemming from substitution materials (%)	*26.8%*	*23.8%*
Aggregates		
Consumption of raw materials for aggregates production *(in millions of metric tons)*	25.2	25.5
o/w share of consumed materials stemming from substitution materials (%)	*2.7%*	*3.2%*
TOTAL		
Consumption of raw materials for production *(millions of metric tons)*	**64.6**	**65.4**
o/w share of consumed materials stemming from substitution materials *(%)*	***6.0%***	***5.5%***

In 2022, extractions reflected the volume of each Group business, combined with an improvement in materials substitution.

3.1.2.2.3 Responsible management of its waste

The Group's production process generates very little waste. In most cases, it is recycled internally as part of the manufacturing process. Nevertheless, the Group plans to reduce the amount of waste it generates through prevention, reduction, recycling and reutilization. The low amount of hazardous waste generated by most Vicat Group businesses primarily consists of chemical additives, waste oils and associated packaging waste. They are treated in dedicated streams.

As part of its circular economy approach, the Vicat Group pays close attention to the end-of-life of its materials when, for example, the constructions they helped build are ultimately demolished. That is why Vicat is a shareholder in ECOMINERO, an accredited body in the extended responsibility of manufacturers of construction products and materials branch of the construction industry as required under French regulations.

The Group aims to increase the share of regional waste recovered in its construction materials production units. In 2022, the Vicat Group avoided the incineration and landfill of 1.3 million metric tons of waste in the countries, namely substantially more than the Vicat Group generated itself (as against 1.2 million metric tons of waste reused in 2021).

Stripped materials are generally stored in or near the extraction areas with a view to future reuse. They are also often used when backfilling or rehabilitating a site at the end of its operational life. As a result, these materials are not classified as waste.

The Vicat Group also plans to raise the awareness of its stakeholders regarding the importance of combatting food waste and reducing organic waste. Nevertheless, this does not have a material impact at Group level.

3.1.2.2.4 Protecting air quality

The Vicat Group takes particular care to reduce its air emissions and ensures the strictest respect of emission limits prescribed in local regulations. In addition to CO_2 emissions, those likely to have a significant impact are those stemming from the cement production business. The main parameters monitored for the Cement business in the stacks are as follows:

- dust. The Vicat Group has high-performance filtration systems that allow it to limit the release of such particles; airborne dust that can cause irritation and respiratory problems for sensitive individuals and also dirty buildings and monuments;
- sulfur dioxide. The rocks quarried to manufacture cement also contain sulfur compounds that may, when fired, lead to the formation of this air pollutant. The Vicat Group has fitted the Montalieu-Vercieu, Xeuilley and La Pérelle cement plants with absorbent systems as recommended by the EU Industrial Emissions Directive;
- nitrogen oxide. Such emissions lead to environmental acidification and eutrophication. The Montalieu-Vercieu, Peille, Saint-Égrève and Créchy cement plants in France as well as the Reuchenette cement plant in Switzerland are fitted with special treatment systems;
- for the other parameters like mercury, heavy metals, dioxins, industrial sites are monitored on a case-by-case basis in line with local regulations.

100% of French cement plants are subject to environmental and health monitoring.

Particular care is paid to industrial sites included within zones, subject to specific public policies (low emissions zone or an atmospheric protection plan) or subject to local restrictions during pollution spikes.

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

- preventive and predictive operational maintenance to keep the industrial facilities in mint condition and with an optimized market rate;
- regular investments in the best techniques available in terms of filtration and treatment.

Track record on air emissions

Specific dust emissions, SO_2 and NO_X (Cement business)

(gram per metric ton of clinker)	**2022**	2021
Dust	62	64
SO_2	202	222
NO_x	1,156	1,240

The Group's three main emissions fell this year. This trend can be attributed to the maintenance, upgrading and development of new reduction systems.

3.1.3 Preservation of biodiversity and ecosystems

3.1.3.1 Vicat Group vision

The Vicat Group has been committed for many years to preserving species and ecosystems and maintaining ecosystem services. Biodiversity allows it to strengthen its ties with its local stakeholders (like LoParvi, LPO associations). It is a facilitator for regional integration, a factor for internal mobilization (photography competition), an accelerator for innovation (biomimicry and coral reefs) and a significant lever in the ecological transition challenge.

The Vicat Group's dependence and impact on biodiversity is an issue throughout the life cycle of the quarries it operates: the extraction of raw materials used to manufacture these products actually contributes to biodiversity loss.

In light of the sixth mass biodiversity extinction (see Report of Intergovernmental Science-Policy Platform on Biodiversity and Ecosystems Services), the Vicat Group is strengthening its existing preservation efforts.

3.1.3.2 Actions to avoid, reduce and offset net biodiversity loss

3.1.3.2.1 Limited man-made influence and an ambitious rehabilitation policy

- On the basis of preliminary work by the internal design office, whose expertise is now broadly recognized, the Vicat Group limits the stripped areas of permitted deposits to just those extractions that are necessary for its production of aggregates and cement rocks.
- During the operation phase, the Vicat Group has long rolled out a set of best 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. Wherever it operates, it makes every effort to apply the most stringent protective measures.
- The Vicat Group involves local stakeholders (the owner, neighbors, local environmental associations) in the development of the rehabilitation plan for its quarries, which typically accompanies the permit

application and promotes the fact that the restoration of a site represents an opportunity to create a range of new habitats for flora and fauna, ecological corridors or to be a source of ecosystem services (opening of new environments that tend to disappear in nature). 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 eco-systemic services of biodiversity.

- In 2021, the Vicat Group 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 best practices developed by the Group's subsidiaries. Completed in 2022, the results of this evaluation enabled the Vicat Group to develop a new technology for monitoring biodiversity and more refined indicators to measure its performance. This methodology draws on the recommendations of the Global Cement and Concrete Association (GCCA) in its "Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management" published in May 2020 and the guidelines found in frameworks such as that by the TNFD, the Taxonomy and the French 2030 Biodiversity Strategy.
- 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 1,200 hectares in 2022, an increase compared with 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 and undertake periodic reviews. These plans are approved by the regional center for forest ownership.

3.1.3.2.2 Encouraging voluntary actions and partnerships to promote biodiversity

Awareness-raising initiatives

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 2022, 174 groups of visitors were able to explore biodiversity at the Group's sites.

Conservation initiatives

The Vicat Group maintains partnerships 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. 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. Located in Senegal, Mauritania and Mali, the Vicat Group and its Sococim Foundation are supporting the Great Green Wall initiative launched by the African Union to prevent the dessert from expanding, conserve water resources and contain temperature increases. The project covers an area of 11.7 million hectares on which trees and all types of vegetation are planted and protected. It regularly brings together the Heads of State from the eleven countries involved.

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.

In 2022, Vicat Group planted 20,745 trees (25,920 in 2021).

Research programs

The "Roselière" program – 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.

The "Odyssée" program – Launched in 2015, this program promotes a series of actions designed to protect pollinating insects and wild bees in rural and urban France. To encourage such species on its sites, Vicat Group participates in flower meadow planting and establishes conservatory orchards. These actions are also an opportunity for Vicat to make its employees and the public aware of biodiversity preservation initiatives. In partnership with the INRAE (French national research institute for agriculture, food and nutrition and the environment) the nesting conditions and survival of wild bees are studied in Vicat modular concrete elements. The encouraging experiment is ongoing.

The "Bathyreef/Bathybot" project – Thanks to its expertise in 3D printing, the Groupe is actively involved in the improvement and exploration of marine biodiversity. As part of the Bathyreef/Bathybot project, Vicat, the Mediterranean Oceanographic Institute of Marseille, the Jacques Rougerie Foundation, IFREMER and Tangram architects are exploring marine biodiversity in very deep environments (-2,400 meters). In 2022, eight reefs were also printed for Seaboost in a new Lithosys workshop and submerged by Seaboost off Valras to mark a summer channel.

Vicat Group's track record on preserving biodiversity

	2022	2021
Share of quarries with a rehabilitation plan *(* see methodological note)*	74%	81%
Share of quarries with a biodiversity management plan or taking positive steps to promote biodiversity	60%	/
Surface area rehabilitated during the year *(m^2)*	468,668	575,233
No. of trees planted at the sites over the year	20,745	25,920
No. of visitor groups welcomed at the sites over the year	174	105

3.1.4 Sustainable product offering and Customer Relations

3.1.4.1 Vicat Group vision

Given the scale of demographical and climate issues, the Vicat Group aims to design products suited to its markets, while reducing their environmental footprint. Since the Pont de Souillac was built 200 years ago and the invention of artificial cement by Louis Vicat in 1817, the Vicat Group has put its expertise at the service of its customers: it offers a wide range of high quality products and services that are affordable, safe and scalable for sustainable construction.

3.1.4.2 A commercial policy that serves sustainable construction

3.1.4.2.1 Product quality that is recognized by its customers

The Vicat Group develops, manufactures and markets cement, concrete, aggregates and insulation products for the construction industry, products for roads and public works, individual and collective housing and civil engineering.

The Vicat Group supports its customers day-in day-out, offering them solutions designed by the Louis Vicat research center (Isle d'Abeau – France) and manufactured locally by one of the 360 Group sites worldwide. For each customer, the Group's teams work to ensure the availability of products and materials and to offer them related services as promptly as possible.

The Vicat Group focuses especially on the quality of its products. The vast majority of the products it produces and sells through its 29 brands comply with non-mandatory standards which define the expected quality and safety levels. In this respect, it 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.

All of the health and safety information required to use its products under optimal conditions (safety instructions, application advice, and recommendations regarding use) is set out on the packaging.

3.1.4.2.2 Environmentally friendly virtuous constructive solutions and products

Guided by the eco-design principle, the Vicat Group promotes constructive systems and products that are energy-efficient and long-lasting to quantitatively and qualitatively reduce their environmental impact. This approach, which is ultimately preventive, allows the Group to design its products and materials differently without losing out on performance or attractiveness. In 2022, Vicat Group filed 9 patent applications.

In France, it analyzes the lifecycle of its products in order to quantify their impacts from cradle to grave. This multi-criteria approach is based on an inventory of the all materials and energy inflows and outflows at each stage of a product's lifecycle. The results of this analysis are included in the Environmental Product Declarations (EPDs) or the Environmental and Health Declaration Forms (EHDFs) for its products, which are made available to its customers.

A large proportion of the products manufactured by the Vicat Group help improve the standard of utilization and implementation by its customers. Solutions may, for example, improve the energy efficiency of buildings, the ingress of runoff water, the refurbishment of built heritage like pervious concrete, quick setting concrete, Le Prompt, etc.

With a view to contributing to the identification of ways to achieve an ambitious energy and environmental transition that is fair and efficient for the towns and cities of the future and for their mobility, the Vicat Group developed a new offering called DECA that notably satisfies French environmental regulations for new buildings (the "RE 2020"). The offering already incorporates various construction products and materials and constructive solutions that are standardized or have Technical Notices for the construction, public works, distribution and precast concrete sectors, like Biosys (bio-sourced concrete made from hemp fibers) or alternatively the DECA2 concretes made for example from cement like CEM IV Naturat. Over time it will incorporate the environmentally responsible transport offering for its customers. In line with its strategy to reduce its carbon footprint, France and Switzerland are at the cutting edge in terms of bringing low-carbon products to market.

More recently, with the construction and operation of a production and R&D unit at Chambéry (in France), the Vicat Group committed to consolidating its expertise in making 3D-printed concrete pieces. This technique 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 implementation. To do this, the Vicat Group worked on formulating special concretes that facilitate architectural creativity and have already been used in the Viliaprint project managed by Plurial Novilia (subsidiary of Action Logement in France).

The Vicat Group is committed to applied research in cooperation with other public and private research centers, universities and schools (CEA, Partnership with the Gustave Eiffel University, Écoles des Mines, École Centrale de Nantes, European Consortia). It is involved in various entities and platforms working to accelerate the spread of innovation in the construction sector and thereby meet the challenges of the energy, economic and social transition. For example, the Group is:

- a member of AXELERA's Chemistry and Environment Competitiveness Cluster;
- a shareholder of TRANSPOLIS;
- a member of TENERRDIS (Energy Transition Competitiveness Cluster);
- shareholder and member of the Board of Directors of Genvia and collaborates with other partners like the CEA and Haffner Energy;
- partner to Carbon 8, not to mention as part of CI4C (JV created with German partners);
- member of the Management Committee of IdeasLab;
- member of the Board of Directors of France Hydrogène, not to mention member of the National Hydrogen Council;
- founding member and member of the Board of Directors of IFPEB (Institute for the Energy Performance of Buildings).

3.1.4.2.3 Prescriptions tailored to each utilization in each country

As part of a responsible use approach, Vicat Group has always ensured that its products are properly used (quality and quantity). It advises prime contractors on the technical selection of products, which must be reasonable and must satisfy the previously identified local challenges.

The Vicat Group has undertaken to support the economic players in the countries and help them improve their overall performance. Building on recognized product innovation and high value added services, the Group works in tandem with these local partners to reduce the carbon footprint of their constructions and help their daily operation.

On top of this technical expertise, the Vicat Group has created a Digital Department responsible for facilitating interactions with its customers and streamlining customer follow-up to ensure their needs are satisfied as best possible. The *Customer Relationship Management* (CRM) system used by its main business activities in France meets this goal.

In France, Vicat teamed up with Béton Direct to strengthen its regional roots and move ever closer to its customers and offer the sale of ready-mixed concrete (BPE) for individual customers throughout the country. Equipped with geolocation technology that makes it possible to identify the nearest professional partner that best meets the customer's needs, this digital platform allows for concrete to be ordered and paid for online.

A performance that serves sustainable construction

The Concrete range in the DECA offering enjoys "Origine France Garantie" certification, which 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 its transformation stages.

3.1.5 Human resources

3.1.5.1 Vicat Group vision

To support the ongoing commitment and responsiveness of the teams, and underpin the development of their business, Human Resources combines performance and inclusion. Steeped in history, the Vicat Group tailors its human resources policy to meet the need of the ongoing transitions.

3.1.5.1.1 Human resource challenges

- Continually strengthening the Safety culture.
- Ensuring the sharing internally of the humanist values bequeathed by Louis Vicat and the Group's family culture, combining respect, high standards, performance and solidarity.
- Within an inclusive environment, hiring talent at all levels and allowing them to flourish.
- Ensuring teams are committed by virtue of a trouble-free work environment, strong social dialogue built on trust, a compensation and promotion on merit policy that seeks to fairly share the value created.
- Contributing to the action plans to ensure the success of the ecological and solidarity transition and the digital transition.
- Facilitating the transformation of organizations.
- Ensuring succession plans are in place and participating in the business continuity planning.
- Contributing to the social and societal development of the countries in which the Group operates.

3.1.5.1.2 Governance of the HR challenge

Reporting directly to the Chairman and Chief Executive Officer, the Group's HR Department is based on a network of HR directors by country to take account of local regulations and situations.

The Deputy Chief Executive Officer – Human Resources Director responsible for Occupational Health and Safety, HR and inclusion sits on the Board's Compensation Committee and its CSR Committee.

3.1.5.2 "Zero accidents" health and safety policy

This policy consists of continually strengthening the Safety Culture to enable all employees and outside staff to work in a safe and trouble-free environment.

Protecting the health of all employees and outside staff working on its sites and ensuring their "physical and mental safety" is one of the Vicat Group's core values. The Safety culture is driven by the Chairman and Chief Executive Officer who asks the teams to make it part of their day-to-day behavior.

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

In 2022, the Group did not see any "cluster" or contamination on site; no severe case and no death among the teams. Since 2020, no site has been closed directly or indirectly as a result of this pandemic.

The Group Covid-19 Crisis Committee and the Covid-19 officers in Group countries continued to oversee their action plans.

To safeguard its teams and partners, each Country Management updated the procedures and physical and financial resources as the pandemic evolved in line with applicable laws and health protocols: wearing masks, complying with protective measures, equipment and supplies (masks, self-tests CO_2 meters, hand gel, plexiglass, forehead thermometer, etc.), business continuity plan, remote work, tele-medicine, supplies of medications in some countries, regular screening campaigns (including volunteer families), communications campaigns, etc. In 2022, in Brazil, Ciplan pursued its Covid plan by notably offering in-person or tele-medicine follow-up, and over 2,100 tests and 600 treatment kits for its teams. In France, close to 500,000 masks and 30,000 self-tests were distributed to the teams.

The quality of relations with labor partners and teams helped maintain trouble-free and decisive social dialogue to take and apply the right decisions. The Group's management ensured that employees were not impacted economically by this health crisis. There was no recourse to short-time working and compensation was maintained in the event of illness or leave due to an aggravating factor. Managers continued to receive special training in crisis management and management of psychosocial risks (PSR) and teleworking. Similarly, trainings to enable the teams to operate properly remotely continued.

The Group has shown solidarity with the communities in the countries where it operates by donating equipment. These initiatives are detailed in the Health section of the "Socioeconomic development of the countries" sub-chapter.

Best practices are constantly consolidated and improved to respond to changes in this health crisis and anticipate future ones.

3.1.5.2.2 An organization to continually improve the Safety culture and achieve the "Zero Accidents" goal

The Group's Occupational Health and Safety Department consists of the Group Occupational Health and Safety Director and the fire and emerging industrial risks expert, reporting to the Deputy Chief Executive Officer – Directeur of Human Resources responsible for HR, Occupational Health and Safety and inclusion, who reports to the Chairman and Chief Executive Officer.

Each country has an Occupational Health and Safety Director, with Occupational Health and Safety teams reporting to him/her.

The results and the Group and country action plans are reviewed:

- monthly by each country management team with their teams;
- monthly by the Group Occupational Health and Safety Department;
- by the Group quarterly committee, prepared by the Occupational Health and Safety Department, chaired by the Chairman and Chief Executive Officer who is in attendance at all times, and with the participation of the following Group Departments: Manufacturing, Insurance, Audit – Safety – Compliance, France and HR;
- at the presentation of the annual budgets and long-term plans for each country by the Chairman and Chief Executive Officer and members of Group management.

The approach to occupational health and safety fosters synergies between teams, businesses and countries.

The active participation of the labor partners in the Safety culture positively contributes to improving occupational health and safety performances. Various agreements are signed annually in each country with the labor organizations or employee representatives in this field. In France, the FO central union representative holds the position of Occupational Health and Safety officer, illustrating the Group's transparency on this matter.

3.1.5.2.3 Training on the Safety culture and the "Zero Accidents" goal

In terms of occupational health and safety training, the goal is for 100% of teams to receive at least one occupational health and safety training annually. This target was achieved in 2022, as in 2021, and will be renewed in 2023. Occupational health and safety trainings top the list, in terms of hours and budget, in the country training plans. Thus in Brazil, CIPLAN's occupational health and safety trainings account for 61% of its training plan. Within the Group, behavior is one of the top training themes, a key factor in the Safety culture. In 2022, Switzerland and France started training (Dupont-style) their leadership teams on behavioral drivers and embedding the safety culture within the teams. This training will be rolled out to the managers in these countries in 2023. This training will be replicated in other Group countries. Significant efforts to raise awareness regarding major risks (lockout / tagout, working at heights, first aid, fire) were also undertaken with the teams and subcontractors. In 2022, over 1,800 actions were taken in this area in Kazakhstan. To change day-to-day behavior and promote the sharing of best practices, safety days have been held every year in the countries in addition to World Day for Safety and Health at Work. The "Safety minutes" are held every week by managers. The major topics covered include risk analysis, equipment logs, travel (in particular to reduce road accidents), manual and mechanical handling, the safe use of phones and smartphones, and working at heights, tidiness and cleanliness of facilities and prevention and treatment of psychoactive substance abuse (alcohol, tobacco and drugs). Echoing its Occupational Health and Safety charter signed by the Group Chairman and Chief Executive Officer, an Occupational Health and Safety campaign is distributed quarterly with "engaging learning" sheets. Support materials (posters and notices) are translated into all languages so as to raise team awareness of these vital issues. In 2022, the four campaigns were themed as follows: Covid-19 prevention, machinery/pedestrian collision, flooding and natural risks, and the prevention of winter flus. In 2023, the campaigns will be: analysis of risks before acting, behavior, machine lockout/tagout and manual handling. In 2022, the process teams participated in "fire-fighting" training which simulates real-life conditions as closely as possible. In parallel, a refresher on fire expertise was given to Occupational Health and Safety teams on the sites.

3.1.5.2.4 Adapted and shared means and procedures for working in safety

At all its sites, the Group strives to improve working conditions that ensure occupational health and safety, in accordance with applicable laws and regulations. The Group is implementing prevention measures to eliminate or reduce exposure to risks, risks themselves, workplace accidents and occupational illnesses. The two key action drivers (behavior and eliminating events that are highly likely to be severe) break down into the following approaches:

- **Multi-annual action plans.** With the support of the Group Occupational Health and Safety Department, each country defines and coordinates its multi-annual plans, with the support of its Occupational Health and Safety teams. These plans are applied on each site to employees and outside staff. Each country adapts the "Occupational Health and Safety tools" to fit its needs. One of the best examples is the adoption of the "Essentials," rules defined by the Group Occupational Health and Safety Department and broken down by country and activity, which form the fundamental benchmarks used on a daily basis at each site. Every year, each country identifies in its budget the necessary investments to ensure the health and safety of its teams and outside staff. Accordingly, the fire protection facilities are continually enhanced for the overall protection of the sites as well as to ensure the perpetuation of response capabilities. This is part of a plan to increase reliability in tandem with the Group's broker and insurers. Outcome: the deductible on the "alternative fuels fire" risk has fallen significantly on the scopes in question.
- **Standards and certifications.** Over the years, the Group has introduced Occupational Health and Safety and Fire standards. They are defined and continually improved in a collaboration between inhouse experts (Occupational Health and Safety, fire and emerging risks, manufacturing, insurance, etc.) and outside experts (brokers, insurers, trade associations, etc.). 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). The Group has 81 sites in France certified to safety standards (MASE or ISO 45001) primarily in the Cement, Aggregates and VPI businesses. Internationally, the Aggregates business in Senegal began the MASE process in 2022 and expects to be certified in July 2023. In Brazil, CIPLAN uses the SICLOPE system, which has resulted in a 71% reduction in time-lost accidents involving outside staff between 2021 and 2022.
- **Provision of personal protection equipment.** Each country ensures the availability of risk-appropriate collective and personal protective equipment for teams (employees and subcontractors) at all its sites.
- **Compliance of facilities.** The health, safety and fire compliance of facilities is considered from design stage and during operation in light of regulatory and technical changes, with the support of the performance-investment and insurance Departments, having regard to the Group Safety and Fire standards.
- **Visits and Occupational Health and Safety internal audits.** Visits and Occupational Health and Safety audits are in place in Group countries. For example, in France, the internal safety cross-audits were reactivated in 2022, after having been suspended in 2021 due to the health crisis. The approach allows for exchanges between operational teams to identify non-compliant situations, bring back best practice and highlight good behavior. In 2022, over thirty cross-audits took place with the participation of members of the France Department. In Brazil, 1,500 on-site inspections were carried out by Ciplan's teams. At Group level, under the auspices of the fire and emerging industrial risks expert, an audit plan of existing facilities (with a focus on alternative fuel facilities) is particularly looking at the technical components (fire detection and fire extinguishers) and "team organization and training". When visiting sites, the Chairman and Chief Executive Officer reviews the "Occupational Health and Safety folder" detailing the site Occupational Health and Safety indicators and events, and

takes time to review with the teams on the ground the strengths and areas for improvement in Occupational Health and Safety on the site.

- **Sharing experience and best practice.** Through meetings and discussions between Group teams, overseen by the Occupational Health and Safety teams. The "analyze risks before acting" approach (Ciplan did 150,000 analyses in 2022), the quick-fire information sheets for any accident, near accident and hazardous situation, accident reviews, audit reports, awareness-raising media, communications tools and all the prevention documentation shared in a networked database that is available to all staff. Since July 2022, a list of all fire outbreaks Group-wide was established by means of quick-fire information sheets. This process makes it possible to analyze all the events and propose corrective actions (through short "Group fire" updates and sharing of best practice). In 2022, one of the top-priority shared approaches was reporting and addressing all events (hazardous situations, near accidents, minor accidents, accidents) that are highly likely to be severe. Based on this, feedback is shared with Group teams as quickly as possible in order to take action before an accident occurs. This approach will continue in 2023 and subsequent years.
- **Prevention of psycho-social risks.** Depending on their culture, some countries have put in place tools to prevent psycho-social risks (mental overload, burn-out, demotivation, anxiety, etc. arising from personal or work situations). In Brazil, Ciplan created an *Employee Assistance Program* giving teams access whenever necessary to psychological support from a team of outside experts in absolute confidentiality. In France, the partnership with JLO Conseils is similar.
- **Ensuring the safety of expatriate employees or those traveling abroad.** The Group is continuing its training regime (e-learning modules made mandatory before any trip) alongside support and assistance, in cooperation with SSF and AXA International. Since 2020, these training courses have been supplemented by incorporating a set of procedures and operating methods to combat epidemics.

Ongoing improvement in Vicat Group's Occupational Health and Safety performance

In 2022, the Group's frequency rate and severity rate hit historic lows. They reflect the commitment and ongoing efforts of the Department, teams and employee representatives in each country to accomplish "zero accidents".

Health and safety indicators for Group employees*	2022	2021	Change
Number of lost-time accidents among Group employees	96	131	-26.7%
Number of fatal accidents in the workplace among Group employees	1	0	NA
Number of lost days for Group employees	4,442	5,122	-13.3%
Frequency rate	4.81	5.80	-17.1%
Severity rate	0.22	0.24	-8.3%

Health and safety indicators – Cement Business*	2022	2021	Change
Number of lost-time accidents among employees	27	38	-28.9%
Number of fatal accidents in the workplace among employees	1	0	NA
Frequency rate	3.11	3.30	-5.8%
Severity rate	0.06	0.10	-40%

Health and safety indicators – Concrete & Aggregates Business*	2022	2021	Change
Number of lost-time accidents among employees	69	93	-25.8%
Number of fatal accidents in the workplace among employees	0	0	NA
Frequency rate	6.11	9.20	-33.6%
Severity rate	0.35	0.39	-10.3%

* *These analyses were carried out on a sample of around 95% of the workforce, as data on recent changes in scope are not yet available for these indicators.*

The sharp fall in the frequency rate to 4.8 in 2022 (5.8 in 2021) was primarily due to the improved situation in Senegal, India and to a lesser extent in France. The severity rate continues to improve to 0.22 (compared with 0.24 in 2021). The number of days lost between 2021 and 2022 fell a further -21%. This rate reflects the low level of severity of the events recorded in 2022. Accidents requiring more lengthy periods of time off are very rare in the Group. Nevertheless, a deadly accident within Group teams clouded 2022. This is something we had not seen for over four years. An action plan was immediately put in place to eliminate the conditions pertaining to such an accident in all Group countries. Like every year, a significant number of Group sites didn't record any lost-time accident in 2022. Seven of the Group's cement plants recorded no lost-time accidents in 2022; some have not reported any for two, three or four years (e.g. Bharathi in India). In the Concrete & Aggregates business in France, five and six regions, respectively, did not record any lost-time accidents in 2022. Some countries reaffirmed their positive results with zero lost-time accidents: Italy, since 2013; Mauritania for nearly four years; and Mali for two years.

3.1.5.3 HR policies

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

Louis Vicat's humanist values built the strong Group culture and its teams embody them in their day-to-day activities. These values and this culture are the source of the Group's resilience during crises. 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 quality labor relations and ensure its teams a trouble-free working environment.

Compliance with international conventions

The Group's values and culture give 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. They are at play in all dealings with its stakeholders. The Group ensures that in every country, its team act in accordance with the law in line with the United Nations Human Rights Charter. Its "companies strive to promote and respect the protection afforded human rights under international law within their sphere of influence; strive to ensure that its own companies are not complicit in human rights violations". The Group operates in countries that are signatories to the United Nations Human Rights Charter and are members of the International Labor 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 keeping with this, the Group complies with the UN Sustainable Development Goals in the areas that concern it. In France, training sessions for managers are frequently organized for the teams with a law firm specialized in employment law (with a focus on professional equality, the prevention of bullying, sexual harassment, sexist behavior and discrimination) and in ethics and compliance. This approach can be found in various Group countries. 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. 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 2022, 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 2022. This outcome is the result of a Zero Tolerance Group policy whenever any violations are identified in these areas (including in the event of weak signals). This policy translates into training to prevent these risks or identify them early and thereby trigger responses to head off events. The Group has also a procedure in place, with a whistleblower component that takes into account both weak and strong 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. 100% of employees are covered by collective bargaining agreements. Built on respect, trust and transparency, social dialogue is positive in the various companies. All levels of management are open to ongoing discussions with staff. This managerial approach plays an active part in the good industrial relations. Despite the successive crises (Covid-19, war in Ukraine, energy shock, inflation), the social dialogue and industrial relations continued to enjoy the same level of mutual transparency and trust. As a result, there were no strike days recorded at the Group's companies in 2022. For 2022, the scope adopted for the "Review of collective bargaining agreements" indicator was limited to France. 77 agreements were signed, primarily involving the sharing of added value through profit-sharing agreements, improving health and insurance benefits, disability or the gifting of days. On top of these 77 agreements are 131 unilateral decisions taken following consultation with the labor partners. 66 unilateral decisions were taken to activate the "Special Purchasing Power Bonus" mechanism at the start of the year, followed by the "Value-Sharing Bonus" mechanism from September, both these mechanisms being intended to help with the purchasing power of the teams. The impact of inflation on the teams was thus recognized and addressed by Management in 2022. Measures along the same lines were taken in other Group countries. 2022 saw a record number of agreements signed in the course of social dialogue in France and is testament to its strength.

Sharing value-added through a fair compensation policy

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, with no discrimination, and in general to the application of 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 shares, as applicable. In addition, Vicat 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 and was transformed into an "Inter-company Group Retirement Savings Plan" (PERECO) in 2020 following the PACTE Law. In order to better support employees preparing for retirement, since 2015 an agreement has allowed them to annually transfer a set number of days from the time savings account (CET) and paid vacation (under certain conditions) into the PERECO. 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 2022, the roll-out of profit-sharing agreements was complete in virtually all Group companies in France. In parallel, the Group's French companies, in consultation with the labor partners, paid three sums under the Special Purchasing Power Bonus and Value-Sharing Bonus mechanisms representing a "net" average of €742 in reflection of the commitment of the teams and to offset the rise in inflation. All these bonuses represented a net average of €742. This mechanism benefitted employees earning up to €75,000 gross per annum, providing compensation to ensure the net net principle established by law at three times the gross annual minimum wage, namely €60,442. This "best offer" decision by Management was made following discussions with the labor partners in the same spirit as in 2021. 89% of French employees benefitted. In 2022, the total of these bonuses negotiated with the labor partners amounted to around €1.9 million. These Special Purchasing Power Bonuses amounted to close to €0.8 million in 2019 followed by close to €1.6 million in 2020. In 2021, profit-sharing top-ups were also negotiated with the labor partners on top of the Special Purchasing Power Bonuses and came to a total of around €2.3 million. From 2019 to 2022, these sums represented around €6.5 million for employees, on top of their usual compensation. These measures come on top of the overall increase of 3% applied in 2022 following the mandatory annual negotiations with the labor partners and the mandatory annual negotiations concluded exceptionally in November 2022 for 2023 setting the overall increase at 5% at January 1, 2023.

In all Group countries, its companies 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.

Employees expenses

(in thousands of euros)	**2022**	2021
Wages and salaries	396,927	360,373
Payroll taxes	125,794	116,256
Employee profit-sharing	5,913	8,070
EMPLOYEES EXPENSES	**528,635**	**483,699**
Average number of employees of the consolidated companies	9,745	9,476

Change in personnel costs as at December 31, 2022

The Group's personnel costs increased by around €45 million (i.e. +9.3%) to €528.6 million in 2022. This increase was due to a scope effect of €(11.8) million (deconsolidation of Créabéton in Switzerland in 2021 and the newly consolidated entities in France (impact of around +4 million)); the "exchange rate" impact contributed +€8.6 million; the increase in the number of employees (+2.8% in the average number of employees between 2021 and 2022), reflects the strong business fundamentals in some countries and the impact of inflation on gross payroll budgets. The payroll in France rose +€19.7 million (i.e.+9.7%) between 2021 and 2022. Like in 2021, this increase was due to the hiring of managers to address the ecological, solidarity and digital transitions, and for major building projects (Grand Paris, TELT, etc.); the delayed impact of acquisitions, the creation of positions and overall increases; and the "purchasing power" bonuses paid in 2022. The United States contributed over USD10 million (+8.1%) to this increase. Heavily hit by inflation and government wage measures, Turkey saw an +87.5% increase in its payroll in local currency terms, but with an effect limited to €2.1 million. Switzerland is the only country to reduce its payroll in local currency terms (CHF(19) million, -20%) and in euros (€(12) million, -13.7%), due to difficulties filling a dozen positions in 2022.

Efficient and trouble-free 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. The Group's small, human-sized team organization has always favored the use of best practices such as continuous improvement. Work is organized in compliance with local legislation, and with the Group's own standards and international rules, 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 a trouble-free environment. In France, remote working has been negotiated with the labor partners and was launched on June 1, 2019. During the Covid-19 pandemic, the remote work agreements helped keep the teams safe, 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, occupational health and safety, and working well together according to the Group's culture and values, emphasizing the importance of respect, independence, empowerment and solidarity. A mechanism allowing vacation days to be donated has thus been introduced at our French companies to allow employees dealing with family problems to be gifted additional days' vacation by their colleagues.

Part-time work

The Group has little need for part-time jobs. In 2022, the proportion of part-time employees remained low. It stood at 1.7% of the workforce in 2022 (unchanged on 2021). 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 (2.6%). This limited use of part-time work reflects the secure employment policy that the Group has implemented in all the countries where it operates (proportion of women part-time in France almost level with that of men).

Shift working

Part of the Group's industrial business activities requires shift working. The statutory framework is systematically adhered to. In 2022, shift workers remained unchanged at 18.9% of the Group's total workforce (18.4% in 2021).

Providing our employees and their families with social protection: VICARE

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. VICARE aims to provide a higher level of protection than the statutory standards in each country. In line with the principle of subsidiarity within the Group, VICARE is then implemented in each country, proof of how the local teams have taken ownership of it. For example, in Brazil, CIPLAN developed the VIVA BEM program offering medical and social protection for its teams and their families, with best practices like: medical consultation campaigns (over 2,900 consultations in the first nine months of 2022 covering ophthalmology, dentistry, cardiology, vaccinations, diabetes screening, psychological condition, etc.), sports activities, etc. In India, the *Employee Welfare Initiative* program includes "Sanjeevani", additional coverage for an employee's family in the event of their accidental death (to date, eight families have benefitted), and "Ashraya", additional coverage in the event of serious illness (to date, nine employees have benefitted). In Senegal, Sococim offers staff 80% reimbursement of their medical expenses through its mutual health insurer.

3.1.5.3.2 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 is positive and attractive to applicants at all levels. It reflects its culture and values as well as its family nature, regional roots and international footprint. The Group's values and culture, along with its action plans to successfully navigate the ecological and solidarity transition, represent a solid foundation to enable employees to understand the meaning of their work and of their engagement. 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, while having regard to the company's interests. 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 team are internal recruits (with extensive digital training in place) and gender parity has been achieved. Individual performance assessments are done in each country through identified and objectives processes.

Track record on engagement, attractiveness and retention

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. The Vicat Group deemed this indicator satisfactory despite the health crisis: 3.2% in 2022 (2.9% in 2021). Brazil had the highest rate at 5.3% and Senegal the lowest at 0.9%. In France, as in other Group countries, the slight increase in absenteeism (5.1% in 2022, 4.6% in 2021) reflects the waves of Covid-19 that affected the teams at the start of the year, although only mildly.

Attrition

The Group's turnover rate is down (15.4% in 2022, 19.4% in 2021). It reflect the loyalty of the teams and their engagement. This downward trend brings back memories of the lows in 2020 (10.3%) and 2019 (9.9%). In the United States and France, the subsidiaries were not affected by the "Great Resignation". In addition, in the countries with high absenteeism, the subsidiaries saw lower levels than the benchmark. Thus in India, the attrition rate in 2022 was close to 10% compared with a national average of around 20%. The indicators capturing general changes to the workforce attest to the Group's attractiveness.

Group workforce as at December 31, 2022 and change

Workforce at December 31, 2021	**9,515**
Natural attrition	(660)
Redundancies	(867)
Changes in consolidation scope	35
Recruitment	1,889
WORKFORCE AT DECEMBER 31, 2022	**9,912**

Average length of service and age

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. There is no significant difference between the average age and average length of service of men and women.

	Average age		Average years of service	
(in number of employees)	**2022**	2021	**2022**	2021
Group	43.9	42.1	8.5	8.5
Of which France	41.9	42.5	9.3	9.5

3.1.5.3.3 Skills development plan to improve individual and collective performance

This plan aims to provide employees with ongoing training to adapt to changes in their industry as part of the ecological and solidarity transition and the digital transition.

All Group players (Labor Partners Department, teams) see training as a key success factor for engagement and performance. It also serves to reinforce the safety culture and the Group's values and culture for employees. The training plans are also designed with short, medium and long-term horizons so that the teams can effectively adapt to the changes in the Group's business lines over time. Training is provided on a repeat and long-term basis. In 2022, the Group's training plan focused on the safety culture, the ecological and solidarity transition, the digital realm and the prevention of cyberattacks, managerial performance, industrial performance and commercial performance, and inclusion. The trainings lead to qualifications or diplomas. Thus, since 2010, Sococim has had a literacy program resulting in the granting of primary school-leaving certificates, plus professional competence certificates and technical school certificates in various sectors: mechanics, auto-mechanics, metalworking. Around 30 employees have thus obtained diplomas, having started out illiterate. In France, the Group has had long relationships with apprentice training centers relevant to its business lines (CFA in Montalieu in particular), to expand apprenticeships, a wonderful training pipeline. The apprenticeship rate in France hit 6.5% in 2022, exceeding the target set (5.5%), in order to create a training pipeline for the Group's business lines and prepare future hires. 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. In 2022, the Group's online training platform, CAMPUS Vicat, was launched. It gives teams access to online training modules on top-priority areas for the Group including: safety culture, ecological and solidarity transition (reduction in greenhouse gases, climate strategy, sustainable development), compliance and ethics (combatting corruption, competition best practice…).

Track record on training

	2022	Change 2022/2021
Number of hours of training	209,940	+7.5%

The end of the pandemic made it possible to increase the volume of training: +7.5% between 2022 and 2021. For example, Sococim saw a +7.5% increase in the volume of hours between 2021 and 2022. When aggregate "Safety minutes" training/action hours are included, the target of at least one Occupational Health and Safety training course per employee was achieved in 2022. 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 2022. The number of training hours per employee rose in 2022: 21.2 hours (20.5 hours in 2021).

3.1.5.3.4 Diversity and inclusion policy and combating discrimination

This means taking long-term action to promote inclusivity, the key to performance and creativity.

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 (over 90% of Group employees in 2022, like in 2021 and 2020). In France, nearly 93% of Group employees have a permanent contract (out of a 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 since 2020, with a related e-learning module. The Group's values and culture are real assets to help succeed in these efforts.

Commitment to equal treatment of women and men

The Vicat Group recognizes and promotes 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. In 2022, the average number of training hours for female employees was almost 7% higher than that for male employees. All actions and results are supported by the Louis Vicat Foundation, with its Chair's constant commitment to gender equality. These results are achieved by having regard to the industrial nature of the Group's activities and jobs. Because of prejudice, industrial jobs remain very much the preserve of men. In particular, Blue-collar positions account for 52.2% of the total workforce but only 3.1% of them were women in 2022 (2.5% in 2021, 2.3% in 2020). The result is the low proportion of women (11.8% in 2022, 11.5% in 2021) in the Group's workforce. The Group is looking to continually increase the number of women in all job categories. As in previous years, the Group continued its action to "ungender" the positions in the minds of (internal and external) recruitment personnel. The Group has always had a never-say-die attitude when it comes to increasing the proportion of women in the companies. The ever-increasing recruitment and internal promotions of women (also the result of a training policy for women) are concrete examples of the success of the initiatives undertaken. A further 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). Outside of France, an action plan was put in place in 2016 in the Group countries in which women haven't traditionally worked in industry. The main goal is to hire women for industrial jobs by being proactive and using disruptive approaches. In the Effective and Inclusive Recruitment Guide, Management is asking for it to be standard practice to systematically include women among the candidates put forward, including for positions traditionally held by men. This applies to work placements, apprenticeships and fixed-term, permanent and temporary posts. Thus in Senegal, Sococim pursued it multi-annual plan to hire female technicians and managers, increasing its female workforce from 30 to 34, between 2021 and 2022. Gecamines, another Senegalese subsidiary, hired 11 women, including three for industrial positions. Its efforts also encompass girls in school. Given the lack of women in training courses for industrial professions (in mechanics for instance), it is developing apprenticeships for young women. In 2022, Vicat also participated once again in "Industrie'elles, Déployez vos Ailes !" as part of its partnership with Sport dans la Ville. This program changes perspectives and breaks down clichés to ensure girls are not discouraged from pursuing industrial careers. For their part, the girls in the "L dans la Ville" program are working on barriers to exploring industry, offering concrete solutions for building a positive vision for this sector and make industry more attractive. The Group is also working on workstation ergonomics and on adapting recreational spaces so that women feel comfortable using them. For the past number of years, the Group has also been working to increase the proportion of women in management teams. 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). These approaches combine to lower external and internal obstacles to giving key Group 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. Bottom line, around 45% of the Corporate management team surrounding the Group's Chairman and Chief Executive Officer is made up of women. In addition, since 2018, for the first time in the Group's history and likely in French industry for a group of Vicat's size, a woman has held the position of central union representative from Force Ouvrière (the majority union). Since 2017, the Company has had one of the youngest female directors of any French listed company with Éléonore Sidos (25 years of age in 2022). 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. Management also decided to bring an employee representative onto the Board of Directors from 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. The Group pays particular attention to the equal treatment of women and men. In terms of salary, the Compensation Committee notes that the continuity of Vicat's gender equality policy, driven by merit-based promotion, helped to keep the gaps low between 2021 and 2022. 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 the top ten salaried positions. Since 2017 in France, 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 gap in terms of number and amount is close to 0%. Any necessary adjustments are systematically done without delay. These results illustrate Vicat's parity policy driven by promotion on merit. Another example of an agreement signed to promote professional gender equality is the parental leave policy applicable in France, which has been improved; it guarantees pay and offers the option of a five-day part-time extension. 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 example, of the French companies with over 250 employees, the 2022 results are all over 75. The only exception is SATM, a French subsidiary, which got a score of 75 due to a lack of return from maternity leave in 2022. The Chairman and Chief Executive Officer has decided to apply this Index to all Group countries. Every Group company has an action plan to achieve a score of 100.

	2018	2019	2020	2021	2022
VICAT SA Score	87/100	89/100	92/100	89/100	92/100

The average score in France is 86/100 while the average score of French cement companies is 84/100.

Track record on gender equality

Workforce as at December 31, 2022 by gender, category, average age, and average length of service

		Including				
(in number of employees)	**Total**	Executives	White-collar	Blue-collar staff	Average age	Average years of service
Women	1,168	293	717	158	42.5	7.6
Men	8,744	1,474	2,250	5,020	42.7	9.2
TOTAL	**9,912**	**1,767**	**2,967**	**5,178**	**43.9**	**8.5**

Analysis of the workforce as at December 31, 2022 by gender

(in number of employees)	**2022**
Women	11.8%
Men	88.2%

Proportion of women as % of workforce	**2022**
Management	16.6%
White-collar	24.2%
Blue-collar staff	3.1%
GROUP TOTAL	**11.8%**

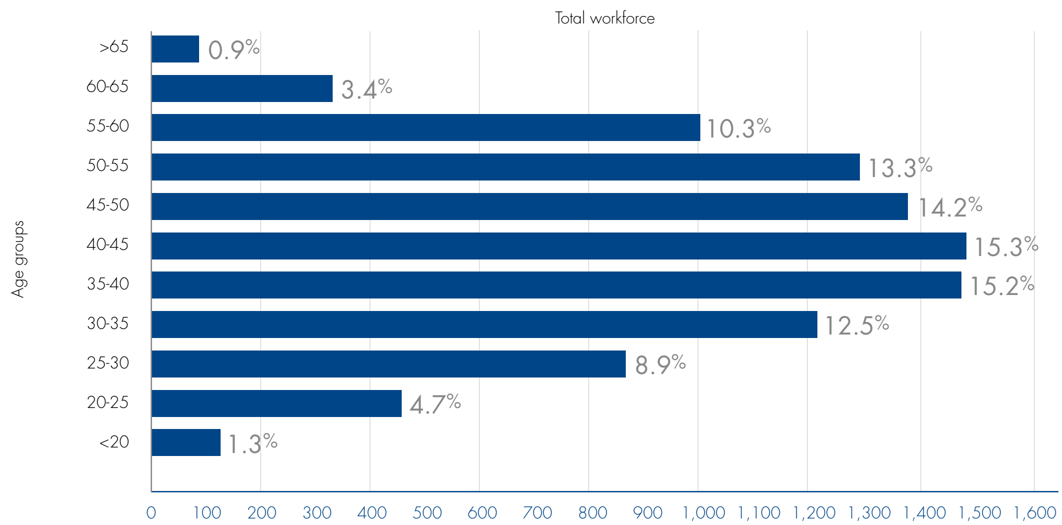
Of which France	**2022**
Management	26.5%
White-collar	29.8%
Blue-collar staff	3.9%
TOTAL	**19.5%**

The proportion of women employed in the Group continued to grow to 11.8% in 2022 (11.5% in 2021, 10.7% in 2020). In France, the proportion of women employed has flattened following steady increases (19.5% in 2022; 19.6% in 2021; 18.5% in 2020). Although the Management category dropped from 27.5% to 26.5% (without this representing a shift in the underlying trend), the White-collar and Blue-collar categories rose from 26.7% to 29.8% and 2.9% to 3.9%, respectively. With female workforces of 27.1% and 23.8%, 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 (10.5%). Reflecting the actions taken by management in each country, the percentage of women executives has continued to increase to 16.6% in 2022 (16.4% in 2021, 13.9% in 2020). The countries where the proportion of female managers is close to or greater than 30% are Italy (50%), Kazakhstan (27.8%) and France (26.5%). Nearly 30% of executive hires in France were female in 2022. Two countries are nearing a proportion of 20% female executives: Brazil (18.8%) and Senegal (17%).

Intergenerational teams policy

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 2022 are a direct result of these policies. Taking working conditions into account, the occupational health and safety policy backed by management supports the retention of employees over the course of their career. There are no early retirement plans or age-related measures within the Group. The management teams at the businesses pay particularly close attention to training employees to prevent obsolescence in terms of employability, skills and performance. Efforts to combat any digital divide are incorporated into the training plans. New recruits are given field training where they learn directly from the skills and know-how of more experienced personnel. Conversely, young people train older people on new technologies. Thus at Gecamines in Senegal: the new rolling stock have electronics that the younger employees explain to their older colleagues. In France, in order to bolster training courses in the materials industry, the objective in terms of apprenticeships was to reach 5.5% of the workforce in 2022. At 6.5%, the Group exceeded this goal. The commitment to achieving parity in this group remained intact in 2022, yielding 40% female talent versus 60% male talent. Since 2020, the Group's activities in France have partnered with the French government's plan: *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, 2022



In 2022, as in 2021, the Group had a balanced age pyramid. Nearly 72% of the workforce is under the age of 50 and nearly 28% is over the age of 50.

Measures to promote the employment of people excluded from the jobs market

Vicat has an active policy to recruit and train people alienated from the employment market in the countries in which it operates. This policy involves above all concrete measures like regular side visits by the long-term unemployed; work experience; and permanent contracts offered to young people with no qualifications so they can receive training (for example, with the CFA de Montalieu apprentice training center) before starting their new position. There is ongoing collaboration with organizations that promote integration into the workforce (*Missions Locales, l'École de la 2ème chance, Pôle Emploi*, etc.). 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 ten participants from Oltech in 2022 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 ramp up the learning, mentoring and hiring of residents in disadvantaged city neighborhoods and areas designated for rural development. Since 2019, Vicat 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, Muriel Pénicaud. Vicat also joined the "Business Council for a More Inclusive Economy" with a focus on three areas: apprenticeships, mentoring and inclusive purchasing. 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 the *Écoles de la 2ème chance* and *Missions Locales*) have helped turn these commitments into concrete actions. Like every year, permanent positions have been reserved for individuals from disadvantaged city neighborhoods and areas designated for rural development. In 2022, 21 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 2022, when filling its apprenticeships, 10% of those hired were from disadvantaged city neighborhoods and areas designated for rural development. Three young migrants, including a young woman, continued their apprenticeship 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, transport, etc.) as the other apprentices. In 2022, the Group once again partnered with *Sommet de l'inclusion économique* run by the Mozaik Foundation under the auspices of the Ministry for the Economy, Finance and Industrial and Digital Sovereignty. Management also promotes inclusivity by supporting the Vulnerabilities Chair at Lyon Catholic University, with the active involvement of the Chairman and Chief Executive Officer, and the Chair for Economic Peace, Mindfulness and Well-being at Work at Grenoble École de Management.

Measures to promote the employment of people with disabilities

The Vicat Group has an unswerving policy adapted to persons with disabilities. The Group seeks to lead by example. The Disability Committee was established in 2021 and is comprised of the Chair of the Louis Vicat Foundation, Management representatives, an employee with disability, members of the HR Department and the labor partners. Its role is to promote the disability action plan across its four areas: raising awareness, recruitment, support and retention, as well as inclusive purchasing. This committee meets four times a year and is breathing new life into the approach taken by the Group for many years. The action plan is coordinated by General Management, Country Management and supported by the support services (human resources internally and purchasing department externally), with the support of the Louis Vicat Foundation. In France, the proportion of employees with disabilities leveled off at 2.6% of the workforce in 2022 (compared with 2.7% in 2021 and 2.1% in 2020). Two-thirds of the jobs held by employees with disabilities are industrial jobs. At the Montalieu cement plant, the Group's flagship industrial facility in France, employees with disabilities represent 7.7% of the permanent workforce. 48% of the permanent employees of SODICAPEI, a company specialized in mining and marketing bauxite, have disabilities, thereby embodying an innovative, sustainable policy in relation to employment benefits (medical cover, pension, etc.) and social recognition. This policy is also reflected abroad, in particular in Brazil (2.7%), Turkey (2.4%), Mauritania (2.9%), Italy (4.8%) and Egypt (7.8%). Despite the efforts of Group companies, the large disparity in government policy regarding people with disabilities limited the proportion of Group employees with disabilities to 1.7% in 2022. In France, a disability agreement was negotiated in 2022 with the labor partners for employees who are officially recognized as workers with disabilities (*Reconnaissance de la Qualité de Travailleur Handicapé - RQTH*). This agreement follows on from the appointment in 2020 of a Disability Officer and the establishment of the Disability Committee in 2021. In 2023, this agreement will be shared with Management in the various Group countries and implemented in line with their circumstances. This agreement aims to improve the results in the four areas in which the Group has long been working:

Raising awareness

Raising awareness is about normalizing disability amongst the teams, combatting any qualms and prejudices, the unease around bringing in an employee with disability. It encourages the employees in question to step forward without fear and help them with RQTH recognition. In 2022, the approach gave rise to a poster campaign. Its aim was to raise teams' awareness and combat any stereotypes that might persist. The campaign highlights personal and 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 is ongoing in all Group entities and includes "chats" on the topic. A further example: all France-based teams took part in the European Disability Employment Week held in November 2022. *DuoDays* were held during the week. A further example: 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.

Recruitment

The goal is to increase direct employment, mainly in France, to 3.8% (French national average) in 2023 and 4.5% in 2025, despite the following difficulties:

- most sites are in rural or suburban areas and require means of transport;
- industrial careers within the Group are too often wrongly perceived as being incompatible with disability by people with disabilities and their families.

In 2022, the Group expanded its partnerships with specialist recruitment firms. It continued to take part in job fairs dedicated to people with disabilities.

Retention and support of our employees

In 2022, work continued on workstation adaptations. Ties with outside specialists (occupational physicians,…) and with organizations like *Agefiph* (association that manages funds to help improve access to employment for people with disabilities) and *Afiph* (the Isère Family Association for People with Disabilities) have been strengthened. Crafting the necessary environment in cases of serious illness (healthcare and return to work - cancer primarily) is done in tandem with the relevant parties having regard to the fact that each case is unique. Additional paid leave is provided where the employees in question have disabilities.

Inclusive purchasing

The goal is to increase indirect employment through inclusive purchasing by expanding contracts with the protected sector and subcontracting to the sheltered employment sector (assignment of workers with disabilities to Group companies, provision of services, such as upkeep of green spaces, the removal of certain waste, mail, etc.). For example, in 2022, the Group's Purchasing and IT departments subcontracted the recycling of all the obsolete IT equipment from the Group's headquarters to AfB, a sheltered employment company specializing in the recycling of IT equipment.

3.1.6 Ethical business practices

3.1.6.1 Vicat Group vision

With, on one hand, the goal of maintaining a lasting bond of trust with its stakeholders, and, on the other hand, an awareness of the high level of ethical risks in emerging markets (fraud, corruption, conflict of interests), the risk of slander on the Internet, and the growing risk of cyberattacks, Vicat Group makes every effort to strengthen its culture of integrity to ensure its long-term prosperity, naturally taking account of ever hardening regulations.

3.1.6.2 "Ethics and compliance" mechanism

To prevent certain isolated behavior that may potentially damage its image and reputation and to combat corruption, the Vicat Group has drawn up its "Compliance Policy" in the form of two major documents:

- a **Code of Ethics**, which is a streamlined document containing the intrinsic and fundamental values of the Vicat Group and the principles governing its actions;
- an **Anti-Corruption Code of Conduct**, which is 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.

These documents are translated in all its subsidiaries' languages. These documents constitute non-negotiable rules governing respect of Human Rights, fundamental freedoms, health and safety, diversity, the environment and combatting discrimination, fraud, corruption and influence peddling. They also reiterate the commitments required of its employees: safeguard the Group's assets and image, ensure the quality and safety of its products, respect ethics rules and regulations including GDPR (available on the website of the French Data Protection Agency).

The prevention and management of risks associated with current international sanctions is subject to a Group procedure shared with Management in each country.

It is the responsibility of the Compliance Department, which reports directly to the Chairman and Chief Executive Officer (in accordance with the recommendations of the French anti-corruption agency - AFA) to implement and monitor these policies and their effectiveness. It leads a network of 13 Compliance Officers present in each country. It is supported by the Internal Audit Department for its operational procedure audits.

As part of its compliance continuous improvement process, the Vicat Group voluntarily agreed to an independent audit by Adit, a specialized firm with an international footprint. As part of this, Adit regularly reviews its risk map, the most recent version being from end-2021. It also reports its actions to the Audit Committee and to the Compliance Committee meetings held every quarter.

In collaboration with the Training Department, it raises employee awareness around compliance and provides training. Its looks to train the relevant people on combatting corruption and on competition law, with a training module done by a specialist law firm. The Group training plan has three e-learning training modules, in addition to occasional classroom trainings.

The Group "Third-party evaluation" procedure rounds off the system. Third parties includes customers, suppliers, possible intermediaries and partners. It consists of obtaining a better picture of our third parties and identifying the ones that may pose probity risks, in order to act differently in the event of risk and if necessary terminate a business relationship.

In line with regulations, the ethics framework also has a system of disciplinary sanctions including possible dismissal along with a whistleblower system. The latter allows employees, suppliers and customers to safely report anything that might be considered questionable behavior from a best practices standpoint. The Vicat Group undertakes to protect the whistleblower: the latter may not be penalized, fired or discriminated against by virtue of being a whistleblower. All reports are processed and lead to the adoption of appropriate measures.

This framework allows the Group to comply with the requirements of French law (Sapin 2 Act). In order to satisfy stakeholder expectations around transparency, 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.

Track record on compliance

In 2022, over 80% of audits dealt with compliance matters.

The Vicat Group saw a significant improvement of around 62% in the proportion of third parties evaluated. All third parties at risk have now been evaluated in France, India, the United States and Italy. In the context of its goals, the Group will pursue its efforts in the other countries.

Furthermore, in terms of compliance training indicators, what were already satisfactory results improved a further 11% between 2021 and 2022.

3.1.6.3 Combatting tax evasion

The Group's tax affairs are managed responsibly. The Group thus undertakes to:

- **ensure tax compliance**. It strikes to comply with the applicable tax regulations, rules and laws in the countries in which it operates. The Group strives to comply with its reporting and payment obligations. It does not engage in either tax fraud or evasion. In the event of uncertainty regarding the interpretation of some provision, the Vicat Group has recourse to local tax experts and may also seek prior approval from the relevant tax authorities.

  With respect to cross-border transactions, the Vicat Group complies with the applicable OECD principles and strives to ensure that its transfer pricing is at arm's length. This is primarily for services (*management fees*) provided by the head office in France to its subsidiaries;
- **managing their tax affairs in a manner that safeguards the value of the Vicat Group**. The Vicat Group must safeguard its competitiveness and grow its businesses in order to create value for shareholders and stakeholders. The Group thus pays its fair share of tax in the countries in which it operates. In the same spirit, the Group ensures that it applies the most appropriate tax options permitted under local tax law and that it is not subject to double taxation.

Some States offer tax incentives to encourage companies to invest in infrastructure and technology and thereby underpin economic investment and employment. The Vicat Group benefits from such incentives in compliance with the relevant provisions.

3.1.6.4 Cybersecurity

To support increasing process computerization and the volume of data associated with the digital transition it is undertaking, the Vicat Group is making every effort to secure its systems and data in the appropriate ways and thereby protect itself as best possible from any cyberattack.

The Security Officer, together with their team, manages data protection and IT system security. The security rules are set out in an IT System Security Policy and its offshoot for the industrial systems. All employees have been made aware of best practice when using IT systems through the IT Systems and Digital Tools Utilization Charter to ensure all employees help manage cyber risk. They are required to take a cyber-security awareness e-learning program and are regularly tested through phishing simulations.

Investments are made annually to strengthen the Group's cyber-resilience. The Group has also established a cyber crisis management procedure supplemented by regular exercises.

Lastly, the Group has set up a system to detect incidents (Security Operating Center), which operates 24/7, to monitor all the Group's office IT systems and detect cyber incidents.

3.1.7 Supply chain management and responsible purchasing

3.1.7.1 Vicat Group vision

Due to the volume of purchases annually by the Vicat Group and the related CO_2 emissions (Scope 3), the Vicat Group is particularly mindful of the potential consequences of its dealings with its suppliers, subcontractors and service providers worldwide. Any breach by any of them of any laws or regulations notably governing health, safety, human rights or the environment could affect its operations, financial performance and reputation or the Group's compliance and directly or indirectly harm it.

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.

3.1.7.2 "Responsible purchasing process" policy

The Responsible Purchasing Policy, which was formalized in 2021 and rolled out by the Group Purchasing Department in 2022, aims to balance profitability with corporate social responsibility in line with the overall strategy of the Vicat Group. It can be found on Vicat's website and has two primary components: the promotion of local purchasing and the streamlining of its supplier pool.

The "Group Purchasing Directive", rolled out in 2022, sets out the core rules of the purchasing process. The subsidiaries began evaluating it in 2022.

The Group Purchasing Department oversees and supports the implementation by the Group subsidiaries' purchasing units of their purchasing approach, which seeks to combine social, societal and environmental factors with economic factors.

In 2022, virtually all of Vicat Group's buyers received training on CSR and the UN SDGs. The Group Purchasing seminar, which was held in November 2022, provided a further opportunity to raise their awareness. The Group Purchasing Department, which takes a continuous improvement approach, updates the Group Responsible Purchasing roadmap annually and shares it with the community of buyers and also the Group's strategic Departments to ensure it is wholly aligned with the Group's goals. Furthermore, each Entity has drawn up its own "local" roadmap in line with the Group's.

3.1.7.2.1 Promoting local purchasing

The Vicat Group strives to obtain its purchases and supplies locally (in the country having expressed the need) and, insofar as possible, from small and medium-sized companies that play a key role in local economic activity. That is why the Group's supplier base was enhanced with new indicators to give it greater depth of knowledge on the listed supplier.

The Vicat Group pays particularly close attention to its business relationships with Small and Medium-sized Enterprises in the countries where it operates. The Group Purchasing Department also encourages all Group subsidiaries to give preference to "inclusive" suppliers, in particular those that choose to employ people with disabilities.

3.1.7.2.2 Managing a group of responsible suppliers

The Vicat Group seeks to work with suppliers that have implemented CSR approaches. Creating such a group means working closely with its suppliers and ensuring that risks are identified and managed. The Group works on creating an initial map to identify its key purchasing families. Two criteria were used to guide it in its work:

- the volume of purchases;
- the CO_2 impact.

This mapping allowed the Vicat Group to roll out, in priority, the actions set out in the roadmap for suppliers in these purchasing families, namely:

- get all its suppliers to sign up to its Code of Conduct. This code, which can be found on the Vicat Group's website, defines the principles suppliers must respect when working with the Group. In its negotiations, this Code encourages innovative proposals to promote the ecological and energy transitions and continuous improvement processes with respect to the environment (monitoring their CO_2 emissions), working conditions (health and safety – ban on child labor);
- remove from the active supplier base those who may present risks. These may be risks to the health and safety of those people under the responsibility of that supplier, in the case of Human Rights, to the environment and a risk relating to the supplier's particularly high level of CO_2 emissions. Each Purchasing Department does such an annual review of its supplier pool;
- start a process of supplier evaluation based on the CSR questionnaire that was drawn up in 2022 to evaluate leading suppliers. The Vicat Group began a study in 2022 to identify a third party with the expertise to cover its whole pool over time.

Track record on responsible purchasing

- Average percentage of national purchasing: 65%.
- Average proportion of revenue with SMEs: 60%.
- Supplier Code of Conduct: it has already been signed by 600 suppliers, i.e. 60% of the Group's key suppliers.
- Average proportion of Vicat Group purchasing contracts that contain a specific CSR clause: 20%.
- Proportion of Vicat Group buyers who received training on CSR and the UN SDGs: 90%.
- Supplier payments: on average over 80% of the Group's invoices are paid when due.
- "Inclusive" purchases: in France, the revenue done with ESATs (assisted employment centers) or disability-friendly companies (24 companies) was up 25% this year.
- Proportion of recycled goods or second-hand goods (in the place of new ones) in the Group's purchases: work began in 2022 on *sourcing* from the second-hand market for the Vicat Group's purchasing families.

In 2023, the Group's various purchasing departments will strengthen their CSR efforts across the key purchasing families in order to involve the corresponding suppliers.

3.1.8 Commitments to communities and the socioeconomic development of the countries

3.1.8.1 Vicat Group vision

Through the long-term local jobs it generates and the local initiatives it supports, the Vicat Group actively contributes to the vitality of the countries where it works.

On top of its regulatory obligations regarding corporate social responsibility, the Vicat Group undertakes voluntary actions through a philanthropy and donations policy. It thus contributes to the development of countries by giving priority to health, education, inclusion, solidarity, the preservation of heritage and through its support for the economic, cultural and sporting fabric. Close attention is paid to the position of women in all these areas. Its philanthropy policy is also built around its two corporate foundations (Louis Vicat Foundation in France and Sococim Foundation in Senegal).

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

At December 31, 2022, the Group had 9,912 employees, an increase of +4.2% (+406 employees). This increase is primarily due to the business performance and the jobs created as a result of the ecological and solidarity transition (Climate strategy, reducing the carbon footprint, safeguarding biodiversity, conserving resources and the circular economy, in particular) and the digital transition. The increase in the workforces in France (+191), Turkey (+91) and the United States (+73) is on the back of these reasons. In France, positions were also created as a result of the development of new products, entry into new markets and major building projects, the development of apprenticeships and the acquisition of companies in the Concrete business. 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 tightness of the jobs market in the countries in which the Group operates is part of the reason for the turn-over, although at this stage it is not concerning. The number of new hires is 24% higher than the number of departures, reflecting the Group's attractiveness in its various countries. In 2022, the Group did not undertake any redundancy plan or any retirement plan involving age (early retirement, etc.).

Workforce as at December 31, 2022 by geographical area

	2022
France	3,321
Europe (excluding France)	742
Americas	2,254
Asia	1,230
Africa	963
Mediterranean	1,402
TOTAL	**9,912**

Average workforce in 2022 by geographical area

	2022
France	3,282
Europe (excluding France)	711
Americas	2,216
Asia	1,227
Africa	957
Mediterranean	1,352
TOTAL	**9,745**

The Group's average workforce rose by +2.8% between 2021 and 2022. The explanations by geographical area are those given for the general changes in the workforce above.

Breakdown of workforce by business line and socio-professional category at December 31, 2022

	Total		Cement		Concrete & Aggregates		Other Products and Services	
Management	1,767	17.8%	1,115	63.1%	350	19.8%	302	17.1%
White-collar staff	2,967	29.9%	1,570	52.9%	1,012	34.1%	385	13.0%
Blue-collar staff	5,178	52.2%	1,808	34.9%	2,560	49.4%	810	15.6%
TOTAL	**9,912**	**100.0%**	**4,493**	**45.3%**	**3,922**	**39.6%**	**1,497**	**15.1%**

The breakdown in the workforce by business line reflects the changes in the Group's operations and was unchanged between 2021 and 2022. In 2022, the Group's workforce in the Cement business remained predominant at 45.3% (44.8% in 2021). The Concrete & Aggregates business remained unchanged (39.6% in 2022; 39.8% in 2021) as did the Other Products & Services business (15.1% in 2022; 15.5% in 2021). In 2022, the proportion of Blue-collar staff rose slightly to 52.2% of the total workforce (50.1% in 2021). The proportion of White-collar staff decreased to 29.9% (31.3% in 2021; 29.1% in 2020). The proportion of Management fell to 17.8% in 2022 (18.6% in 2021).

3.1.8.3 Proliferation of solidarity initiatives for equitable and sustainable development

Building on its culture and its values, the Vicat Group strives to help the development of the countries by sharing the value created over the long-term. Its philanthropy can take the form of financial assistance, in-kind donations (construction materials) or skills sharing, which encourages employee involvement. Its strong links with the local communities ensure these initiatives are successful and sustainable. Initiated by the various country managers, these actions are also widely supported and implemented by all employees who give their time. The goal allows for a better integration and better understanding of the positive role of the Group's activities.

In 2022, these donations amounted to close to €5 million.

3.1.8.3.1 Supporting the education and raising the awareness of young peopleregarding the ecological and solidarity transition

The Vicat Group's actions target all levels of education, from primary school to university, and support local government policies. For example, in both India and Senegal, over 2,000 students benefitted from these measures in 2022. These initiatives help create or reaffirm the attractiveness of the Group's business lines and actively help with the onboarding of young people and their understanding of the challenges relating to the ecological and solidarity transition. The Group systematically develops its actions with a view to inclusion and with a particular focus on the education of girls. For example, since 2019, it has had a partnership with the NGO Human Rights Watch to promote access to education for girls in Africa. One of this NGO's initiatives now allows pregnant young women and teenage mothers to stay in school; the decision taken by the Tanzanian government is now spreading to other African countries.

Improving physical teaching conditions

In Senegal, Sococim completed the refurbishment of the Gouye Mouride primary school in Rufisque. Gécamines, an aggregates subsidiary in Senegal, provides its staff with financial support for the new school year and, for the commune of Ngoundiane, financial support for the high school and the teachers at this high school, and a donation of school suppliers for its inhabitants and a donation of aggregates for its university. Gécamines also donates aggregates each year to the areas around its quarries in Bandia and Diack to improve school access roads. 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, over 600 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 (around 450 students at the Bharathi cement plant and around 550 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. These school groups are recognized as being top tier by the Indian State. Also at the instigation of this Chief Executive Officer, material and financial support was provided to the Ambubai school for girls who are blind.

Partnerships with the education systems in each Group country

These partnerships are built around key areas of interest for the business lines, the ecological and solidarity transition, and the Group's values. In Brazil, Ciplan is nurturing agreements 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). Sococim signed an agreement with CSFP-BTP (Centre Sectoriel de Formation Professionnelle aux Métiers du Bâtiment et des Travaux Publics) around: periodic information and awareness sessions about its products for the center's students; support for CSFP-BTP with learning and job searching (work placements and jobs) for students and graduates; welcoming the center's students on educational visits according to a timetable; supporting CSFP-BTP in terms of providing the educational materials and equipment its needs day-to-day; making an annual donation of 50 metric tons of cement for the masonry work undertaken by the CSFP-BTP's students. In France, the Group also continues to work alongside secondary schools and third-level institutions (universities, architectural, engineering and business schools), to pass on knowledge of its businesses and to develop joint research and innovation projects. As part of this, Vicat and the Gustave Eiffel University are working on creating a so-called transition Life Cycle Analysis to assess the environmental and socio-economic impacts of innovations like the carbonatation of recycled concrete aggregates and methanol production. Vicat regularly welcomes doctoral students under the CIFRE (Industrial agreements for training through research) program signed with ANRT (the French National Technological Research Agency). Vicat's experts are also involved in the curriculum for future engineers, for example at ENTPE (National School of State Public Works) or civil engineering technicians, to teach them the science of cementitious materials. The Group's partnerships with ESTP Paris and the École La Mache, and its involvement in two chairs (Vulnerability Chair at the Catholic University of Lyon (UCLY) and the Chair for Economic Peace, Mindfulness and Wellbeing at Work at the Grenoble Management School) also illustrate the cross-field approach of partnerships that combine science and the humanities.

To give young people a taste for working in the materials industry and raise their awareness around the ecological and solidarity transition

In France, the Group is closely involved in the government's *1 jeune, 1 solution* initiative with support from the Louis Vicat Foundation. Each year, it participates actively in *Mon stage de troisième* with the *Tous en stage* association. The Group's teams promote careers in industry through their work in middle and high schools alongside the 100,000 entrepreneurs association. The Group's female talent is systematically involved to draw girls to industry. Specific actions are organized around this topic with the *Missions Locales* and *Sport dans la Ville*, for example, for young people from disadvantaged city neighborhoods and areas designated for rural development. The Group's companies in France and abroad organize regular site visits to showcase the business lines and the challenges and steps being taken to ensure the ecological and solidarity transition is a success. Thus in Switzerland, Vigier takes part in the annual "*Futur en tous genres*" day and welcomes young people who follow the principle of cross-participation and gain practical insight into professions and fields in which their gender has traditionally been underrepresented. Vigier has also partnered with the "*Lernort Kiesgrube*" program, which is working to embed a respectful and sustainable approach to nature. It encourages in-depth and fun discussions on topics related to the environment and the economy using the aggregates business as an example. Students are provided with learning material that is tailored to each learning age. The projects are recognized and supported by the Public Education and Culture Department in the canton of Bern. In 2021, the Group established a partnership with the largest skills competition in the world, the *WorldSkills Competition*. This competition gives young professionals from around the world an opportunity to test themselves in a competition held on a single site. The *WorldSkills Competition* values skills, expertise and training, and involves young people to facilitate their employability and blossoming, in response to the challenges facing our society. Ensuring the respect of constraints relating to safety, deadlines and costs, the optimal use of equipment and materials from an environmental perspective, this competition embodies themes that the Group holds dear: young people, sharing, effort, engagement, excellence, inclusion and solidarity. In 2022, as a Skills Partner, the Group supplied the French regional qualifiers with construction materials for these trades: reinforced concrete construction; city planning and pipe networks; and masonry. The Group will similarly supply some of the materials required to host the 2023 French national finals, which will all take place in Lyon.

Mentorship and support for young people

Beginning in 2021, like other leaders of major French groups, Guy Sidos, Chairman and Chief Executive Officer, enlisted the French management teams to mentor a young person as part of the government's *1 jeune, 1 mentor* program. The goal is to arrange 50 mentorships between 2022 and 2023 (i.e. over 1% of the workforce), with the support of these associations *Sport dans la ville, Institut Télémaque, Article 1er*… This initiative is also in line with the action plan of the "Business Council for a More Inclusive Economy", which the Group joined two years ago. 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 the end of the day, the children have activities that alternate between study, fun, cultural and sports activities. Important subjects such as the value of community life, personal beliefs, ethical values, etc. are also touched on. Aside from prevention through academic support, *Ma chance, moi aussi* offers early childhood development activities on Wednesdays and half of the school holidays. Access to sport and other educational outings, allow children to experience social diversity and live together. *Ma chance moi aussi* works to supplement the work of the public education system for marginalized families.

Provision of scholarships

The Group provides scholarships every year through some of its subsidiaries. Accordingly, in Turkey, every year the Konya Cimento subsidiary awards 25 scholarships to students who graduated with honors from Konya Anatolian High School so they can go to university. With the support of the Sococim Foundation scholarship, Ababacar Sadikh Sembene was able to join the Ecole polytechnique in France. Over 20 other students have benefited from this scheme. In Kazakhstan, the Jambyl Cement Company subsidiary gave scholarships to 25 students in 2022.

3.1.8.3.2 Making a difference in the health sphere

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 site ambulance, financial contributions or gifts of medical equipment to local hospitals, telemedicine centers, etc. Every country has such initiatives. The Group participates annually in the campaign to raise awareness regarding breast cancer in women, October Rose (particularly in Brazil), as well as in information, prevention and awareness campaigns around certain illnesses like malaria, or around disability (autism, for example).

In 2022, as in 2020 and 2021, 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 2022, for example, the Group showcased various actions undertaken in India and Senegal.

Covid-19

Sococim spent CFA250 million combatting the pandemic between 2020 and 2022. CFA100 million was donated to the State solidarity fund and CFA150 million used to fund the distribution of food to local populations and purchase medical equipment.

The Indian subsidiaries, Kalburgi and Bharathi, 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 completed the renovation (beds and medical equipment) in the Chincholi public hospital of 19 treatment rooms for people suffering from Covid-19. The Chief Executive Officer in India broadened this solidarity by offering material support to 100 children who had been orphaned as a result of the pandemic and who lived in villages around the Group's cement plants.

Medical consultations and infrastructure

In India, the Group worked to address the lack of quality medical infrastructure in its areas. It 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. Since 2019, this center has enabled close to 16,400 consultations for the inhabitants of four villages. 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. Since 2015, this center has enabled close to 69,900 consultations for the inhabitants of 12 villages. These two centers have laboratories. In addition, Country management opened a dialysis center near the cement plant at Kalburgi in 2019. Since then, 56 rural patients have been treated, with 1,817 dialysis sessions having taken place. Management also developed three "*Anganwadi*", private rural childcare centers, which are clean and provide a psychosocial developmental setting for children from highly disadvantaged backgrounds.

Sococim offers free medical consultations (general practice, pediatrics, gynecology) for people living around the cement plant.

Access to drinking water

The Group works to provide access to drinking water in developing countries. In India, close to 8,000 villagers have access to drinking water thanks to the contributions by Country management to the Nandi foundation. Such initiatives significantly reduce illness in children and adults in this population. In Senegal, Sococim provides free water to the inhabitants of the Gouye Mouride district and the city of Rufcim, which are close to the cement plant.

Access to public toilets

The Group is mindful that access to public toilets in developing countries has a significant impact on human health and on the education of girls. In this respect, in India and Senegal, the subsidiaries have contributed to the construction of a total of close to 1,000 public toilets. By being part of the Indian government program *swachh bhartiya* since 2015, the Indian subsidiaries have enabled 12 villages, including two with the label "open defecation free", and over 4,000 villagers to have access to public toilets.

Waste management

Waste management is non-existent in the rural areas of developing countries. This absence creates sanitation and public health issues. In India, the Country management arranged waste management for the villages neighboring the Group's cement plants. Efforts are made to raise the awareness of villagers. In line with the government's public toilets program *swachh bhartiya*, the local teams arranged for the collection and treatment of this waste. More broadly, the collection of all types of waste is organized in eight villages. As a result, in 2022, close to 1,500 metric tons were recycled including 400 metric tons in the cement kilns of the Indian subsidiaries. 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 used 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 2022) in the ten villages surrounding the cement plants and for people suffering from AIDS (416 in 2022); and 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.

3.1.8.3.3 Supporting people with disabilities in the countries in which it operates

The Group's policy for supporting people with disabilities extends beyond its workforce. For example, in Kazakhstan, the subsidiary Jambyl Cement Company made a donation (close to €200,000 in 2021 and €200,000 in 2022) to help build a care center for children with disabilities (50 places) in Taraz. In Turkey, the team in the local Finance Department supports the SOBE foundation, which educates people with autism, through bike donations. In Senegal, as they have in previous years, Sococim and the Sococim Foundation continue to support the *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 Switzerland, Vigier Ciment has partnered with *La Pimpinière*. This foundation works to help people with disabilities in the Bernese Jura through the provision of gardening jobs. In France, the Louis Vicat Foundation organized *Virades de l'espoir* at its site in Papeteries de Vizille, to raise awareness and collect money to fight cystic fibrosis. The SATM subsidiary 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.

3.1.8.3.4 Making a difference in the cultural sphere

Cultural activities have started back up as the pandemic fades. In its various countries, the Group renewed its support for culture. The Sococim Foundation reestablished its artist residences in Rufisque and funded various art exhibitions in Rufisque and Dakar. In 2022, Gécamines helped fund the *Festival du rire* for the young people in Diack.

3.1.8.3.5 Making a difference in the sporting arena

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 has been in place since 2021, on top of the one that already existed with the men's team. In Senegal, Sococim sponsors the Rufisque women's volleyball 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.

3.1.8.3.6 Supporting the local economic fabric

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 ten 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 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 roads and 6 km of drainage systems were built to open up the 18 villages around the subsidiaries' cement plants. The Group is also involved in various local economic development initiatives. In 2021, in Senegal, the Sococim subsidiary 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. This initiative was implemented in 2022.

The ongoing construction of kiln 6 is funded by a syndicated loan from International Finance Corporation, subject to a CSR approach and with a strong emphasis on dialog with stakeholders, employment and training. Sococim delivered point-by-point on IFC's CSR requirements for the local population. All the jobs created in the course of the construction are thus kept for the local population, a condition imposed on the subcontractor responsible for building the kiln. All the workers on the site live nearby in Rufisque or Barny. Some 100 direct jobs have been created and several dozen indirect jobs. Young people without qualifications were specifically targeted. Sococim's management very closely monitors the implementation of the commitments. 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 (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. To support local agriculture, the Indian subsidiaries helped the farmers in the villages neighboring their cement plants by funding training and providing know-how to increase their income 150%, the output from their dairy production and their market access positioning. In France, as Chair of MEDEF Isère, Sophie Sidos works daily on the economic and social development of this region, the cradle of the Vicat Group. Through the Chair of its SATM subsidiary, 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. In 2022, the scorecard showed a further 14 jobs during the year with a total of 118 businesses supported in total and close to 600 jobs created. A further example, in France, the Group works to preserve the heritage and develop green tourism (in particular through its involvement in the development of the Via Rhôna (in Isère)). Standing side-by-side with its countries, the Group supports local populations and activities in the wake of natural disasters. In India, the Indian subsidiaries provide food and basic necessities, as well as mechanical pumps to farmers during flooding.

3.2 THE EU TAXONOMY

Results of the application of the green taxonomy

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 for the substantial contribution of this activity (principle of "substantial contribution");
2. cause no significant harm to the other objectives ("Do no significant harm" principle);
3. be exercised in respect of minimum safeguards as defined in Article 18 of Regulation (EU) 2020/852 (principle of "minimum social safeguards").

In 2022, the Vicat Group therefore assessed the business activities that are referenced and governed by in the EU taxonomy to define the percentages of aligned revenue, CapEx and OpEx pertaining to these activities. The Group thus 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. Lastly, under the Taxonomy, the eligibility and classification of activities depends on three levels of contribution to these two objectives:

1. carbon neutral compatible activities (activities with a carbon intensity that is already in line with the net zero target and classed as "aligned");
2. compatible activities on the path to carbon neutrality and for which there are currently no low-carbon alternatives (activities classified as "transitional");
3. activities that help reduce the emissions of other activities (activities classified as "enabling").

Aligned revenue

			Substantial contribution criteria						No significant harm criteria								
Economic activity	Revenue in absolute terms	Proportion of revenue	Climate change mitigation	Climate change adaptation	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of revenue aligned with the Taxonomy in 2022	Category: Transitional activity (T) / Enabling activity (E)
	(in thousands of euros)	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*(%)*	*T/H*
A- ELIGIBLE ACTIVITIES UNDER THE TAXONOMY																	
A-1 Activities eligible and aligned																	
Cement manufacturing business	24,740	0.7%	100%	0%	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.7%	T
Rail transport infrastructure business	36,595	1.0%	100%	0%	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1.0%	T
Material recovery from non-hazardous waste business	8,396	0.2%	100%	0%	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.2%	T
Total revenue of environmentally sustainable activities (aligned with the Taxonomy)	**69,732**	**1.9%**	**100%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**1.9%**	**N/A**
A-2 Activities eligible and not-aligned																	
Cement manufacturing business	1,832,329	50.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total revenue of eligible activities under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)	**1,832,329**	**50.3%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
TOTAL A-1 + A-2	**1,902,061**	**52.2%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**1.9%**	**N/A**
B- ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY																	
Revenue of activities not eligible under the Taxonomy	1,740,002	47.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL A + B	**3,642,063**	**100%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Eligible revenue totals 52.2% 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;
- recycling and recovery of certain waste associated with activity 5.9 "Recovery of materials from non-hazardous waste" and furthering objective 1 - Climate change mitigation;
- manufacture of components of rail transport infrastructure associated with activity 6.14 "Rail transport infrastructure" which also furthers objective 1 - Climate change mitigation.

Note that the denominator is made up of consolidated revenue totaling €3,642 million (available in chapter 7.1 of this document, notes 4 and 18).

When this proportion of revenue is assessed against the substantial contribution technical criteria (deemed extremely ambitious for the cement business), the proportion of aligned revenue is 1.9%. It should be noted that the Group expects the projects underway for the past number of years to reduce its carbon footprint will significantly increase the proportion of aligned revenue of its activities.

Furthermore, as not all the activities are yet defined by the Taxonomy, the Group feels that some activities deemed not eligible for the purposes of the Taxonomy nevertheless contribute to the low-carbon strategy put in place. Thus, the concrete business (which is not defined in the Taxonomy) is also covered by the Group's low-carbon strategy as it has for a number of years been working on developing low-carbon products or concrete that by virtue of their intended use may further the objectives of climate change mitigation or adaptation.

Aligned CapEx

			Substantial contribution criteria						No significant harm criteria								
	Capex in absolute terms	Proportion of Capex	Climate change mitigation	Climate change adaptation	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of aligned CapEx under the Taxonomy in 2022	Category: Transitional activity (T) / Enabling activity (E)
Economic activity	*(in thousands of euros)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*(%)*	*T/H*
A- ELIGIBLE ACTIVITIES UNDER THE TAXONOMY																	
A-1 Activities eligible and aligned																	
CapEx associated with activities aligned with the Taxonomy + CapEx plan	65 513	14.0%	100%	0%	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	14.0%	T
CapEx for individual measures	9,517	2.0%	100%	0%	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2%	T
CapEx of environmentally sustainable activities (aligned with the Taxonomy)	**75,030**	**16%**	**100%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**16%**	**N/A**
A-2 Activities eligible and not-aligned																	
CapEx associated with eligible activities not aligned with the Taxonomy	247,365	52.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total CapEx of eligible activities under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)	**247,365**	**52.8%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
TOTAL A-1 + A-2	**322,395**	**68.9%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**16%**	**N/A**
B- ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY																	
CapEx associated with activities not eligible under the Taxonomy	145,728	31.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL A + B	**468,123**	**100%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

The eligible CapEx stands at 68.9% and includes the Group's investments related to the activities presented in the paragraph "Methodological notes" (at the end of chapter 3 of this document). Note that the denominator is made up of total industrial investments recorded in 2022 (available in chapter 7.1 of this document in notes 10 and 18) and totaling €468 million. The portion of aligned CapEx stands at 16% and mainly comprises CapEx associated with the cement business (aligned portion), CapEx under a plan approved by Group Management to increase the alignment of the Group's activities by 2030. It should be noted that this aligned CapEx also includes the portion that by its nature helps reduce the carbon footprint of any activity.

The Group nevertheless feels that the percentage alignment of the CapEx does not fully reflect all the measures taken by the Group as part of its strategy to reduce greenhouse gas emissions. In fact, as indicated in the table in the earlier section entitled *"The Vicat Group's CO_2 emissions in 2022"*, the Group is undertaking a range of projects to reduce the carbon footprint of its operations, some but not all of which are aligned with the very ambitious criteria in the taxonomy. This is the case of the projects that make it possible to reduce the use of fossil fuels, reduce clinker content in cement or indeed to use renewable energy.

Aligned OpEx

As indicated above, 1.9% of revenue is aligned with the climate change mitigation objective. As a result, the aligned OpEx (as defined by the Taxonomy and presented in the paragraph "Methodological notes" in chapter 3.4 of this document) cannot be above this threshold. As a result, the Group feels that the OpEx is not of material importance for Vicat Group's business model and thus applies the relevant exemption (the total amount of eligible OpEx was €172.5 million in 2022).

3.3 STATEMENT OF EXTRA-FINANCIAL PERFORMANCE IN FIGURES

Environmental topics

Theme & Indicators	Scope	2022	2021
MATERIALITY			
Provisions and guarantees in respect of environmental risks *(in millions of euros)*	Group	64.4	61.2
Investments to reduce the carbon footprint *(in millions of euros)*	Group	85.0	74.5
MANAGEMENT OF RESOURCES AND THE CIRCULAR ECONOMY			
Total consumption of raw materials *(in millions of metric tons)*	Group	64.6	65.4
o/w share of consumed materials stemming from unprocessed natural material extracted (%)	*Group*	*94.0%*	*94.5%*
o/w share of consumed materials stemming from substitution materials (%)	*Group*	*6.0%*	*5.5%*
Consumption of raw materials for clinker production *(in millions of metric tons)*	Cement	33.6	34.1
o/w share of consumed materials stemming from unprocessed natural material extracted (%)	*Cement*	*95.2%*	*95.8%*
o/w share of consumed materials stemming from substitution materials (%)	*Cement*	*4.8%*	*4.2%*
Consumption of raw materials for cement production *(in millions of metric tons)*	Cement	5.9	5.8
o/w share of consumed materials stemming from unprocessed natural material extracted (%)	*Cement*	*73.2%*	*76.2%*
o/w share of consumed materials stemming from substitution materials (%)	*Cement*	*26.8%*	*23.8%*
Clinker content rate of cement *(%)*	Cement	*77.5%*	*78.9%*
Consumption of raw materials for aggregates production *(in millions of metric tons)*	Aggregates	25.2	25.5
o/w share of consumed materials stemming from unprocessed natural material extracted (%)	*Aggregates*	*97.3%*	*96.8%*
o/w share of consumed materials stemming from substitution materials (%)	*Aggregates*	*2.7%*	*3.2%*
WATER MANAGEMENT			
Total water extracted *(million m^3)*	Group	18.9	18.0
Total water waste *(in millions of m^3)*	Group	9.8	8.8
Total water consumption *(in millions of m^3)*	Group	9.2	9.2
Total water extracted *(million m^3)*	Cement	9.9	9.9
Total water waste *(in millions of m^3)*	Cement	5.6	5.4
Total water consumption *(in millions of m^3)*	Cement	4.3	4.5
Specific water consumption *(in liters/metric ton of cement)*	Cement	163	166
Total water extracted *(million m^3)*	Concrete & Aggregates	8.1	6.9
Total water waste *(in millions of m^3)*	Concrete & Aggregates	3.3	2.4
Total water consumption *(in millions of m^3)*	Concrete & Aggregates	4.8	4.5
Specific water consumption *(in liters/m^3 of concrete)*	Concrete	207	181
Specific water consumption *(in liters/metric ton of aggregates)*	Aggregates	129	115

Theme & Indicators	Scope	2022	2021
Total water extracted *(million m^3)*	Other Products and Services	0.9	1.1
Total water waste *(in millions of m^3)*	Other Products and Services	0.9	1.0
Total water consumption *(in millions of m^3)*	Other Products and Services	0.0	0.1
CO_2 AND ENERGY			
Number of kilns – Clinker production *(units)*	Cement	24	24
CO_2 EMISSIONS			
CO_2 emissions – SCOPE 1 – Gross emissions *(in millions of metric tons of CO_2)*	Group	17.3	18.0
CO_2 emissions – SCOPE 2 *(in millions of metric tons of CO_2)*	Group	0.8	0.7
CO_2 emissions – SCOPE 3 for 2021 *(in millions of metric tons of CO_2)*	Group	4.2	3.0
CO_2 emissions – SCOPE 1 + SCOPE 2 *(in millions of metric tons of CO_2)*	Cement	18.0	18.5
Of which gross process CO_2 emissions (in millions of metric tons of CO_2)	*Cement*	*16.8*	*17.2*
Gross specific CO_2 emissions *(in kg/mt of clinker)*	Cement	828	835
Net specific CO_2 emissions *(in kg/mt of cement equivalent)*	Cement	608	624
Net specific CO_2 emissions *(in kg/mt of cementitious)*	Cement	606	619
Net specific CO_2 emissions *(in kg/mt of cement equivalent)*	Cement Europe	530	544
Net specific CO_2 emissions *(in kg/mt of cementitious)*	Cement Europe	527	538
CO_2 emissions – SCOPE 1 + SCOPE 2 *(in millions of metric tons of CO_2)*	Concrete & Aggregates	0.10	0.16
CO_2 emissions – SCOPE 1 + SCOPE 2 *(in millions of metric tons of CO_2)*	Other Products and Services	0.01	0.02
CONSUMPTION OF THERMAL ENERGY (FUEL)			
Total consumption of thermal energy *(in millions of GJ)*	Cement	73.6	74.1
Specific consumption of thermal energy *(in MJ/metric ton of clinker)*	Cement	3,581	3,561
Proportion of fossil fuels in energy mix *(%)*	Cement	72.0%	73.9%
o/w proportion of coal and lignite (%)	*Cement*	*37.6%*	*46.4%*
o/w proportion of coke(%)	*Cement*	*29.9%*	*24.1%*
o/w proportion of oil and gas (%)	*Cement*	*4.5%*	*3.4%*
Proportion of alternative fuel in energy mix *(%)*	Cement	28.1%	26.2%
o/w proportion of biomass (%)	*Cement*	*11.9%*	*10.1%*
o/w proportion of other waste (%)	*Cement*	*16.1%*	*16.1%*
Proportion of alternative fuel in energy mix *(%)*	Cement Europe	66.0%	62.9%
ELECTRICITY CONSUMPTION			
Total electricity consumption *(in GWh)*	Group	2,826	2,866
o/w self-produced electricity from renewables (in GWh)	*Group*	*140*	*139*
o/w electricity that is certified from renewable sources (GWh)	*Group*	*99*	*91*
Proportion of self-produced renewable electricity in overall electricity consumption *(%)*	Group	5.0%	4.8%
Proportion of renewable electricity in overall electricity consumption *(%)*	Group	8.5%	8.0%
Proportion of renewable electricity in electricity production *(%)*	Group	35.2%	26.1%
Total electricity consumption *(in GWh)*	Cement	2,678	2,709
Specific electricity consumption *(in kWh/metric ton of cement)*	Cement	101	99
Total electricity consumption *(in GWh)*	Concrete & Aggregates	111	110
Specific electricity consumption *(in kWh/m^3 of concrete)*	Concrete	3.3	3.2
Total electricity consumption *(in kWh/metric ton of aggregates)*	Aggregates	3.5	3.3
Total electricity consumption *(in GWh)*	Other Products and Services	38	47
OTHER EMISSIONS			
Absolute dust emissions *(in metric tons/year)*	Cement	1,261	1,320
Specific dust emissions *(in g/mt of Clinker)*	Cement	62	64
Absolute SO_2 *emissions (in metric tons/year)*	Cement	4,118	4,608
Specific SO_2 *emissions (in grams/metric ton of clinker)*	Cement	202	222
Absolute NO_x *emissions (in metric tons/year)*	Cement	23,568	25,689
Specific NO_x *emissions (in grams/metric ton of clinker)*	Cement	1,156	1,240

HR topics

Topic	Indicator	Scope	2022	2021
Employment	Workforce at December 31	Group	9,912	9,515
	Average workforce by geographical area	Group	9,745	9,476
		France	3,282	3,071
		Europe (excluding France)	711	725
		Americas	2,216	2,161
		Asia	1,227	1,216
		Africa and the Mediterranean	2,309	2,303
	Average number of employees by business	Cement	4,454	4,353
		Concrete & Aggregates	3,991	3,713
		Other Products and Services	1,300	1,410
Change in workforce by type of movement	Natural attrition	Group	660	1,113
	Redundancies	Group	867	732
	Changes in consolidation scope	Group	35	345
	Recruitment	Group	1,889	1,876
Change in personnel costs as at December 31	Salaries and wages *(in thousands of euros)*	Group	396,927	360,373
	Social security contributions *(in thousands of euros)*	Group	125,794	116,256
	Employee profit sharing *(in thousands of euros)*	French companies	3,925	5,718
	Personnel costs *(in thousands of euros)*	Group	528,635	483,699
Health and safety	Number of lost-time occupational accidents	Group	96	131
	Number of fatal accidents in the workplace	Group	1	0
	Frequency rate	Group	4.81	5.80
	Severity rate	Group	0.22	0.24
Training	Number of hours of training	Group	209,940	195,269
	Number of employees having attended at least one training course (during the year)	Group	12,737	9,476
Diversity and equal treatment	Female employees as a percentage of the workforce	Group	11.8%	11.5%
	Female employees as a percentage of the workforce	France	19.5%	19.6%
	Employees with disabilities	France	2.6%	2.7%

3.4 NOTES ON METHODOLOGY

3.4.1 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, 2022.

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 V10 version. 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 2022, independently of its updating to reflect regulatory developments regarding extra-financial reporting, a number of relatively minor changes were made to the data collection and consolidation rules as a result of the use of new collection media specific to the following themes: "Biodiversity", "Business ethics and Compliance" and "Responsible purchasing". The Vicat Group reserves the right to update them to reflect the actual level of maturity of each country in which it operates.

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.

The environmental data are collected by business and country and are input into the Group consolidation system ("SIRoCCO2 project"). 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). Scope 3 emissions are reported in the first quarter of year n to present the emissions for year n-1.

Regarding the biodiversity media: of note in 2022 was the increased stringency in terms of the information to be reported to characterize the existence of a rehabilitation plan; the indicator relating to positive biodiversity actions is based on the statements of the contributing countries and in particular via the environmental officers who have access to tools to guide them, like the "Practical guide, Companies contribute to sustainable development goals", the "Cembureau biodiversity roadmap", the "GCCA Sustainability Guidelines for Quarry Rehabilitation and Biodiversity Management" or indeed the "Practical guide for the sustainable management of biodiversity in cement plants" by the International Union for Conservation of Nature (IUCN).

The HR data (encompassing health and safety, training, workforce, work organization) is collected by business and by country and input into the Group's consolidation system.

Data on health and safety 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 severity 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.

In 2022, it was decided to change the consolidation dates of certain HR indicators. Length of service, average age of employees, full time and part time, shift working, the number of employees with disabilities will be determined at September 30 during the financial year.

The indicators presented with respect to the responsible purchasing policy and process are drawn either from the local ERP (*Enterprise Resource Planning*) or the data reported by the contributing countries via local buyers responsible for listing suppliers, collecting signed codes of conduct from suppliers, adding CSR clauses to contracts, monitoring the proper payment of their suppliers.

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 2022, the verification work was done on site (in Brazil and France) and remotely (in India).

3.4.2 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 this 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 (transition risks and physical risks) – 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 countries where it operates.

3.4.3 Methodology used for the implementation of the Green taxonomy

The indicators presented in note 3.2 cover the period from January 1 to December 31, 2022 and encompass all of Vicat Group's activities.

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.

3.4.3.1 Analysis of eligibility criteria

Calculation of 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 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.

Within the eligible activities, grey cement, the recovery of certain waste and rail transport infrastructure seem to be activities that are specifically eligible for the climate change mitigation objective.

The Group thus, on the basis of its consolidated revenue (which can be found in chapter 7.1 of this document, note 4), determined the proportion of revenue from these activities, 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 of eligible activities 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).

Calculation of 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 2022 (available in chapter 7.1 of this document, note 10), determines the proportion of investments pertaining to the eligible activities. This figure is available in the Group's reporting tools.

Calculation of 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.

3.4.3.2 Analysis of alignment criteria

Analysis of substantial contribution technical criteria

The Group makes sure its cement business makes a substantial contribution having regard to the technical criterial established in the climate change mitigation objective (i.e. cement with CO_2 emissions under 469 kg equivalent per metric ton of cement produced). The analysis of this technical criterion is carried out at the level of each plant having regard to the various types of cement produced during the financial year and their composition, from which their CO_2 emissions per metric ton of cement produced can be calculated (all the necessary items for this calculation can be found in the Group's reporting tools).

With regard to the waste recovery business and the rail infrastructure one, the Group ensures that the substantial contribution criteria defined for each of these activities are respected in the sites in question.

This approach to the substantial contribution is also applied for (eligible) CapEx for the financial year. They are deemed to substantially contribute to the climate change mitigation objective once they:

- relate to a production site manufacturing cement emitting less than 469 kg of CO_2 equivalent per metric ton produced;
- are drawn from the "CapEx plan" for which the Group has the evidence showing that they will help the plant to which they relate achieve the aforementioned technical criteria by 2030;
- comprise individual measures enabling an activity (listed in the delegated act) to reduce greenhouse gas emissions.

3.4.3.3 Analysis of significant harm to other objectives

For each activity, the eligible CapEx and OpEx aligned with the climate change mitigation objective, the Group has checked with each relevant production site to ensure that they do not harm the other five objectives ("Do No Significant Harm"). To satisfy itself, the Group surveyed all relevant sites supplemented by interviews with the various site managers. Even if environmental risk management is part of Vicat Group's top-priority objectives, the implementation of the management policy for these risks also reflects local factors. The approach taken and the resulting analysis notably allowed the Group to satisfy itself that these sites are not harming the objectives of preserving biodiversity and fresh water resources as well as climate change mitigation through local impact studies. The Group also satisfied itself that polluting emissions properly comply with the criteria drawn up with respect to pollution prevention and control.

3.4.3.4 Analysis of minimum social safeguards

The Group ensures that its aligned eligible activities respect the principle of minimum social safeguards as per article 18 of EU Regulation 2020/852. The procedures and codes of conduct rolled out in all subsidiaries reaffirm the Group's goal of maintaining the highest existing standards and to contribute to respecting the four fundamental themes within these minimum social safeguards:

- upholding human rights;
- combatting corruption;
- complying with tax rules;
- ethical business practices.

Lastly, the Group also satisfied itself that no judgment had been handed down during the financial year with respect to any of these four themes in order to guard against any violation of the minimum social safeguards.

3.5 REPORT OF THE INDEPENDENT THIRD-PARTY BODY ON THE CONSOLIDATED STATEMENT OF EXTRA-FINANCIAL PERFORMANCE IN THE MANAGEMENT REPORT

Year ended December 31, 2022

To the shareholders,

In our capacity as Vicat's independent third-party body, accredited by COFRAC (Cofrac Inspection accreditation no. 3-1080, scope available on www.cofrac.fr), we have conducted work aimed at formulating a reasoned opinion expressing a moderate level of assurance on the historical information (observed or extrapolated) in the statement of extra-financial performance, prepared in accordance with the entity's procedures (hereinafter the "Framework"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement"), presented in the management report in accordance with the provisions of articles L 225 102-1, R 225-105 and R 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we performed, details of which can be found in the section entitled "Nature and scope of our work", and the audit evidence we collected, nothing has come to our attention that causes us to believe that the Statement of Extra-Financial Performance 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 Framework, in all material respects.

Preparation of the Statement of Extra-Financial Performance

The lack of a generally accepted and commonly used framework or established practices that could be used to assess and measure the Information means that different, although acceptable, measurement techniques can be used, potentially affecting comparability between entitles and over time.

As a result, the Information should be read and construed with reference to the Framework, the key elements of which are presented in the Statement (either available on the website or upon request from the entity).

Limits inherent in the preparation of the Information

As indicated in the Statement, the Information may be subject to an inherent uncertainty arising from the state of scientific or economic knowledge and the quality of external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used to prepare it and presented in the Statement.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or drawing up appropriate criteria for preparing the Information;
- preparing the Statement in line with legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and furthermore the information provided for in Article 8 of EU Regulation 2020/852 (Green Taxonomy);
- preparing the Statement by applying the entity's Framework, as mentioned above;
- implementing whatever internal control it feels is necessary to prepare Information that is free of material misstatements, whether resulting from fraud or errors.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Framework"), the main elements of which are presented in the Statement.

Responsibility of the independent third-party body

It is our responsibility, on the basis of our work, to formulate a reasoned opinion expressing a conclusion of moderate assurance on:

- compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (observed or extrapolated) 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.

As we are tasked with issuing an independent conclusion regarding the Information as prepared by management, we are not allowed to be involved in preparing said Information, as that may compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular the information provided for in article 8 of EU Regulation 2020/852 (Green Taxonomy), the French duty of vigilance law and anti-corruption and tax avoidance legislation);
- the fairness of the information provided for in article 8 of EU Regulation 2020/852 (Green Taxonomy);
- the consistency of products and services with the applicable regulations.

Applicable professional standards and regulatory provisions

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, and the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (CNCC) [French National Institute of Auditors] governing this engagement, in particular the technical opinion of the CNCC entitled "*Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière*", relating to audit programs and the ISAE 3000 international standard (revised).

Independence and quality control

Our independence is defined by the requirements of article L. 822-11 of the French Commercial Code and the French Code of Ethics for statutory auditors. 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 standards of the CNCC pertaining to this mission.

Means and resources

Our work was carried out by a team of four people between October 2022 and February 2023, lasting around five weeks in total.

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.

Nature and scope of our work

We planned and carried out our work taking account of the risk of material misstatements in the Information.

We believe that the procedures we undertook in exercise of our professional judgement allow us to issue a conclusion with a moderate level of assurance. In this respect:

- 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 presents the information provided for in article R. 225-105 II where relevant as regards the principal risks and that the latter included, as the case may be, an explanation as to the absence of the information provided for in article L. 225-102-1 III (2);
- 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 consulted the documentary sources and undertook interviews to:
  - assess the process for selecting and confirming the principal risks as well as the consistency of the results, including the key performance indicators used, with the principal risks and policies presented,
  - corroborate the qualitative information (actions and results) we felt was the most important[1];
- we verified that the Statement covers the scope of consolidation, i.e., all the entities included in the scope of consolidation in accordance with Article L. 233-16;
- we reviewed the internal control and risk management procedures put in place by the entity and assessed the collection process in terms of the completeness and fairness of the Information;
- for the key performance indicators and other quantitative results that we considered to be the most important[2], we implemented:
  - 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 23% and 61% of the consolidated data selected for these tests;
- 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.

Neuilly-sur-Seine, February 10, 2023

Independent third-party body

Grant Thornton

French member of Grant Thornton International

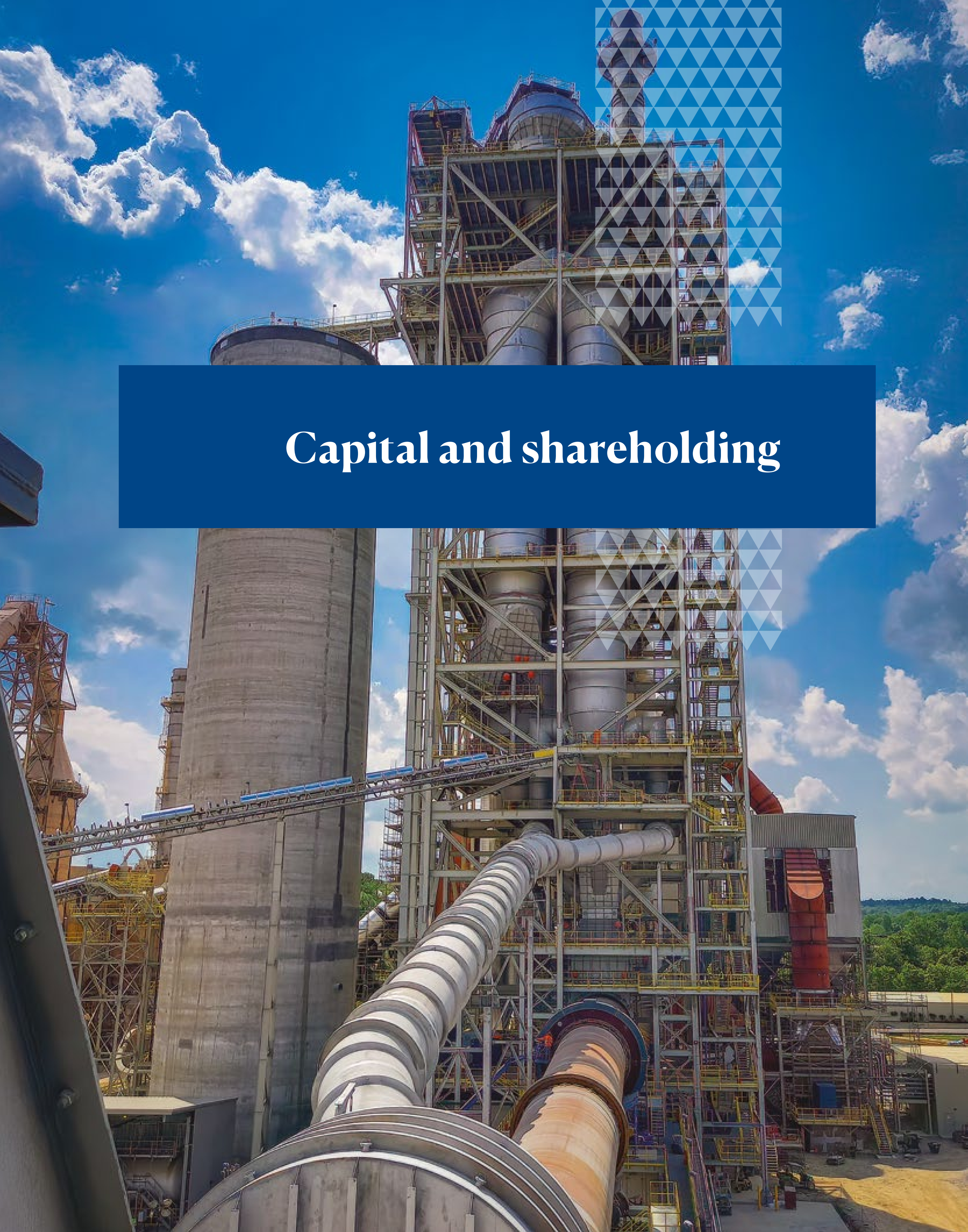
Olivier Bochet	Bertille Crichton
Partner	Partner

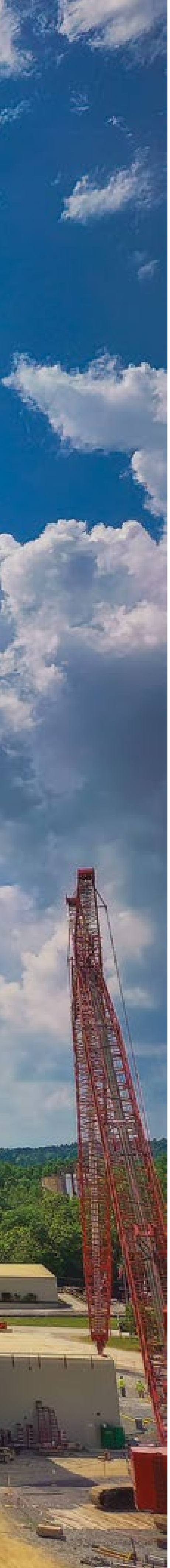
(1) Qualitative information relating to the following sections: "Climate – Reducing the carbon footprint of operations"; "Efficient resource management and management of environmental impact of operations"; "Preservation of biodiversity and ecosystems"; "Human resources"; "Business Ethics and Corporate Culture"; "Supply chain management and responsible purchasing".

(2) Social information: workforce and breakdown by gender, age and geographical area; hires and departures; absenteeism rate; number of training hours; gender equality index (scope France); percentage of women in 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, SO_x, NO_x; water consumption by material.

(3) Brazil, France and India.

Capital and shareholding





Chapter 4

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, 2022 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, 2022, a total of 5,798,412 Company shares, whose registration is managed by the Company, were pledged in financial instruments accounts; representing 12.91% 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 2022 financial year, after distributing 90,785 shares to employees, the Company held 579,547.90 of its own shares, or 1.29% of the share capital.

4.2.7.1 Description of the 2022 share buy-back program

Pursuant to the authorization given by the Ordinary General Meeting of April 13, 2022, in 2022 the Company purchased 422.50 of its own shares (i.e. 4,225 tenth parts of shares) on the stock exchange (excluding liquidity agreements) at a nominal value of €4 per share and a mean price of €33.95 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: 422.50 shares, representing an acquisition price of €14,343.05.

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 53,605 shares at December 31, 2021, acquisition of 648,867 shares and sale of 638,459 shares during the year, with a balance of 64,013 shares at December 31, 2022.

4.2.7.3 Volume of shares used by objectives

Shares allocated to personnel under employee share ownership and profit-sharing: 114,425.90 shares.

Liquid trading of the shares and their liquidity through a liquidity agreement in line with the market practice permitted by the AMF: 64,013 shares (see also note 14 to the consolidated financial statements and note 4.2. to the statutory 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 2023 share buy-back program

The sixth ordinary resolution, the principles of which are listed below, and which is due to be submitted for approval to the General Meeting of April 7, 2023, 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 acquisitions 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, 2023, the 10% limit corresponds to a maximum number of 3,846,439.10 shares with a nominal value of €4 each, representing a maximum amount of €384,643,910.

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 13, 2022.

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, 2022 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, 2022		At December 31, 2021		At December 31, 2020	
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	14,341,987	31.94	13,734,688	30.59	13,733,388	30.59
Soparfi[(1)]	12,065,102	26.87	11,939,452	26.59	11,939,452	26.59
Family	2,008,965	4.47	1,966,047	4.38	1,967,294	4.38
Employees	603,823	1.34	572,408	1.27	580,117	1.29
Public	15,236,563	33.95	15,963,900	35.55	15,911,888	35.44
Treasury shares	643,560	1.43	723,505	1.61	767,861	1.71
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, 2022 appears below:

- employee shareholding (Vicat + Subsidiaries): 603,823 shares, i.e. 1.34% of the share capital;
- employees of the Company and related companies under the employee savings plan (PEE): 541,451.20 shares, i.e. 1.21% of the share capital.

To the knowledge of the Company, there is no shareholder holding more than 5% of the share capital and voting 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, 2022		At December 31, 2021		At December 31, 2020	
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	27,742,947	37.65	27,125,498	36.89	27,122,095	37.02
Soparfi[1]	23,939,611	32.49	23,809,595	32.38	23,809,155	32.50
Family	3,910,412	5.31	3,846,300	5.23	3,640,006	4.97
Employees and Public[2]	18,095,960	24.55	18,747,693	25.50	18,695,668	25.52
Treasury shares[3]	-	-	-	-	-	-
TOTAL[4]	**73,688,930**	**100.00**	**73,529,086**	**100.00**	**73,266,924**	**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 74,847,632 at December 31, 2022. 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 crossed, 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 March 3, 2022, Citigroup Inc. declared that it had crossed above the threshold of 1.50% of the share capital.

On March 28, 2022, Citigroup Inc. declared that it had crossed above the threshold of 3% of the share capital.

On March 31, 2022, Citigroup Inc. declared that it had crossed below the threshold of 3% of the share capital.

On April 14, 2022, Citigroup Inc. declared that it had crossed above the threshold of 3% of the share capital.

On April 19, 2022, Citigroup Inc. declared that it had crossed below the threshold of 3% of the share capital.

On April 25, 2022, Citigroup Inc. declared that it had crossed above the threshold of 3% of the share capital.

On April 29, 2022, Caisse de Dépôts et Consignations (indirectly via CDC Croissance) declared that it had crossed below the threshold of 1.50% of the share capital.

On May 4, 2022, Citigroup Inc. declared that it had crossed below the threshold of 3% of the share capital.

On May 11, 2022, Citigroup Inc. declared that it had crossed below 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 this 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 gift and 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
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
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

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
February 1, 2021	2 years from February 1, 2021	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
August 25, 2022	2 years starting on September 20, 2022	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:

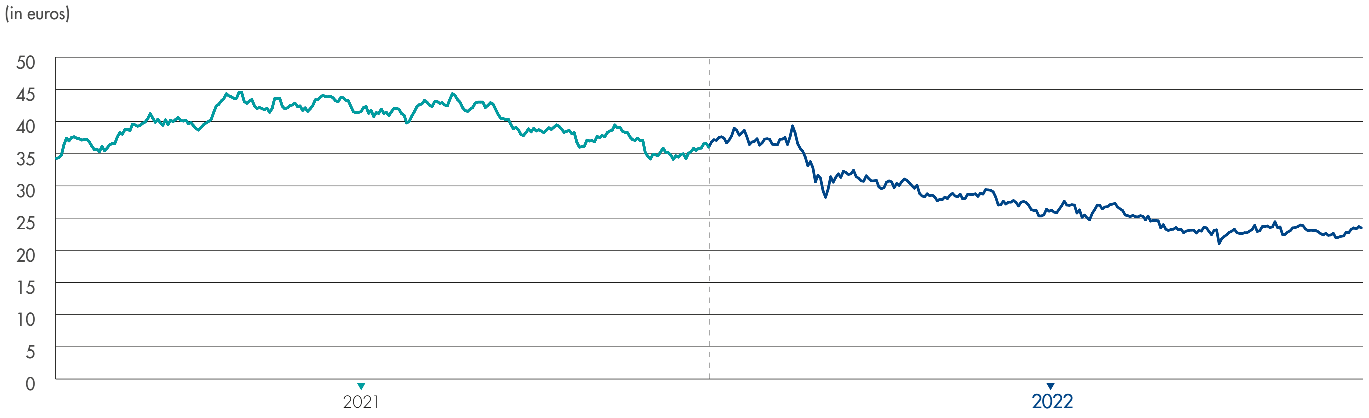
Year	2021	2020	2019
Dividend per share *(in euros)*	1.65	1.50	1.50
Consolidated earnings per share *(in euros)*	4.55	3.47	3.31
Rate of distribution	36%	43%	45%

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, 2021 to December 31, 2022.



The table below shows the change in the Company's share price in 2022 and 2021 (on the basis of the closing price):

(in euros)	2022	2021
Average price over the year	27.91	39.82
Annual high	39.30	44.55
Annual low	21.00	34.10
Price as at December 31	23.45	36.00

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. An automated procedure to monitor permanent and occasional insiders was also implemented in this respect. 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 2022, the Company maintained its continued commitment to communication by facilitating contacts among investors, financial analysts and the Company. Against the background of the pandemic, the effects of which can still be felt, where the proportion of "remote" contacts remains significantly higher than was the norm pre-Covid, the Company was able to adapt very quickly to ensure it continued to follow best practice in financial communication and access to information. Thus, during 2022, the Vicat Group continued to participate to the same extent insofar as possible in conferences organized by banking institutions specialized in intermediation using a combination of "remote" and "in-person" options as the situation permitted.

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

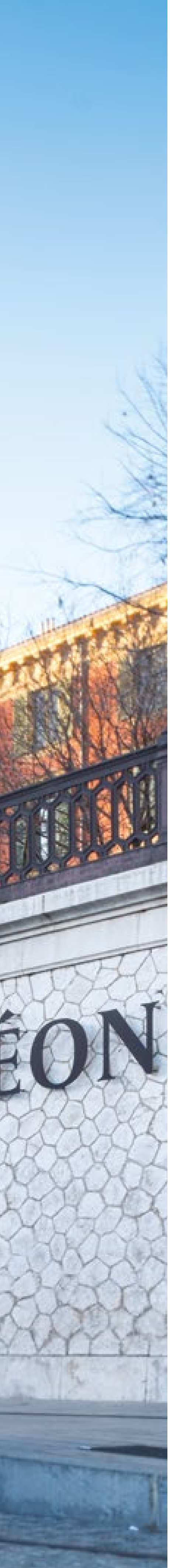
Stéphane Bisseuil

Director of Financial Communication and Investor Relations

Tel.: +33 1 58 86 86 05

E-mail: relations.investisseurs@vicat.fr

Report on corporate governance



Chapter 5

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 four years.

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 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 and Committees at December 31, 2022

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	No	February 3, 1968	2026				Industry expertise
Guy Sidos Chairman and CEO	No	June 11, 1999	2027				Industry expertise
Bruno Salmon	Yes	May 15, 2009	2024		Member	Member	Financial expertise
Louis Merceron-Vicat	No	June 11, 1999	2023				Industry expertise
Sophie Sidos	No	August 29, 2007	2027			Chair	Economic and CSR expertise
Rémy Weber	Yes	April 9, 2021	2023	Chairman	Member		Financial and strategy expertise
Xavier Chalandon	Yes	April 28, 2010	2025	Member	Chairman		Financial and strategy expertise
Sophie Fégueux	Yes	May 6, 2014	2023			Member	CSR expertise (doctor)
Éléonore Sidos	No	February 24, 2017	2024	Member			Financial and strategy expertise
Emmanuelle Salles	-	May 12, 2016	2026				Employee Director
Hugues Metz	-	April 8, 2020	2026				Employee Director
Caroline Ginon(1)	Yes	November 3, 2022	2024				Construction industry expertise (architect)

(1) The Board of Directors, at its meeting of November 3, 2022, decided to co-opt Caroline Ginon as Director succeeding Delphine André. The Ordinary General Meeting of April 7, 2023 will be asked to ratify this co-opting.

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: 85 years of age —Nationality: French

Date of first appointment: February 3, 1968

Start date of current appointment:

- April 13, 2022 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 ended December 31, 2025

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*
- Director 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]:

- Chairman 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: 59 years of age — Nationality: French

Date of first appointment: June 11, 1999

Start date of 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 ended 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 ended December 31, 2026

Other appointments currently or previously held in the Group in the last five years[1]:

- Chair and Chief Executive Officer of Béton Travaux*
- Chair of NORAMCO*
- Director of BCCA
- Chair of Papeteries de Vizille*
- Chair of Parficim*
- Chair of the Board of Directors of Vigier Holding SA*
- Chair of Vigier Management SA*
- Chair of the Board of Directors of Ravlied Holding SA*
- 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.*
- Member of the Supervisory Board of Mynaral Tas Company LLP*
- Member of the Supervisory Board of Jambyl Cement Production Company LLP*
- Director of Kalburgi Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of Mauricim SA*
- 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]:

- Joint Chair of the Ecological and Economic Transition Commission (CTEE) of Medef*
- Member of the National Council for Ecological Transition (CNTE)*
- Member of the National Hydrogen Council*
- Director of GENVIA*

(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 Chairman of the Association française des Sociétés Financières (ASF, the French association of specialized financial companies) from May 2010 to June 2013.

Age: 73 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:
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*
- Chair of the Appointments Committee of BNP Paribas Personal Finance*
- Member of the Compensation Committee of BNP Paribas Personal Finance*
- Director and Vice-Chair of ADIE (Association pour le Développement de l'Initiative Economique)*
- Director of ALGOAN (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: 53 years of age — **Nationality:** French

Date of first appointment: June 11, 1999

Start date of 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]:

- Director 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 Konya Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of National Cement Company*
- Director of Sococim Industries*
- Director of Sinaï Cement Company*
- Director of Vigier Holding AG*
- Member of the Supervisory Board of Mynaral Tas Company LLP*
- Director of Kalburgi Cement Private Limited*

Other appointments currently or previously held outside the Group in the last five years:

Not applicable.

(1) Current appointments are marked with an asterisk.

SOPHIE SIDOS

Director

She held various functions within the Group until 1997.

Age: 54 years of age — **Nationality:** French

Date of first appointment: August 29, 2007

Start date of 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 Konya Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Sococim Industries*
- Director of Vigier Holding AG*
- Director of Bharathi Cement Corporation Private Limited*
- Director of National Cement Company*
- Chair of the Louis Vicat foundation*
- Member and Chair of the Supervisory Board of Mynaral Tas Company LLP*

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*
- Director of the Clément Fayat Foundation*
- Director of MC2 Grenoble*
- Director of GL Events*
- Director of the Polygone foundation*
- Director of the Edmus Foundation*
- Director of ADOSM Entraide Marine*
- Director of Alpexpo*
- Honorary Consul of the Republic of Kazakhstan in the Auvergne-Rhône-Alpes region*

(1) Current appointments are marked with an asterisk.

RÉMY 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: 65 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:
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 Métropole
- 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 Santé
- 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 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 Prévoyance SA
- Chair of the Supervisory Board of La Banque Postale Crédit Entreprises SA
- Director of CDC Habitat*
- Chair of the Supervisory Board of Kereis Group*
- Chair of the Supervisory Committee of Empruntis Group*
- Chair of Primonial Group*

(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: 73 years of age — **Nationality:** French

Date of first appointment: April 28, 2010

Start date of current appointment: April 13, 2022

Term of office expires:

- General Meeting approving the financial statements for the year ended December 31, 2024

Other appointments currently or previously held in the Group in the last five years:

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:

Permanent representative of Banque Martin Maurel at SI Participations

SOPHIE FÉGUEUX

Director

Medical doctor. 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: 63 years of age — **Nationality:** French

Date of first appointment: May 6, 2014

Start date of 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:

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:

Not applicable.

ÉLÉONORE SIDOS

Director

Graduate from HEC, ENSAE, Sorbonne and Yale. She is a consultant at Roland Berger.

Age: 25 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:

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:

Not applicable.

EMMANUELLE SALLES

Employee Director

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: 48 years of age — Nationality: French

Date of appointment by the Works Council: May 12, 2016

Start date of current appointment: April 13, 2022

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 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:

Not applicable.

(1) Current appointments are marked with an asterisk.

HUGUES METZ

Employee Director

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: 57 years of age — Nationality: French

Date of appointment by the Works Council: April 8, 2020

Start date of current appointment: May 4, 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:

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:

Not applicable.

CAROLINE GINON(1)

Director

Graduate from the Paris École spéciale d'architecture (ESA). She is a founder of the Fazenda Architecture agency in Lyon.

Age: 36 years of age — Nationality: French

Date of first appointment: November 3, 2022

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:

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:

Not applicable.

(1) The Board of Directors, at its meeting of November 3, 2022, decided to co-opt Caroline Ginon as Director succeeding Delphine André, who resigned the position for personal reasons. The General Meeting of April 7, 2023 will be asked to ratify this co-opting.

The Board of Directors, at its meeting of February 10, 2023, decided to ask the General Meeting to reappoint Louis Merceron-Vicat, Rémy Weber and Sophie Féqueux as directors for four-year terms, expiring following the Ordinary General Meeting held in 2027 to approve the financial statements for 2026.

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 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 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.

Every year, the Board reviews the position of each member in light of the criteria set out in the Middlenext Governance Code and in particular:

- 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: Mrs Sophie Fégueux, Mr Bruno Salmon, Mr Xavier Chalandon, Ms Caroline Ginon and Mr Rémy Weber.

As at the date of this document, Ms Sophie Sidos, Mrs Sophie Fégueux, Mrs Caroline Ginon and Mrs 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 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 2020, four times in 2021, and four times in 2022.

The dates and the agendas of the Board meetings were as follows:

Meeting of February 11, 2022

- Presentation of the business report.
- Closing of the individual financial statements at December 31, 2021.
- Closing of the consolidated financial statements at December 31, 2021.
- Review of the reports to the Board of Directors by its committees (Audit, Compensation and CSR Committees).
- Presentation of 2022 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 two Directors.
- 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).
- 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.
- Authorization for a bond issue and delegation of powers.
- Proposal to amend the term of office of directors specified in the bylaws.

- 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 should this be necessary in light of the health situation.
- Powers.
- Miscellaneous questions.

All the members of the Board, with the exception of Delphine André, 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 by the members present.

Meeting of April 13, 2022

- Business update for Q1 2022.
- Review of potential conflicts of interest.
- Reappointment of Emmanuelle Salles as director representing employees.
- Reappointment of Xavier Chalandon as a member and Chair of the Compensation Committee and as a member of the Audit Committee.
- Miscellaneous questions.

Excepted Mrs Delphine André, 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 by the members present.

Meeting of July 26, 2022

- Business report.
- Analysis and approval of the individual and consolidated financial statements as at the end of June 2022.
- Review of projected financial statements.
- Audit Committee report.
- Appointments, promotions, organization.
- Climate action.
- Presentation Vicat – USA operations.
- Miscellaneous questions.

All members of the Board attended this meeting, with the exception of Mrs Delphine André and Mr Hugues Metz, as well as the Company's statutory auditors and the two Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously by the members present.

Meeting of November 3, 2022

- Presentation of the activity, revenue and press release at the end of September 2022.
- Resignation of Mrs Delphine André as director.
- Co-opting of Mrs Caroline Ginon as director to succeed Delphine André.
- 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 document, the committees are made up of the following members:

- **Audit Committee:**
  - Mr Rémy Weber, Chair of the committee, independent director,
  - Mr Xavier Chalandon, independent director,
  - Mrs Éléonore Sidos;
- **Compensation Committee:**
  - Mr Xavier Chalandon, Chair of the committee, independent director,
  - Mr Bruno Salmon, independent director,
  - Mr Rémy Weber, independent director;
- **CSR Committee:**
  - Mrs Sophie Sidos, Committee Chair,
  - Mrs Sophie Fégueux, independent director,
  - Mr 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 three times in 2022 and examined the following points:

Meeting of February 4, 2022

- Review of conflicts of interests.
- Approval of the most recent minutes of the Audit Committee.
- 2021 consolidated annual financial statements.
- Significant events and highlights.
- Vicat SA statutory financial statements at December 31, 2021.
- Draft 2021 Universal Registration Document.
- Statutory auditors.
- Accounting developments.
- Legal update.
- *Compliance* update.
- Work of the statutory auditors.
- Financial calendar and financial communications.

All members of the Audit Committee attended this meeting.

Meeting of July 25, 2022

- Approval of the most recent minutes of the Audit Committee.
- Review of conflicts of interests.
- Consolidated financial statement and June 2022 half-year individual financial statements.
- Significant events.
- Financing update.
- Areas to follow up for the upcoming Audit Committee Meetings.
- *Compliance* update.
- Work of the statutory auditors.
- Financial calendar and financial communications.

All members of the Audit Committee attended this meeting.

Meeting of November 3, 2022

- Provisions for long-term risks and charges.
- Contracts with the statutory auditors (obligation to rotate and budget).
- Debt/*equity* financing: competitor benchmark.
- EU Taxonomy and extra-financial update.
- Group/Corevi insurance.
- AMF letter and reply.
- *Compliance*.

All members of the Audit Committee attended this meeting.

The Compensation Committee met once in 2022 and considered the following issues:

Meeting of February 3, 2022

- Change in 2021 compensation (including the impact of the "Macron Bonus").
- Compensation of the main senior executives in 2021.
- Breakdown of compensation in 2021.
- Gender Equality Index.
- Senior management benchmark.
- Free Share Plan.
- Sapin II law: Compensation policy for executive Company officers including the Equity Ratio;
- Update on reforms: unemployment insurance, retirement, etc.

All members of the Compensation Committee attended this meeting.

The CSR Committee met once in 2022 and considered the following items:

Meeting of February 8, 2022

- Montalieu plant visit.
- Update on CSR reporting regulatory obligations for Vicat.
- Presentation of CSR efforts in 2021.
- Measures approved by the Chairman and Chief Executive Officer for 2022.
- Miscellaneous.

All members of the CSR Committee attended this meeting.

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 General Meetings. He represents the Company in its relations with third parties.

As of the date of this 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.
- Director of ECOMINERO SAS.

Chief Operating Officer – Group Strategy Director: Lukas Epple:

- in charge of managing and consolidating the Group's strategy in terms of ecological 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 Béton SA, Vernier.
- Chair of the Board of Directors of Ciments Vigier SA, Péry-La Heutte.
- Member of the Board of Directors of Hydroelectra SA, St. Gall.
- Member of the Board of Directors of Gravière de La Claie-aux-Moines SA, Savigny.

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	56 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	58 years of age	Mr. Epple is a graduate of 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	62 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	66 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	55 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	61 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	52 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 of the by-laws 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 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 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 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.
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 which 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 four 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.

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 Chair 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 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 2023 was approved by the Board of Directors at its meeting of February 10, 2023 based on recommendations by the Compensation Committee, which met on February 3, 2023, 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 ecological 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.

The Company's compensation policy aims to:

- support its short, medium and long-term strategy and ensure that short-term results contribute to the attainment of medium and long-term results;
- align the interests of its directors with those of shareholders, employees and all stakeholders, building on its corporate culture and values;
- reward financial, commercial, industrial and CSR/ESG results by:
  - encouraging year-on-year improvements in performance,
  - motivating and rewarding accomplishments, initiatives and innovations pertaining to the ecological transition (reducing emissions of CO_2 and other greenhouse gases, preserving biodiversity, conserving resources, circular economy), solidarity (occupational health and safety, inclusion, diversity, gender equality), and the digital transition (process digitalization, Customer digital experience, etc.), while avoiding any digital divide within the teams,
  - furthering its commercial strategy,
  - encouraging innovation across the board;
- be competitive and perform well in order to continually attract, develop, motivate and retain talent whilst maintaining a balanced financial structure;
- reward individual and collective performances;
- participate actively in employer-employee dialogue, as well as the cohesion and commitment of teams.

In accordance with the provisions of article L. 22-10-8 of the French Commercial Code, the General Meeting of April 7, 2023 will be asked to approve the compensation policy for Company officers. This compensation policy will apply during 2023 to any person who is a Company officer within Vicat.

5.3.2 Compensation Policy for executive Company officers

5.3.2.1 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.);
- this policy complies with applicable laws and regulations and the recommendations in 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 scope);
- all elements of compensation and benefits of any kind are analyzed comprehensively, using an "element by element" approach and an analysis of overall coherence in order to reach the best possible balance between fixed and variable, individual and collective, and short, medium and long-term compensation;
- the need to attract, motivate and retain talent is taken on board, along with the requirements of shareholders and other stakeholders, particularly in matters of CSR/ESG (ecological transition and solidarity, etc.), transparency and how this links to performance;

- the performance conditions are demanding and correspond to Vicat Group's key profitable and sustainable growth factors. These conditions are aligned with its published short, medium and long-term objectives, including the CSR/ESG commitments. To promote its development while being mindful of the interests of its stakeholders, the Company ensures that the overall compensation of each company officer reflects the 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** (hereinafter "fixed compensation"): paid over 13 months and set in line with:
  - the company's culture and values;
  - level and complexity of the duties and responsibilities;
  - competence, experience, expertise and career of the company officer;
  - 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 performance (hereinafter "variable performance"): determined based on the results of the financial, commercial and industrial criteria (% defined annually) and the CSR/ESG criteria (Environment section (decarbonation, biodiversity, circular economy: % defined annually); Social and Corporate section (occupational health and safety, inclusion, diversity, gender equality: % defined annually, and management assessment (% defined annually), on the scope and period concerned;
- **Annual Special variable compensation** (hereinafter "special variable compensation"): may be granted to executive Company officers in the following scenarios:
  - 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, energy crisis, etc.) and consequences within the relevant scope. The amount is determined on the basis of the complexity and extent of the situation.
- *Note: The cumulative maximum amount of the performance variable and of the special variable compensation cannot exceed 150% of the fixed compensation.*
- **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; 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; welcome bonus or golden parachute.

5.3.2.2 Compensation policy applicable to Guy Sidos, Chairman and Chief Executive Officer ("ex ante")

At the request of the Compensation Committee, the 2022 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 2021) involving two panels of companies of a similar size to the Company: Panel 1, CAC Mid60 and Panel 2, 11 industrial firms with revenue of between €1.7 and €7.4 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 2022, the fixed compensation of the Chairman and Chief Executive Officer (€907,616) is close to the 3rd quartile of Panel 1 (€900,000) and of Panel 2 (€800,000) in a comparison with those in the Deloitte benchmark.

His variable (performance and special; €700,000) paid in 2022 in respect of 2021 is close to the median of Panel 1 (€650,000) and of Panel 2 (€750,000).

The annual gross compensation (annual fixed + variable) of the Chairman and Chief Executive Officer (€1,607,616) is between the median (€1,400,000) and the 3rd quartile (€1,800,000) of Panel 1 (€2,126,000) and close to the 3rd quartile of Panel 2 (€1,600,000) of the target monetary compensation (comprising annual fixed + variable) in the Deloitte benchmark.

The compensation of the Chairman and Chief Executive Officer for 2023 would break down as follows:

- **Relevant scope: Vicat Group.**
- **Fixed compensation**

  Subject to a justified individual increase, the increase in the fixed compensation of the Chairman and Chief Executive Officer (Vicat part and Parfininco part) will be in line with the overall increase for Company employees.

  Before overall and individual increases that may apply during 2023, the fixed compensation is **€909,000 in 2023,** breaking down as follows:

  - fixed compensation in respect of his position as Chairman and Chief Executive Officer of the Company and paid by the latter: €866,688; resulting from overall increases (+2% at January 1, 2022 and +1% at March 1, 2022) and individual increases (+2.8% at January 1, 2022) applied in 2022 to the €818,137 base;
  - fixed compensation in respect of his position as Chief Operating Officer of Parfininco and paid by the latter: €42,312; resulting from overall increases (+2% at January 1, 2022 and +1% at March 1, 2022) applied in 2022 to the €41,072 base.

  With respect to 2023: the overall increase in salaries at the Company and at Parfininco is +5% at January 1, 2023.

- **Performance variable**

  For 2023, this variable will be calculated on the basis of 100% of the fixed compensation assuming **100%** of the objectives are achieved (80% of the fixed compensation previously). 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) Scope of consolidation	Minimum	Target (Objective 100% achieved then =)	Maximum (Objective exceeded then maximum threshold =)	Result: weighting of indicator obtained	Gross amount *(Euros)*
Financial, commercial and industrial performance (quantitative indicators)	0%	70%	85%		
CSR/ESG performance Environmental section: reduction in CO_2 and greenhouse gas emissions, biodiversity protection, saving of resources, circular economy (quantitative indicators)	0%	10%	15%		
CSR/ESG performance Social and Corporate section: occupational health and safety, gender equality, 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 but are not published for confidentiality reasons.

By law, the payment of this variable is subject to approval by the Ordinary General Meeting to be held in 2024 and deliberating on the compensation paid or allotted to the Chairman and Chief Executive Officer for 2023.

- **Special variable**

  For 2023, the amount of the special variable that may be awarded may not exceed **20%** of the fixed compensation (30% for the previous year).

  By law, the payment of this variable is subject to approval by the Ordinary General Meeting to be held in 2024 and deliberating on the compensation paid or allotted to the Chairman and Chief Executive Officer for 2023.

  Note: The cumulative maximum amount of the performance variable and of the special variable cannot exceed 150% of the fixed compensation.
- **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 2023.
- **Supplementary pension plan:** not applicable.
- **Compensation in shares or other financial instruments:** not applicable.
- **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.

5.3.2.3 Compensation policy applicable to Chief Operating Officers ("ex ante")

It should be noted that, at present, this compensation policy only applies to Mr. Didier Petetin.

Mr. 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 2022 compensation Mr. 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 2021) involving a panel of companies of a similar size to the Company: 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 2022, the fixed compensation of this Chief Operating Officer (€357,480) is close to the 1st quartile of Panel 1 (€336,000) in a comparison with those in the Deloitte benchmark.

His variable (performance and special) paid in 2022 in respect of 2021 (€150,000) is below the 1st quartile of Panel 1 (€285,000).

The annual gross compensation (annual fixed + variable) of this Chief Operating Officer (€507,480) is under the 1st quartile of the median of Panel 1 (€621,000) of the target monetary compensation (comprising annual fixed + variable) in the Deloitte benchmark.

The compensation of Mr. Didier Petetin, Chief Operating Officer, for 2023 would break down as follows:

- **Relevant scope:** Vicat Group in France excluding Papeteries de Vizille.
- **Fixed compensation**

  Subject to a justified individual rise, it will be in line with the overall increase for Company employees.

  Before the overall and individual increase that may apply in 2023, the fixed compensation is **€358,026**; resulting from overall increases (+2% at January 1, 2022 and +1% at March 1, 2022) applied in 2022 to the base of €347,530.

  The overall increase in salaries applied in Vicat SA is +5% on January 1, 2023.

  Having regard to the change in the size and complexity of Group operations in France and in light of the benchmarks on the compensation of Chief Operating Officers of large Groups and of identical or comparable sectors, an individual increase of +6.4% at January 1, 2023, on top of the aforementioned overall increase.
- **Performance variable**

  For 2023, the amount of this variable will be calculated on the basis of **50%** of the fixed compensation assuming 100% of the objectives are achieved (50% previously). It is calculated in the table below:

Relative weighting of each performance indicator (quantitative and qualitative) Scope of consolidation	Minimum	Target (Objective 100% achieved then =)	Maximum (Objective exceeded then maximum threshold =)	Result: weighting of indicator obtained	Gross amount *(Euros)*
Financial, commercial and industrial performance (quantitative indicators)	0%	*70%*	85%		
CSR/ESG performance Environmental section: reduction in CO_2 and greenhouse gas emissions, biodiversity protection, saving of resources, circular economy (quantitative indicators)	0%	10%	15%		
CSR/ESG performance Social and Corporate section: occupational health and safety, gender equality, inclusion, diversity (quantitative indicators)	0%	10%	15%		
Management assessment (qualitative indicator)	0%	10%	15%		
TOTAL	**0%**	**100%**	**130%**		

The criteria used to determine this variable performance are set precisely but are not published for confidentiality reasons.

By law, the payment of this variable is subject to approval by the Ordinary General Meeting to be held in 2024 and deliberating on the compensation paid or allotted to Mr Didier Petetin for 2023.

- **Special variable**

  For 2023, the amount of this variable performance payment 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 2024 and deliberating on the compensation paid or allotted to Didier Petetin for 2023.
- **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 2023.
- **Supplementary pension plan:** not applicable.
- **Compensation in shares or other financial instruments:** not applicable.
- **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 General Meeting set 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 13, 2022 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 IN RESPECT OF THE FINANCIAL YEAR ("ex post")

5.4.1 Elements of compensation paid or allocated to executive Company officers

(in euros)	2022	2021
Guy Sidos		
Chairman and Chief Executive Officer		
Compensation paid in respect of the year	1,695,625	1,447,100
Valuation of options granted during the year	N/A	N/A
Valuation of performance shares granted during the year (5.4.2.2)	N/A	5,037,432
Didier Petetin		
Chief Operating Officer		
Compensation paid in respect of the year	527,455	471,722
Valuation of options granted during the year	N/A	N/A
Valuation of performance shares granted during the year (5.4.3.2)	N/A	457,960
Lukas Epple		
Chief Operating Officer – Group Strategy Director – Switzerland Country Manager[1]		
Compensation paid in respect of the year	661,838	614,455
Valuation of options granted during the year	N/A	N/A
Valuation of performance shares granted during the year	N/A	N/A

(1) Swiss contract with Vigier Management AG.
2022 average exchange rate: €1 = 1.0052 CHF.
2021 average exchange rate: €1 = 1.0814 CHF.

5.4.2 Elements of compensation paid or allocated to Mr Guy Sidos, Chairman and Chief Executive Officer ("ex post")

The details of elements of compensation paid or allocated during 2022 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 13, 2022 (Tenth resolution).

5.4.2.1 Detailed table of the compensation of Guy Sidos, Chairman and Chief Executive Officer

	2022			2021		
Gross annual amounts *(in euros)*	Amounts allocated	Amounts paid	% of total paid	Amounts allocated	Amounts paid	% of total paid
Fixed compensation	907,616	907,616	53.5%	858,420	858,420	59.3%
Variable compensation	700,000	429,210	25.3%	429,210	350,000	24.2%
Exceptional compensation	0	270,790	16.0%	270,790	150,000	10.4%
Directors' compensation[1]	80,000	80,000	4.7%	80,000	80,000	5.5%
Benefits in kind	8,010	8,010	0.5%	8,680	8,680	0.6%
TOTAL	**1,695,625**	**1,695,625**	**100.0%**	**1,647,100**	**1,447,100**	**100.0%**

(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, 2022</th><th>Amounts paid or allocated (gross)</th><th>Comments</th></tr>
<tr><td>Annual fixed gross compensation</td><td>€907,616</td><td>Paid over 13 months of which:
■ €865,368 in respect of his Company office as Chairman and Chief Executive Officer of the Company, paid by the latter;
■ €42,248 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>€700,000</td><td>The gross annual variable compensation was determined in accordance with the compensation policy approved by the General Meeting of April 13, 2022 and the individual performance criteria set for 2022, namely:
<table>
<tr><th>Relative weighting of each performance indicator (quantitative and qualitative)
Scope of consolidation</th><th>Minimum</th><th>Target (Objective 100% achieved consequently Weighting of indicator =)</th><th>Maximum (Objective exceeded consequently maximum Weighting of indicator =)</th><th>Result: weighting of indicator obtained</th><th>Gross amount (in euros)</th></tr>
<tr><td>Financial, commercial and industrial performance (quantitative indicators)</td><td>0%</td><td>70%</td><td>85%</td><td>63.5%</td><td>€460,790</td></tr>
<tr><td>CSR/ESG performance Environmental section: reduction in CO_2 and greenhouse gas emissions, biodiversity protection, conservation of resources, circular economy (quantitative indicators)</td><td>0%</td><td>10%</td><td>15%</td><td>9.6%</td><td>€69,705</td></tr>
<tr><td>CSR/ESG performance Social and Corporate section: occupational health and safety, gender equality, inclusion, diversity (quantitative indicators)</td><td>0%</td><td>10%</td><td>15%</td><td>10.0%</td><td>€72,610</td></tr>
<tr><td>Management assessment (qualitative indicator)</td><td>0%</td><td>10%</td><td>15%</td><td>13.3%</td><td>€96,895</td></tr>
<tr><td>TOTAL</td><td>0%</td><td>100%</td><td>130%</td><td>96.4%</td><td>€700,000</td></tr>
</table>
This bonus represents 77.1% of the fixed annual gross compensation for 2022.
Subject to the approval of the General Meeting of April 7, 2023 of all elements of his compensation (Twelfth Resolution), it will be paid to him at end-April 2023.</td></tr>
<tr><td>Special variable gross compensation</td><td>Not applicable</td><td></td></tr>
<tr><td>Supplementary pension plan</td><td>Not applicable</td><td></td></tr>
<tr><td>Retirement indemnities</td><td>Not applicable</td><td>No retirement in 2022.</td></tr>
<tr><td rowspan="2">Directors' compensation</td><td>€60,000</td><td>As a member and Chairman of the Board of Directors of Vicat, Mr 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 13, 2022.</td></tr>
<tr><td>€20,000</td><td>As member of the Board of Directors of Parfininco, Mr Guy Sidos receives compensation in the form of a fixed annual sum, for directors' fees, freely determined by the Board of Directors.</td></tr>
<tr><td>Benefits in kind</td><td>€8,010</td><td>Company car and club memberships.</td></tr>
</table>

5.4.2.2 Share-based compensation

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 Mr Guy Sidos to partly make up for the termination of the supplementary defined-benefit pension plan (article 39).

5.4.2.3 Free shares awarded in 2022

Not applicable.

5.4.2.4 Free shares awarded in 2021 vesting in 2022

Plan No.	Plan date	Number of shares vesting during the year	Vesting conditions
2021 free shares	April 9, 2021	13,078	Availability as from April 9, 2027 (term of the holding period 5.4.7)

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 Mr 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.

5.4.3 Elements of compensation paid or allocated to Mr Didier Petetin, Chief Operating Officer ("ex post")

The details of elements of compensation paid or allocated during 2022 to Mr 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 13, 2022 (Eleventh resolution).

5.4.3.1 Summary table of compensation for Didier Petetin

	2022			2021		
Gross annual amounts *(en euros)*	Amounts allocated	Amounts paid	% of total paid	Amounts allocated	Amounts paid	% of total paid
Fixed compensation	357,480	357,480	67.8%	347,211	347,211	73.6%
Variable compensation	150,000	135,000	25.6%	135,000	71,000	15.1%
Exceptional compensation	0	15,000	2.8%	15,000	34,000	7.2%
Directors' compensation	Not applicable	Not applicable		Not applicable	Not applicable	
Benefits in kind	19,975	19,975	3.8%	19,511	19,511	4.1%
TOTAL	**527,455**	**527,455**	**100.0%**	**516,722**	**471,722**	**100.0%**

<table>
<tr><th>Elements of compensation allocated or paid in respect of the financial year ended December 31, 2022</th><th>Amounts paid or allocated (gross)</th><th>Comments</th></tr>
<tr><td>Annual fixed gross compensation</td><td>€357,480</td><td>Paid over 13 months of which:</td></tr>
<tr><td>Annual variable gross compensation based on individual performance</td><td>€150,000</td><td>The gross annual variable compensation was determined in accordance with the compensation policy approved by the General Meeting of April 13, 2022 and the individual performance criteria set for 2022, namely:
<table>
<tr><th>Relative weighting of each performance indicator (quantitative and qualitative)
France scope excluding Paper</th><th>Minimum</th><th>Target (Objective 100% achieved consequently Weighting of indicator =)</th><th>Maximum (Objective exceeded consequently maximum Weighting of indicator =)</th><th>Result: weighting of indicator obtained</th><th>Gross amount (in euros)</th></tr>
<tr><td>Financial, commercial and industrial performance (quantitative indicators)</td><td>0%</td><td>70%</td><td>85%</td><td>56.9%</td><td>€101,718</td></tr>
<tr><td>CSR/ESG performance Environmental section: reduction in CO_2 and greenhouse gas emissions, biodiversity protection, conservation of resources, circular economy (quantitative indicators)</td><td>0%</td><td>10%</td><td>15%</td><td>7%</td><td>€12,580</td></tr>
<tr><td>CSR/ESG performance Social and Corporate section: occupational health and safety, gender equality, inclusion, diversity (quantitative indicators)</td><td>0%</td><td>10%</td><td>15%</td><td>9.9%</td><td>€17,828</td></tr>
<tr><td>Management assessment (qualitative indicator)</td><td>0%</td><td>10%</td><td>15%</td><td>10.0%</td><td>€17,874</td></tr>
<tr><td>TOTAL</td><td>0%</td><td>100%</td><td>130%</td><td>83.9%</td><td>€150,000</td></tr>
</table>
This bonus represents 41.9% of the fixed annual gross compensation for 2022.
Subject to the approval of the General Meeting of April 7, 2023 of all elements of his compensation (Thirteenth Resolution), it will be paid to him at end-April 2023.</td></tr>
<tr><td>Special variable gross compensation</td><td>Not applicable</td><td></td></tr>
<tr><td>Supplementary pension plan</td><td>Not applicable</td><td></td></tr>
<tr><td>Retirement indemnities</td><td>Not applicable</td><td>No retirement in 2022.</td></tr>
<tr><td>Directors' compensation</td><td>Not applicable</td><td></td></tr>
<tr><td>Benefits in kind</td><td>€19,975</td><td>Company car and insurance against job loss.</td></tr>
</table>

5.4.3.2 Share-based compensation;

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 Mr Didier Petetin to partly make up for the termination of the supplementary defined-benefit pension plan (article 39).

5.4.3.3 Free shares awarded in 2022

Not applicable.

5.4.3.4 Free shares awarded to Guy Sidos in 2021 vesting in 2022:

Plan No.	Plan date	Number of shares vesting during the year	Vesting conditions
2021 free shares	April 9, 2021	824	Availability as from April 9, 2027 (term of the holding period 5.4.7)

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 Mr 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.

5.4.3.5 Free shares awarded and becoming available during the past year

Not applicable.

5.4.4 Elements of compensation paid or allocated to Mr Lukas Epple, Chief Operating Officer

Summary table of the compensation of Lukas Epple

For reference, Mr Lukas Epple does not receive any benefits in kind in respect of his position as Chief Operating Officer of the Company. The following elements are solely associated with his status of employee as Group Strategy Director for 2022, which was supplemented by the role of Switzerland Country Manager as from November 1, 2022, at Vigier Management AG.

	2022			2021		
Gross annual amounts *(en euros)*	Amounts allocated	Amounts paid	% of total paid	Amounts allocated	Amounts paid	% of total paid
Fixed compensation[1]	505,372	505,372	76.5%	469,762	469,762	76.5%
Variable compensation[1]	149,224	149,224	22.6%	138,709	138,709	22.6%
Exceptional compensation	Not applicable	Not applicable		Not applicable	Not applicable	
Directors' compensation	Not applicable	Not applicable		Not applicable	Not applicable	
Benefits in kind	7,242	7,242	1.0%	5,984	5,984	1.0%
TOTAL	**661,838**	**661,838**	**100%**	**614,455**	**614,455**	**100%**

(1) Swiss contract with Vigier Management AG.
2022 average exchange rate: €1 = 1.0052 CHF.
2021 average exchange rate: €1 = 1.0814 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 2022:

	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 Mr 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) Mr 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 (Mr Guy Sidos and Didier Petetin) and the average and median compensation on a full-time equivalent basis of employees of the Company 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.

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 88, with a median of 53, benchmark: Proxinvest, data for 2021 reported in 2022.

(in euros)	**Year 2022**	Year 2021	Year 2020	Year 2019	Year 2018
Chairman and Chief Executive Officer (Mr Guy Sidos)	**1,607,616**	**1,358,420**	**1,152,526**	**1,039,077**	**824,782**
% change in the compensation of the Chairman and Chief Executive Officer	*18.3%*	*17.9%*	*10.9%*	*26.0%*	*1.6%*
R1 ratio to average compensation	29.7	25.1	21.6	20.2	16.1
R1 change in % year N vs. year N-1	*18.3%*	*16.1%*	*7.1%*	*25.2%*	*-1.7%*
R2 ratio to median compensation	37.4	31.6	26.8	24.9	19.9
R2 change in % year N vs. year N-1	*18.3%*	*17.8%*	*7.7%*	*25.2%*	*-1.2%*
R3 annual minimum wage ratio	78.4	71.2	62.4	56.9	45.9
R3 change in % year N vs. year N-1	*10.0%*	*14.1%*	*9.7%*	*24.0%*	*0.4%*
Chief Operating Officer (Mr Didier Petetin)	**507,480**	**452,211**	**430,527**	**383,534**	**333,149**
% change in the compensation of the Chief Operating Officer	*12.2%*	*5.0%*	*12.3%*	*15.1%*	*0.2%*
R1 ratio to average compensation	9.4	8.3	8.1	7.4	6.5
R1 change in % year N vs. year N-1	*12.2%*	*3.5%*	*8.4%*	*14.4%*	*-3.1%*
R2 ratio to median compensation	11.8	10.5	10.0	9.2	8.0
R2 change in % year N vs. year N-1	*12.2%*	*5.0%*	*9.0%*	*14.4%*	*-2.5%*
R3 annual minimum wage ratio	24.7	23.7	23.3	21.0	18.5
R3 change in % year N vs. year N-1	*4.4%*	*1.8%*	*11.0%*	*13.5%*	*-1.1%*
Financial criteria					
Revenue (consolidated in millions of euros)	3,642	3,123	2,805	2,739	2,582
% change vs. previous year	*16.6%*	*11.3%*	*2.4%*	*6.1%*	*0.7%*
EBITDA (consolidated in millions of euros)	570	619	557	526	492
% change vs. previous year	*-7.9%*	*11.1%*	*5.9%*	*6.9%*	*10.8%*
Net Income (consolidated in millions of euros)	175	222	172	160	159
% change vs. previous year	*-21.2%*	*29.1%*	*7.5%*	*0.6%*	*1.9%*

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 Order 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 Mr 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.

Furthermore, the plan provides that 2021 Free Shares definitively acquired at the end of each annual vesting period must be held by their owners for a period of five years, with a digressive term for the later holding periods, such that all 2021 Free Shares vested shall be available from January 1 of the year during which the beneficiary retires (theoretically set as the year of their 67th birthday).

Mr 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.

Mr 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 Meeting	April 9, 2021			
Date of the meeting of the Board of Directors	April 9, 2021			
Total number of shares awarded free in 2021 including:	271,497	17	17	
Mr Guy Sidos	117,697	9	9	13,077
Mr Didier Petetin	10,700	13	13	823
Number of shares vesting at December 31, 2022 (most recent date)	34,878			
Aggregate number of shares that have lapsed or been cancelled	0			
Remaining free shares at December 31, 2022	236,619			

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 2022, the nominal total of directors' compensation was €446,000 distributed equally among the directors (i.e. €30,000) with the exception of the Chairman and Chief Executive Officer, who for 2022 received twice the compensation received by the other members of the Board of Directors (i.e. €60,000).

In addition, for 2022, 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, €4,000 for members of the Compensation Committee and €4,000 for members of the CSR Committee.

The total amounts paid to non-executive Company officers during 2021 and 2022 were the following:

(in euros)	Amounts paid during 2022	Amounts paid during 2021
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	8,000	4,000
Sophie Sidos		
Director		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	4,000	-
Rémy Weber		
Director		
Directors' compensation	30,000	22,500
Compensation for functions exercised on committees of the Board of Directors	12,000	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 Fégueux		
Director		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	4,000	-
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	30,000
Compensation for functions exercised on committees of the Board of Directors	-	-
TOTAL	**386,000**	**374,000**

5.5 DRAFT RESOLUTIONS ON COMPENSATION SUBMITTED TO THE ORDINARY GENERAL MEETING OF APRIL 7, 2023

Eleventh 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.

Twelfth 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 (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.

Thirteenth resolution *("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2022 to Mr 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, 2022 to Mr Guy Sidos, Chairman and Chief Executive Officer;
- consequently, notes that the elements of variable and exceptional compensation allocated to Mr Guy Sidos, Chairman and Chief Executive Officer for the financial year ended December 31, 2022, 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, 2022 to Mr 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, 2022 to Mr Didier Petetin, Chief Operating Officer;
- consequently, notes that the elements of variable and exceptional compensation allocated to Mr Didier Petetin, Chief Operating Officer for the financial year ended December 31, 2022, will be paid to him.

Fifteenth resolution *("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2022 to Mr 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, 2022 to Mr Lukas Epple, Chief Operating Officer;
- acknowledges that Mr 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 tailored to the company strategy and the environment in which it operates. It takes account of the ecological 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, "welcome bonus" or severance payments qualifying as golden parachutes.

C) Benchmarking/business

At the meeting of the Compensation Committee on February 3, 2023, the compensation of non-executive Company directors was compared to the compensation indicated in the benchmarking conducted by an independent consulting company (Deloitte, 2022 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, 2022

Shareholder	Number of shares	Percentage of share capital	Number of voting rights	Percentage of voting rights
Jacques Merceron-Vicat	53,233	0.12	94,716	0.13
Soparfi (Company of which Jacques Merceron-Vicat is Chairman)	12,065,102	26.87	23,939,611	32.49
Parfininco (Company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	14,341,987	31.94	27,742,947	37.65
Hoparvi (Company of which Jacques Merceron-Vicat is Chairman)	33,743	0.08	46,219	0.06
Guy Sidos	23,107	0.05	27,046	0.04
Louis Merceron-Vicat	7,871	0.02	13,966	0.02
Xavier Chalandon	100	-	200	-
Sophie Sidos	2,913	0.01	4,826	0.01
Bruno Salmon	59,852	0.13	119,704	0.16
Éléonore Sidos	3,360	0.01	3,370	-
Sophie Fégueux	203	-	406	-
Didier Petetin	832	-	840	-
Emmanuelle Salles	352	-	624	-
Hugues Metz	4,728	0.01	8,721	0.01
Rémy Weber	10	-	10	-
Caroline Ginon	25	-	25	-
Lukas Epple	100	-	100	-

5.7.2 Transactions by members of the Board of Directors in the Company's shares in 2021 and 2022

	Transactions in 2022	Transactions in 2021
Jacques Merceron-Vicat	Purchase of 11,750 shares	Purchase of 0 shares
Soparfi (Company of which Jacques Merceron-Vicat is Chairman)	Purchase of 125,650 shares	Purchase of 0 shares
Parfininco (Company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	Purchase of 607,299 shares	Purchase of 1,300 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 2022 in terms of professional equality and equal pay as part of its CSR/ESG approach, in line with the United Nations Sustainable Development Goals.

Driven by its values and its culture, Vicat has always recognized the importance of gender balance. Gender equality remains one of the basic elements of its inclusive human resources policy. Action plans ensuring discrimination-free access to employment and training, equality of compensation and promotion for all female talent, regardless of their socio-professional category. These plans are supported by the Louis Vicat Foundation, with the Chair's steadfast 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 Mrs 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 of any French listed company with Éléonore Sidos (25 years of age in 2022). 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 compensation policy is structured and managed to ensure fairness, without any possible discrimination against women. It pays particular attention to the equal treatment of women and men. Promotion on merit follows the same principles.

Since 2017, to exceed the targets set out in the agreement on gender equality with regard to compensation (approved by its labor partners and which will be renewed in 2023), the Company has embarked on a detailed compensation 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. Necessary adjustments are systematically immediately applied.

Vicat excluding Parfininco	W/M 2021/2022 gap	W/M 2020/2021 gap
S1 (€80,000 < SB < €100,000)	+1.60%	-0.50%
S2 (€100,000 < SB < €165,000)	+3.50%	-5.30%
S3 (€165,000 < SB < €300,000)	+12.4%	-1.60%
H.C. (SB > €300,000)	N/A	N/A

In this respect, the Compensation Committee emphasized in its 2022 report:

"Looking at equal qualifications, the Committee notes that average pay gap for senior male and female managers is very small. These results illustrate Vicat's pay parity policy driven by promotion on merit."

Vicat scored 92/100 in the Gender Equality Index in 2022 (89 in 2021, 92 in 2020, 89 in 2019, 87 in 2018). This score is above the French national average (86/100) and the average for French cement companies (84/100). Vicat's pay parity policy helped keep pay gaps small between 2021 and 2022. In line with the aggressive plan put in place by Management, three women are in the Company's top ten salaried positions. 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: 172 out of a total of 963 (excluding Company officers and apprentices).

	Total	Executives	Female white-collar staff	Female blue-collar staff
Percentage of women in the workforce at December 31, 2022	17.9%	30.1%	15.7%	2.7%

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 2022, close to 26% of new hires were women: 19% for managerial positions, 37% for employees, technicians, designers and first-line supervisors and 17.5% for blue collar positions.

In addition, close to 98% of female staff (excluding apprentices) were on permanent contracts in 2022, 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 partnership with the association Sport dans la Ville ("Sport in the City") enables young girls from disadvantaged neighborhoods to explore trades in the materials industry while eradicating prejudices.

Furthermore, the absence of convictions or proceedings against the Company involving 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 director representing employees appointed to the Board of Directors in 2016 following a nomination by the Works Council, was reappointed in 2022 by the Central Economic and Social Committee. Nevertheless, she is still not counted for the purposes of the mandatory female quota under the 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, ambitious 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. 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 "professional equality" agreement with its labor partners for 2019-2023 comprising ambitious targets by socio-professional category. The share of women amongst the elected representatives in the Company's Economic and Social Committee has tracked the changes to the share of women in our workforce, representing 21% of elected representatives (versus 19% previously). The central union representative for Vicat 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

Efforts continue to raise manager awareness, in particular by means of the guide on effective and inclusive recruitment (with accompanying *e-learning*), in which teams are asked to achieve parity. Amongst the targets, each recruitment process must systematically include at least one female candidate on 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 51 apprenticeships available in 2022 close to 40% were filled by women.

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 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, 2022				December 31, 2021			
(in thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Associates	4,251	2,689	5,518	972	3,359	1,424	3,542	2,294
Other related parties	-	1,224	-	120	29	1,200	1	-
TOTAL	**4,251**	**3,913**	**5,518**	**1,092**	**3,388**	**2,624**	**3,543**	**2,294**

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 2022, intra-group cement sales amounted to €473 million, sales of aggregates to €102 million, and transport services to €88 million. For the same period, intra-group financial income amounted to €26 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.

At its meeting of February 2, 2023, the Audit Committee reviewed the list of ordinary agreements and did not record any regulated agreements.

5.11.4 Statutory auditors' report on regulated agreements

General Meeting to approve the financial statements for the year ended December 31, 2022

To the 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

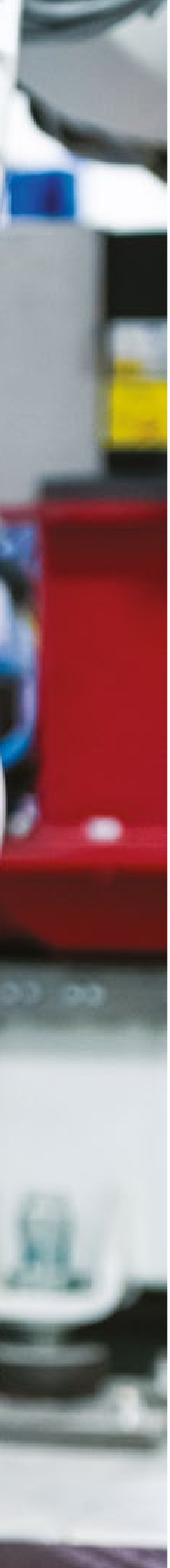
We hereby inform you that we have not been notified of any agreements already approved by the General Meeting whose execution would have been continued during the past financial year.

The statutory auditors

Lyon, February 15, 2023
KPMG Audit
Philippe Massonnat
Partner

Chamalières, February 15, 2023
Wolff & Associés S.A.S.
Grégory Wolff
Partner

Comments over the year



Chapter 6

6.1 KEY FIGURES

Balance sheet items

(in millions of euros)	2022	2021	2020*
Total assets	6,395	5,714	5,240
Shareholders' equity	2,863	2,606	2,420
Net financial debt (excluding options)	1,567	1,318	1,202

* *Data adjusted for the decision of the IFRS IC pertaining to obligations under defined-benefit plans (see note 16.1.1. Financial Information of the 2021 Universal Registration Document).*

Income statement items

(in millions of euros, unless otherwise indicated)	2022	2021	2020
Consolidated revenue	3,642	3,123	2,805
EBITDA(1)	570	619	557
Recurring EBIT(2)	284	360	298
Financial income	(50)	(30)	(35)
Consolidated net income	175	222	172
Group share of net income	156	204	156
Net earnings per share *(in euros)*	3.48	4.55	3.47
Dividend per share *(in euros)*	1.65	1.65	1.50

(1) EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): is calculated by adjusting revenue for the cost of goods sold, employees expenses, tax and duties and other ordinary income and expenses. EBITDA is not a GAAP measure . Since EBITDA is calculated differently from one company to another, the data provided in this document and related to the Group's EBITDA might not be comparable to EBITDA data reported by other companies.

(2) Recurring Earnings Before Interest and Taxes: EBITDA plus depreciation, amortization and operating provisions. Recurring EBIT is not a GAAP measure. Since recurring EBIT is calculated differently from one company to another, the data provided in this document and related to the Group's recurring EBIT might not be comparable to EBIT data reported by other companies.

Net investments disbursed

(in millions of euros)	2022	2021	2020
Industrial investments	408	376	300
Financial investments(1)	70	67	22

(1) Including changes in consolidation scope.

Cash flows

(in millions of euros)	2022	2021	2020
Operating cash flow	461	488	461
Cash flows from operating activities	357	439	528
Cash flows from investing activities	(478)	(443)	(322)
Cash flows from financing activities	185	66	(138)
Free *cash flow*	(51)	63	228

Consolidated financial ratios

	2022	2021	2020
Net debt/total shareholders' equity *(%) (gearing)*	54.7	50.6	49.9
Net debt/EBITDA *(leverage)*	2.75	2.12	2.16
Coverage of net financial expenses			
■ by EBITDA	18.3	21.8	15.1
■ by recurring EBIT	9.1	12.7	8.1

Non-financial indicators

	2022	2021	2020
Sales volumes			
Cement *(in millions of metric tons)*	27.1	28.1	25.0
Concrete *(in millions of m^3)*	10.0	10.5	9.3
Aggregates *(in millions of metric tons)*	25.3	24.0	22.7
Use of alternative fuels (Cement business)	28.2%	26.3%	25.8%
Clinker content	77.5%	78.9%	79.1%
Net CO_2 *(in kg/metric ton of cement eq.)*	608	624	620
Workforce as at December 31	9,912	9,515	9,829

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 document, and the notes relating thereto in chapter 7 "Financial information" of this document, as well as all other financial information contained in this document.

6.2.1 Summary of 2022 results and comparison with 2021

			Change	
(in millions of euros)	**2022**	2021	reported	at constant scope and exchange rates
Consolidated revenue	**3,642**	**3,123**	**+16.6%**	**+19.7%**
EBITDA[1]	**570**	**619**	**-7.9%**	**-5.9%**
Net margin (%)	*15.7%*	*19.8%*		
Recurring EBIT[2]	**284**	**360**	**-21.0%**	**-19.0%**
Net margin (%)	*7.8%*	*11.5%*		
Consolidated net income	**175**	**222**	**-21.0%**	**-28.0%**
Net margin (%)	*4.8%*	*7.1%*		
Group share of net income	**156**	**204**	**-23.6%**	**-29.5%**
Operating cash flow	**461**	**488**	**-5.5%**	**-6.0%**

(1) EBITDA is calculated as the sum of sales revenues less goods and services purchased, employee expenses, taxes, plus other ordinary income and expenses.
(2) Recurring 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 recurring 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 EBITDA, recurring 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:

- revenue, 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

The Group posted strong sales growth in 2022 driven by a significant rise in its selling prices. This performance reflected:

- an increase in selling prices across almost all Vicat's markets amid strong cost inflation
- resilient Cement and Concrete volumes in most markets, except for Turkey;
- negative non-recurring items in the United States, with the longer-than-anticipated start-up of the Ragland plant's new kiln, and in India, with debottlenecking operations to boost capacity at the Kalburgi plant during the third quarter; and
- the consequences of the political environment in Mali.

Overall, the Group's **consolidated sales** totaled €3,642 million, up from €3,123 million in 2021, representing an +19.7% increase at constant scope and exchange rates.

Consolidated sales rose by +16.6% on a reported basis, reflecting:

- a scope effect of -0.3% (negative impact of - €10 million), largely resulting from the sale of the lightweight precast business in Switzerland, which was finalised on 30 June 2021;
- a negative currency effect of -2.7%, representing a negative impact of €(86) million over the year owing to the depreciation in the euro against other currencies except for the Turkish lira and the Egyptian pound; and
- organic growth of +19.7% (+€615 million) supported by increases in selling prices across all the regions.

The Group's operational sales totaled €4,149 million, up +16.6% on a reported basis and up +20.6% at constant scope and exchange rates. Each of the Group's businesses contributed to this positive trend. In the Cement business, sales (€2,296 million) rose +24.1% at constant scope and exchange rates. In the Concrete & Aggregates business, operational sales (€1,398 million) rose by +18.5% at constant scope and exchange rates. Lastly, sales in the Other Products and Services business (€454 million) rose +11.1% at constant scope and exchange rates.

Vicat's consolidated **EBITDA** came to €570 million in 2022, down -7.9% on a reported basis and down -5.9% at constant scope and exchange rates. The EBITDA margin was 15.6%, down -420 basis points. The trend in reported EBITDA reflects an unfavourable currency effect of €(13) million and an organic decline of €(36) million. Despite this unprecedented inflation in costs, operating profitability was again well above its 2020 level (€557million).

At constant scope and exchange rates, the EBITDA decrease was primarily attributable to:

- a particularly unfavourable basis of comparison in 2021 as a result of the post-Covid rebound in business
- very strong inflation in production costs, and especially in energy, since the second half of 2021, with a significant acceleration in 2022. As a result, energy costs soared +67% to €664 million over the full year, up from €398 million in 2021. This inflation was offset only gradually by a general increase in selling prices;
- Lastly, EBITDA was adversely affected by several non-recurring industrial operations that held back performance throughout the year:
  - the start-up of Ragland's new kiln in the United States during the second and third quarters,
  - the operational upgrade in the first quarter of the Montalieu plant after two pandemic-blighted years,
  - the capacity increase at the Kalburgi Cement plant during the third quarter.

These three operations will have a highly positive impact on future levels of operating profitability.

Recurring EBIT came to €284 million, down from €360 million in 2021, representing a fall of -21.0% on a reported basis and of -19.1% at constant scope and exchange rates. The recurring EBIT margin on consolidated sales came to 7.8%, a decrease of -370 basis points.

Operating income came to €278 million, down -17.4% on a reported basis and down -14.6% at constant scope and exchange rates. This fall was mainly attributable to the contraction in operating profitability at both the EBITDA and recurring EBIT.

Of this €(20) million reduction in net **financial income (expense)** compared with 2021:

- €(3) million derived from the increase in the Group's average debt and interest, partially offset by the increase in investment income and the positive change in the fair value of interest-rate hedging derivatives; and
- €(12) million derived from the application of IAS 29 in Turkey and €(7) million from the currency loss arising from the devaluation of the Egyptian pound against the euro.

The macroeconomic and inflationary situation in Turkey meets the criteria set out under IAS 29 for application of the accounting arrangements for hyperinflationary economies. Under the standard, non-monetary items are restated based on the change in a general price index between the date those items were acquired and the end of the reference period to reflect their "actual value" at the balance sheet date translated at the year-end exchange rate. In Turkey's case, application of the standard has prompted:

- restatement of the opening balance sheet at January 1st, 2022 leading to a +€59 million impact on the Group's shareholders' equity,
- an impact on the 2022 income statement of €(20.8) million (€12 million via net financial income (expense)).

Tax expense declined €24 million compared with 2021. The effective tax rate was 28.6%, below the 2021 rate of 29.2%.

This reduction in tax derived primarily from the fall in the Group's taxable income and the new tax convention applicable in Senegal with retroactive effect from 1 January 2021, leading to a reduction in deferred tax liabilities.

Consolidated net income was €175 million, down -28.0% at constant scope and exchange rates and down -21.0% on a reported basis versus 2021.

Net income, Group share fell -29.5% at constant scope and exchange rates and -23.6% on a reported basis to €156 million.

Cash flow from operations came to €461 million, down -5.5% on a reported basis and down -6.0% at constant scope and exchange rates, reflecting the decrease in EBITDA generated over the year and the non-cash nature of the IAS 29 adjustments.

6.2.2 Group income statement analyzed by geographical region

Income statement France

(in millions of euros)	2022	2021	Change reported	Change at constant scope and exchange rates
Consolidated revenue	1,177	1,074	+9.6%	+6.8%
EBITDA	172	201	-14.6%	-15.6%
Recurring EBIT	75	118	-36.2%	-36.7%

The Group's sales in France moved higher in 2022, despite a small reduction in volumes from the record levels seen in 2021. Cement consumption held up at a high level, however. In a high-inflation environment, selling prices rose significantly across all the Group's activities.

EBITDA declined significantly during the period given the very clear increase in operating costs, particularly energy costs (+55%), and an unfavorable basis for comparison in 2021.

- In the *Cement business*, operating revenue rose +10.6% at constant scope. Given the unfavorable basis of comparison resulting from the French market's dynamic performance, this increase reflects a slight drop-off in demand offset by a gradual, but significant rise in selling prices during the year. Nonetheless, the price increases introduced offset only partially the very strong increase in energy costs. One-off maintenance operations carried out in a period of high activity levels after the two-year-long Covid-19 pandemic gave rise to non-recurring costs at the beginning of the year. The EBITDA generated by this business declined by -14.3%.
- The operating revenue recorded by the *Concrete & Aggregates business* rose +3.8% at constant scope was driven by a significant improvement in selling prices throughout the year, offsetting the impact of a small contraction in volumes. Given the increase in costs, the EBITDA generated by the business moved down -20.3% at constant scope.
- In *the Other Products & Services business*, operational revenue advanced +8.4% at constant scope over the period. The EBITDA recorded by the business fell -8.3% over the period.

Income statement for Europe (excluding France)

(in millions of euros)	2022	2021	Change reported	Change at constant scope and exchange rates
Consolidated revenue	388	394	-1.4%	+2.5%
EBITDA	85	89	-4.2%	-8.2%
Recurring EBIT	51	55	-7.9%	-14.6%

Business trends in Europe (excluding France) were positive in 2022, supported by a still solid environment in Switzerland given an unfavourable basis of comparison, and a positive industry environment in Italy. The decline in sales on a reported basis reflects a scope effect resulting from the sale of the Creabeton precast business in Switzerland, which was finalised on 30 June 2021. EBITDA across the region as a whole declined -4.2% on a reported basis and -8.2% at constant scope and exchange rates as a result of the significant increase in energy costs in Switzerland, especially in electricity, which gained pace during the second half of 2022.

In **Switzerland**, the Group's consolidated revenue were stable at constant scope and exchange rates (down -4.1% on a reported basis). EBITDA moved -11.4% lower at constant scope and exchange rates. The EBITDA margin on consolidated sales narrowed slightly to 22.4% from 23.2% in 2021..

- In *the Cement business*, operating revenue moved up +1.1% at constant scope and exchange rates. This performance reflects a contraction in volumes over the year, largely offset by a solid increase in selling prices. Taking into account these factors and also the strong increase in energy costs, particularly electricity, which accelerated considerably during the second half, the EBITDA generated by the business dropped -16.7% at constant scope and exchange rates.
- In *the Concrete & Aggregates business*, operating revenue declined -3.8% at constant scope and exchange rates. Amid a contraction in both concrete and aggregates volumes, selling prices moved higher in concrete and were almost stable in aggregates. As a result of these factors, the EBITDA generated by this business fell -8.0% at constant scope and exchange rates.
- In the *Other Products and Services* business, operational sales fell were almost stable at constant scope and exchange rates (down -0.9%). The EBITDA generated by the business rose +4.9% at constant scope and exchange rates, given the accretive impact of the Creabeton disposal in the first half of 2021.

In **Italy**, consolidated revenue grew by +45.8%. Volumes rose and selling prices moved significantly higher throughout the period. EBITDA rose strongly over the year.

Income statement for the Americas

(in millions of euros)	2022	2021	Change reported	Change at constant scope and exchange rates
Consolidated revenue	860	672	+27.9%	+12.4%
EBITDA	135	140	-3.3%	-15.2%
Recurring EBIT	72	84	-13.7%	-24.5%

Demand across the **Americas** region remained solid in the construction sector despite a high basis of comparison, especially in Brazil. The impact of the surge in energy prices and of the non-recurring costs linked to the start-up of the Ragland plant's new kiln was offset only partially by the hike in selling prices. Consequently, EBITDA moved lower over the full year.

In **the United States,**the sector environment remained favorable. Second- and third-quarter performance was adversely affected by the start-up of the Ragland plant's new kiln in Alabama, which temporarily reduced production capacity and deliveries in the region. Lastly, highly unfavourable weather conditions in the SouthEast region adversely affected performance at the end of the year. In spite of this non-recurring effect, consolidated sales totalled €581 million, up +6.6% at constant scope and exchange rates, supported by the strong performance in California. As a result, EBITDA totalled €88 million, down -19.0% at constant scope and exchange rates.

Construction of the Ragland plant's new 5,000 tons per day kiln line in Alabama is now complete. This installation has increased the plant's capacity so it can meet the strong demand in the marketplace, substantially reduce production costs and actively help the Group to meet its CO_2 emission reduction targets. Following a series of technical adjustments during the third quarter, the ramp-up of the new plant remained on track during the final quarter of the year.

- In the *Cement business*, operating revenue grew +6.4% at constant scope and exchange rates in 2022, reflecting both the strength of the construction market in the regions in which the Group operates and a significant increase in selling prices.

  Even so, given the surge in energy costs and the specific costs linked to the start-up of Ragland's new kiln, the EBITDA generated by the business declined by -15.4% at constant scope and exchange rates.
- In the *Concrete business*, operating revenue rose +6.0% at constant scope and exchange rates as further positive market trends continued to provide support for the busines. Against this backdrop, selling prices moved significantly higher. Nonetheless, the EBITDA recorded by this business fell over the period, indirectly as a result of the start-up of the Ragland plant's new kiln amid the stretched cement supply conditions prevailing in the region.

In Brazil, consolidated revenue totaled €279 million, up +27.3% at constant scope and exchange rates. Despite an unfavorable basis for comparison, higher interest rates and inflation in the country, volumes were stable in the Group's markets. The hike in prices has to date partially offset the surge in production costs. As a result, EBITDA declined -6.7% at constant scope and exchange rates to €47 million over the year.

- In the *Cement business*, operating revenue was €218 million, an increase of +23.0% at constant scope and exchange rates, supported by robust demand and a large increase in selling prices. Nonetheless, higher selling prices only partially made up for the very strong increase in energy costs.Overall EBITDA fell -19.3% at constant scope and exchange rates.
- In the *Concrete & Aggregates business*, operating revenue amounted to €92 million, up +44.2% at constant scope and exchange rates. Market conditions remained favorable throughout the period, and they were supported by an increase in concrete and aggregates selling prices. Amid these positive conditions, EBITDA rose sharply.

Income statement for Asia (India and Kazakhstan)

(in millions of euros)	2022	2021	Change reported	Change at constant scope and exchange rates
Consolidated revenue	500	428	+16.8%	+10.7%
EBITDA	98	122	-19.2%	-23.3%
Recurring EBIT	64	88	-27.0%	-30.6%

Sales in **India** grew throughout the period, with consolidated revenue rising to €433 million, up +12.8% at constant scope and exchange rates. This performance was driven by volume growth, supported in particular by public-sector demand. Amid very strong inflation, higher selling prices only partially made up for the very strong rise in energy costs. In addition, work on increasing capacity at the Kalburgi Cement plant amid high activity levels gave rise to non-recurring operating expenses.

As a result, EBITDA fell to €73 million, down -31.2% at constant scope and exchange rates versus its 2021 level.

Consolidated revenue in **Kazakhstan** came to €67 million, down -1.0% at constant scope and exchange rates. This performance reflected a significant increase in selling prices, which almost entirely offset the contraction in volumes delivered during the period. What's more, the higher selling prices made up for the impact of cost inflation. As a result, full-year EBITDA came to €26 million, up +12.5% at constant scope and exchange rates.

Income statement for the Mediterranean (Egypt and Turkey)

			Change	
(in millions of euros)	**2022**	2021	reported	at constant scope and exchange rates
Consolidated revenue	374	228	+63.8%	+170.7%
EBITDA	44	3	n.a.	n.a.
Recurring EBIT	20	-15	n.a.	n.a.

In the Mediterranean region, revenue moved sharply higher in both countries amid a situation that still lacks visibility. The key factor behind the increase was a large hike in selling prices, sparking a significant recovery in operating profitability.

In **Turkey**, the macro-economic and sector environment was affected by the hyperinflation. Overall, consolidated revenue totaled €258 million (versus €150 million in 2021), up +226.8% at constant scope and exchange rates.

EBITDA recorded a significant increase over the full year to €44 million, up from €13 million in 2021. As a result, the EBITDA margin on consolidated sales was 17.2% versus 8.5% in 2021.

- In the *Cement business*, the Group decided to limit the use of its least energy-efficient manufacturing facilities to curb the impact of higher costs in a hyperinflationary environment. Taking these factors into account plus the slowdown in the construction sector amid economic conditions affected by inflation, volumes delivered fell over the period in order to protect margins. The volume contraction was offset to a very large extent by higher prices. As a result, the business' operational sales climbed +235.3% at constant scope and exchange rates to €192 million. Overall, the EBITDA generated by the business totalled over €33 million, despite the depreciation in the Turkish lira, versus €10 million in 2021.
- In the Concrete & Aggregates business, operating revenue rose +219.3% at constant scope and exchange rates to €117 million. While concrete deliveries declined over the full year, aggregate deliveries posted solid growth as a result of a dynamic second-half performance. Significant price hikes were introduced, following the Cement business' lead. The EBITDA generated by the business lay well inside positive territory.

In **Egypt**, consolidated revenue totaled €116 million, up +62.3% at constant scope and exchange rates. Following the market regulation agreement between the Egyptian government and all producers that entered force in July 2021, and was renewed in August 2022, selling prices in the domestic market continued to improve, supported by an increase in demand in a market adversely affected by inflation and currency devaluation. Overall, Egypt contributed a breakeven EBITDA performance in 2022, compared with a loss of close to €(10) million in 2021.

Income statement for Africa (Senegal, Mali, Mauritania)

			Change	
(in millions of euros)	**2022**	2021	reported	at constant scope and exchange rates
Consolidated revenue	343	327	+4.9%	+4.1%
EBITDA	36	65	-44.4%	-45.1%
Recurring EBIT	2	30	-93.1%	-94.4%

In Africa, the market remained resilient despite the effects of inflation and the political crisis in Mali on the region's economy.

- In the *Cement business*, operating revenue in the Africa region fell -2.1% at constant scope and exchange rates. While business trends picked up in Senegal and improved significantly in Mauritania, these factors did not fully offset the sharp contraction in Mali's market as a result of the political environment. Selling prices rose in both these markets, but not sufficiently to make up for the impact of the cost inflation observed in the region, particularly as a result of the selling price controls introduced by the Senegalese authorities. Overall, the EBITDA generated by the business fell -53.0% over the period.
- In Senegal, *the Aggregates business*, supported by the gradual resumption of major government construction projects, recorded operating revenue of €38 million, up +28.2% at constant scope and exchange rates. Volumes grew sharply during the year, while selling prices fell due to an unfavourable product and customer mix. EBITDA rose +4.2% over the year to reach €9 million.

6.2.3 Income statement broken down by business segment

Cement business

(in millions of euros)	2022	2021	Change reported	Change at constant scope and exchange rates
Volume (thousands of metric tons)	27 140	28,141	-3.6%	
Operating revenue	2,296	1,914	+20.0%	+24.1%
Consolidated revenue	1,964	1,633	+20.3%	+23.7%
EBITDA	411	456	-9.8%	-7.8%
Recurring EBIT	233	300	-22.5%	-20.3%

Concrete & Aggregates business

(in millions of euros)	2022	2021	Change reported	Change at constant scope and exchange rates
Concrete volumes *(in thousands of m^3)*	10,023	10,472	-4.3%	
Aggregates volume *(in thousands of metric tons)*	25,310	23,998	+5.5%	
Operating revenue	1,398	1,191	+17.7%	+18.2%
Consolidated revenue	1,363	1,158	+17.8	+18.3%
EBITDA	132	133	-1.3	-0.5%
Recurring EBIT	42	49	-14.9%	-14.1%

Other Products and Services

(in millions of euros)	2022	2021	Change reported	Change at constant scope and exchange rates
Operating revenue	454	453	+0.2%	+11.1%
Consolidated revenue	315	332	-5.2%	+5.2%
EBITDA	27	30	-8.0%	+0.7%
Recurring EBIT	10	11	-6.7%	-5.1%

6.2.4 Elements having an impact on results

As at the date of filing of this document, the Group considers that the principal factors having a significant impact on its financial performance are the following:

Elements having an impact on revenue

(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.

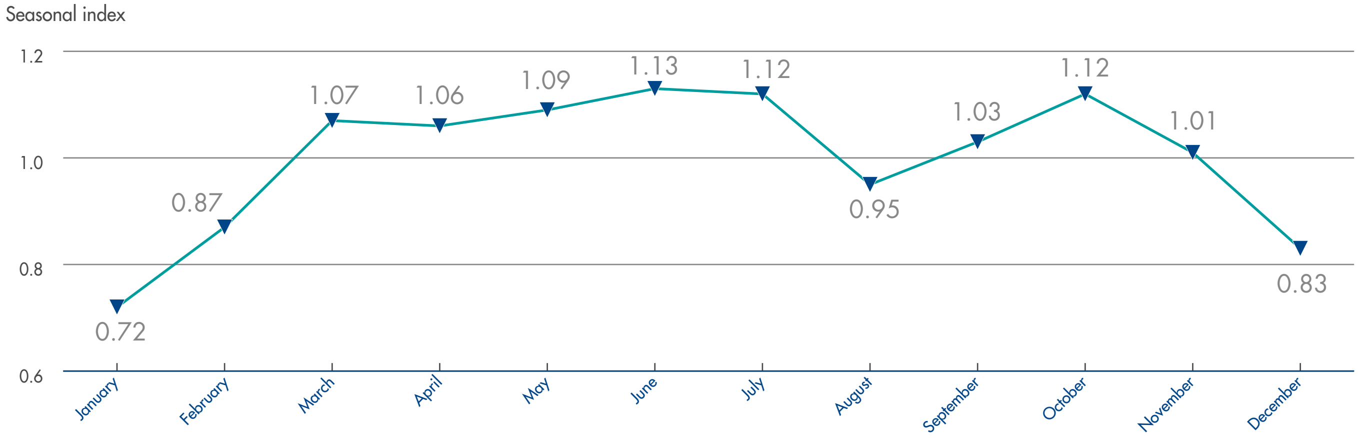
The price levels applicable to each market are determined by the production costs of existing operators and the competitive intensity of the product markets.

(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 revenue



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 and can represent from one-third to one-half 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 December 2022, 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 100% relief from corporate income tax and a fiscal stability clause 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.

Change in translation effect

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 (i), 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 financial statements of the subsidiaries are translated into euros at the average exchange rates for the period (except for the hyperinflation in Turkey - see point iii). 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 consolidated financial statements, 2022 revenue restated at constant scope and exchange rates compared to 2021. 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.

iii Following the sharp increase in cumulated 3-year inflation in Turkey, leading to the conclusion that the Turkish economy was experiencing hyperinflation, the Group was obliged to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" to its activities in Turkey, from January 1, 2022. The application of this standard involves restatements of non-monetary assets and liabilities, shareholders' equity and income statement items to reflect changes in purchasing power in local currency. This restatement of the financial statements was carried out by applying a consumer price index to non-monetary assets and liabilities and to the income statement of the Turkish entities before translation at the closing exchange rate. The impact is indicated in note 1.1 to the consolidated financial statements in chapter 7.1 of this document.

6.2.6 Comparison of earnings for 2021 and 2020

The comparative analysis of the earnings for 2021 and 2020 is presented in the 2021 Universal Registration Document in sections 6.2.1 and 6.2.2, pages 165-170 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 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, 2022**	December 31, 2021
Share capital	180	180
Additional paid in capital	11	11
Translation reserves	(559)	(580)
Consolidated reserves	3,003	2,801
Treasury shares	(47)	(52)
Shareholders' equity – Group share	**2,588**	**2,359**
Minority interests	275	247
Consolidated shareholders' equity	**2,863**	**2,606**

Consolidated shareholders' equity at December 31, 2022 rose €257 million compared to December 31, 2021. It includes a Group share of €2,588 million and minority interests of €275 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 14 to the consolidated financial statements in section 7.1.2 "Notes to the 2022 consolidated financial statements" of this 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 requirement.

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)	2022	2021	2020
Operating cash flow	461	488	461
Change in working capital	(104)	(49)	68
"Maintenance" industrial investments net of disposals	(147)	(144)	(110)
Free cash flow before strategic investments	**210**	**295**	**419**
Strategic industrial investments	(261)	(232)	(190)
Free cash flow after strategic investments	**(51)**	**63**	**229**
Financial investments and changes in scope	(70)	(67)	(22)
Net financing cash flows	185	66	(138)
Impact of exchange rate fluctuations on cash resources	(23)	9	(38)
CHANGE IN CASH POSITION	**41**	**71**	**31**

Net cash flows generated from operating activities

Net cash flows from operating activities conducted by the Group in 2022 totaled €357 million, compared with €439 million as at December 31, 2021.

This reduction in cash flows generated by operating activities is mainly due to a change in working capital of €(55) million compared to 2021, caused by steady business activity as well as the increase in raw material procurement costs and the decline in cash flow from operations of €(27) million.

The components of the working capital by category are as follows:

(in millions of euros)	WC at December 31, 2020	Change in WC 2021	Other Changes(1)	WC at December 31, 2021	Change in WC 2022	Other Changes(1)	**WC at December 31, 2022**
Inventories	355	94	(19)	429	138	(6)	561
Customers	441	11	(15)	436	32	(4)	464
Suppliers	(350)	(80)	4	(426)	(85)	9	(502)
Other receivables & payables	(136)	24	14	(98)	19	27	(51)
WORKING CAPITAL	**309**	**49**	**(16)**	**342**	**104**	**26**	**472**

(1) Consolidation scope and miscellaneous.

The increase in working capital is mainly due to inventory cost inflation, other items still under control.

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 investments tied to global projects. However, note that the share of projects directly attributable to a CO_2 footprint reduction are recognized in the first category – "Investments linked to the Group's reduced CO2 footprint".

(in millions of euros)	**2022**	2021	2020
"Maintenance" industrial investments	161	155	129
"Strategic" industrial investments	261	232	190
o/w "industrial investments to reduce CO_2 footprint"	*85*	*75*	*51*
o/w "growth" industrial investments	*176*	*156*	*139*
TOTAL INDUSTRIAL INVESTMENT DISBURSED	**422**	**387**	**319**
TOTAL INDUSTRIAL INVESTMENTS NET OF DISPOSALS	**408**	**376**	**300**

"Growth" strategic investments amounted to €176 million in 2022 (compared with €156 million in 2021) with a large portion relating to the finalization of the construction of the new Ragland kiln in the United States, as well as the continued construction of a new kiln in Senegal. The return on capital employed on these two projects, which create significant value, is expected to be 18% and should start to pay off in 2023 in the United States and 2025 in Senegal.

Lastly, the Group's strategic "industrial investments to reduce the CO_2 footprint" totaled €85 million in 2022, compared with €75 million in 2021, reflecting the pursuit of projects launched as part of the Climate strategy. In this regard, the Group can restate that the amount of industrial investments to be committed to reducing its carbon footprint is estimated at €800 million up to 2030, or €80 million per year on average.

Net cash flows from investing activities

Investments and disposals of property, plant and equipment and intangible assets

They include disbursements for industrial investments, essentially corresponding, in 2022 and in 2021, to investments made in the United States, France and Senegal.

For further details, see section 6.4. "Investments" of this document.

In 2022, 66% of these investments were made in the Cement business (70% in 2021), 29% in the Concrete & Aggregates business (25% in 2021) and the remaining 5% in the Other Products and Services business like in 2021.

Disposals of property, plant and equipment and intangible assets generated total cash inflows of €14 million in 2022 and €11 million in 2021.

Net investments in shares of consolidated companies

Acquisitions of consolidated companies carried out in 2022 resulted in a total outflow of €45 million (€31 million in 2021). The main outflows over the period related to the acquisitions of majority interests in Turkey and France as well as the acquisition of a minority interest in a Brazilian subsidiary.

Other net financial investments

Other net financial investments resulted in a net cash outflow of €25 million in 2022 compared with €36 million in 2021.

Net cash flows from financing activities

Net cash flows from financing activities conducted by the Group in 2022 were €185 million, compared with €66 million in 2021.

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 €(82) million in 2022 compared with €(74) million in 2021;
- the draw down on or the issue of, net of repayments, credit lines or borrowings taken out by the Group amounting to €266 million in 2022 (€138 million in 2021), 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 2022 and 2021.

6.3.3 Debt

At December 31, 2022, the Group had a solid financial structure, with:

- significant shareholders' equity (of €2.9 billion), up €257 million over the year;
- a net indebtedness of €1,567 million at December 31, 2022, up €249 million over the year.

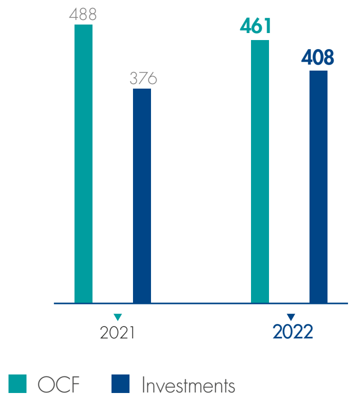
Group financial policy

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 ratio *(gearing)* under control (see section 6.3.3.4 "Net indebtedness" of this 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 2021 and 2022 *(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 large numbers 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, 2022, the Group had a total of €400 million in unused confirmed lines of financing:

Lines at December 31, 2022	Borrower	Starting year	Currency	Authorization *(in millions)* Foreign currencies	€	Utilization *(€M)*	Not drawn	Maturity	Type of rate
US private placement	Vicat SA	2020	EUR	175	175	175	-	2035	FR
	Vicat SA	2021	EUR	100	100	100	-	2031	FR
	Vicat SA	2022	EUR	150	150	150	-	2036	FR
Schuldschein - 5 / 7 / 9 years	Vicat SA	2019	EUR	290	290	290	-	2024/26/29	FR/VR
Total private placement lines					**715**	**715**	**-**		
Syndicated Loan	Vicat SA	2018	EUR	550	550	659	161	2025	VR
Bank bilateral lines	Vicat SA	2017/2022	EUR	270	270			2024/2025	VR
Total bank lines[1]					**820**	**659**	**161**		
TOTAL CORPORATE FINANCING LINES					**1,535**	**1,374**	**161**		
Syndicated Loan	Switzerland	2020	CHF	200	203	55	148	2025	VR
Bank bilateral lines	Switzerland	2020	EUR	50	50	50	0	2025	VR
Bank loan	Switzerland	2020	CHF	17	17	17	-	2022/2025	
Bank bilateral lines	Egypt	2019	EGP	966	37	23	14	2023	VR
Bank bilateral lines	Senegal	2021	CFAF	71,650	109	83	26	2023	FR
Bank bilateral line	Senegal	2022	EUR	120	120	80	40	2032	VR
Medium-term loan	Senegal	2019	CFAF	32,000	48	48	0	2024	FR
Other lines	Africa	2018	CFAF	6,000	9	9	-	2023	FR
Bank loan	Brazil	2018	BRL	247	44	44	-	2033	FR
Bank bilateral lines	United States		USD	12	11	-	10		VR
TOTAL FINANCING LINES OF FOREIGN SUBSIDIARIES					**648**	**409**	**238**		
Other liabilities					79	79			
TOTAL FINANCIAL LIABILITIES EXCLUDING IFRS 16					**2,262**	**1,862**	**400**		
Lease liabilities					208	208			
TOTAL GROSS INDEBTEDNESS[2]					**2,470**	**2,070**	**400**		

(1) This line corresponds to all confirmed credit lines which benefit the Company and of which the authorized amount is €820 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 (€14.1 million).

Private placements of Vicat SA

US private placement

The final tranche of the private placement (PPUS) arranged with US investors in 2010 was repaid, at maturity, in 2022 for US$120 million.

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 February 15, 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.

Vicat SA bank lines

Syndicated loan and bank bilateral lines

The Company has:

- a €550 million five-year floating rate credit line, arranged with an international bank syndicate, maturing in January 2025;

- €270 million in bank bilateral lines, €240 million maturing in December 2024 and €30 million maturing in September 2025.

The interest on these lines is payable at the Euribor rate for the drawdown period plus a spread. At December 31, 2022, these lines had been drawn down for an amount of €220 million, with €439 million being allocated to hedge liquidity risk on commercial paper.

Commercial paper

The Company has a program for issuing commercial paper totaling €550 million, €439 million of which had been drawn down as of December 31, 2022. 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.

Assignment of receivables

In 2022, the Group assigned without recourse receivables amounting to €76 million. This assignment relates to receivables initially held by French and Swiss Group companies.

Subsidiaries' bank debt

This indebtedness breaks down as follows:

Senegal

Sococim Industries has three lines for CFAF 12.5, 15 and 17.5 billion, all initially having 12-month maturities. As at December 31, 2022, they were drawn down for a total amount of CFAF 38.9 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 19.4 billion at December 31, 2022.

To fund the construction of the new kiln for Sococim Industries (kiln 6), the following financing was arranged in 2022:

- three bank bridge loans for a total of CFAF 60 billion. As at December 31, 2022, these loans had not been drawn down;
- a 10-year long-term loan was arranged for €120 million. €80 million of this loan had been drawn down as at December 31, 2022;
- finalization of the syndication of a long-term 6-year loan for CFAF 80 billion.

The Aggregates subsidiaries in Senegal have CFAF 15.5 billion in bank lines that were fully drawn down at December 31, 2022. They also have a term loan, arranged in November 2021, for CFAF 1.3 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 spread.

At December 31, 2022, €105 million of these lines had been used.

Turkey

The Group's companies have unconfirmed bank lines.

Brazil

When Ciplan was acquired, in 2019, a term loan line with final maturity in 2033 and a residual amount of 239.5 million Brazilian real at December 31, 2022 was assumed by Vicat Group.

Egypt

SCC has 966 million Egyptian pounds of bank loans renewable annually at variable rate. At December 31, 2022, 600 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, 2022, these lines were not used.

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 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 16.2 to the 2022 consolidated financial statements in this document).

Gross indebtedness

As at December 31, 2022, gross indebtedness of the Group, excluding put options, was €2,070 million compared with €1,845 million at December 31, 2021. It is broken down by type as follows:

(in millions of euros)	December 31, 2022	December 31, 2021	Change
Private placement lines	715	655	+9%
Bank borrowings	1,068	836	+27.8%
Debt on lease liabilities	208	215	-3.3%
Other borrowings and financial debts	26	20	+30%
Current bank facilities and bank overdrafts	53	118	-55%
GROSS INDEBTEDNESS	**2,070**	**1,845**	**+12.2%**
of which more than one year	1,782	1,434	+24.3%
of which less than one year	288	411	-29.9%

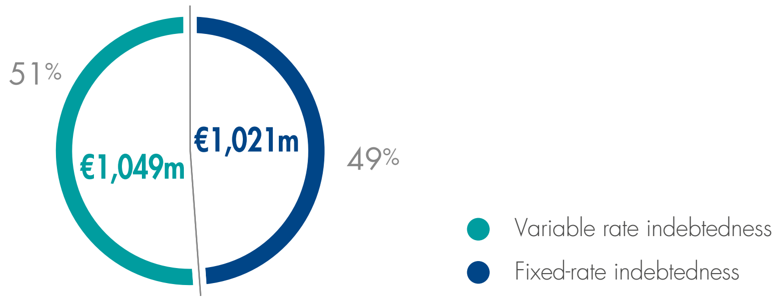
The structure of the Group's gross indebtedness as at December 31, 2022, by type of rate and maturity is as follows:

- **Interest Rates**

As presented in section 2.4.2. "Interest rate risks" of this document, the gross variable-rate financial indebtedness represented, at December 31, 2022, €1,049 million, or 51% 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, 2022



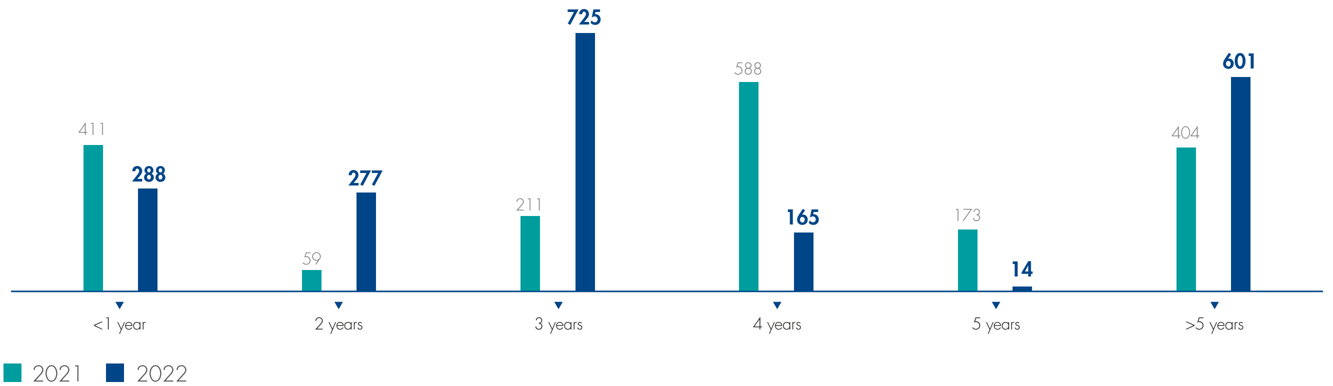
- **Maturity**

The second tranche of the USPP, arranged in November 2021, was signed on February 15, 2022 for €150 million, maturing in 2036. In parallel, the final tranche of the USPP arranged in 2010 for US$120 million was repaid in 2022.

With the arrangement of a €120 million long-term loan in Senegal, the average maturity of the Group's debt remained unchanged at 4.9 years at December 31, 2022.

See maturities schedule in note 16.1.1 to the consolidated financial statements.

Maturities schedule for gross indebtedness at December 31, 2022 *(in millions of euros)*



Cash surplus

Cash and cash equivalents include cash at bank (€112 million as at December 31, 2022) and short-term investments maturing in less than three months and with no risk of a change in the value of the principal (€392 million as at December 31, 2022).

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.

Net indebtedness (excluding put options)

The Group's net indebtedness is broken down as follows:

(in millions of euros)	December 31, 2022	December 31, 2021	Change
Gross indebtedness	2,070	1,845	+12.2%
Cash and cash equivalents	503	527	-4.5%
NET INDEBTEDNESS	**1,567**	**1,318**	**18.9%**

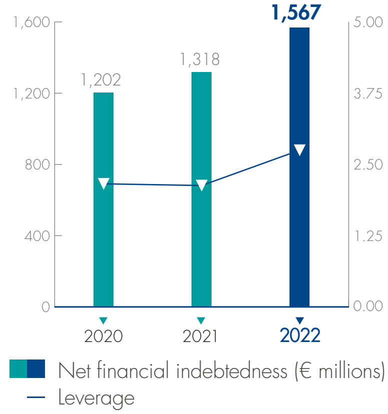
Overall, the Group has a total of €903 million in available cash, corresponding to unused lines of financing (€400 million) and available cash (€503 million).

The main ratios monitored by the Group are:

- gearing: corresponds to the ratio of net financial indebtedness/ shareholders' equity and stood at 54.7% at the end of 2022 compared to 50.6% at the end of 2021;
- leverage: corresponds to the ratio of net financial indebtedness/ EBITDA and stood at 2.75 at the end of 2022 compared to 2.12 at the end of 2021.

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 2020 and 2022



6.3.4 Analysis of off-balance sheet commitments given

Off-balance sheet liabilities consist primarily of 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, 2022 and 2021:

(in millions of euros)	2022	2021
Contractual commitments for the acquisition of fixed assets	243	277

At December 31, 2022, the off-balance sheet commitments given by the Group concern contractual obligations relating to industrial investments. They mainly consisted of the order for the new kiln for Sococim Industries in Senegal (€175 million) as described in section 6.4.2. "Main investments in progress and planned" of this document. The remaining sum in 2022 primarily related to investments to upgrade industrial facilities in France (€57 million).

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" of this 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 application of 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)	2022	2021	2020
Cement	344	323	283
Concrete & Aggregates	128	144	98
Other Products and Services	26	50	19
TOTAL INVESTMENTS RECOGNIZED*	**498**	**489**	**399**
Of which financial investments	*27*	*34*	*23*
Including net industrial investments disbursed	*408*	*376*	*300*

* *Including assets relating to rights of use (IFRS 16).*

Main investments made in 2022

The total amount of industrial investments recognized in 2022 was €471 million. These are shown below for each of the Group's main businesses. Financial investments amounted to €27 million in 2022. They mainly reflect investments in companies with technology that could help speed up the reduction in the cement industry's carbon footprint.

Cement: €321 million in industrial investments

- **France:** as in 2021, the main expenses concerned the promotion of alternative fuels and materials and the maintenance of facilities. In France, the Argilor project continued. Its goal is to reduce clinker content in cement through activating clay;
- **United States:** the construction of a new kiln in Ragland (Alabama) was completed. It is accompanied by logistics investments (railcars and terminals) to extend the plant's marketing zone. In California, the Lebec plant was upgraded to increase the use of biogenic alternative fuels;
- **Turkey:** the construction of a system to recover waste heat from the kiln at Bastas (Waste Heat Recovery System) to generate low-carbon electricity at a competitive price;
- **Senegal:** the construction of the new kiln for Sococim Industries is ongoing;
- **In India,** a new cement terminal was inaugurated in the South, expanding the catchment area of Bharathi Cement. The output from the kiln at the Kalburgi plant was increased;
- **In Brazil,** the storage and conveyance capacities for alternative fuels were increased.

Concrete & Aggregates: €127 million in industrial investments

- **France:** the investments related to the replacement of rolling stock and plant maintenance. The Courbaisse quarry, near Nice, underwent an ambition expansion program to increase its discharge capacity;
- **United States:** aside from the replacement of rolling stock, of note also was the acquisition of a number of concrete batching plants in the South East to underpin the increase in our installed cement capacity;
- **Switzerland:** aside from maintenance investments and fleet replacement, of note was the construction of a new treatment plant in Flumenthal.

Other Products and Services: €22 million in industrial investments

The bulk of investments were in France with the maintenance of the transport fleet while the capacity expansion project at the VPI plant in Auneau was completed.

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 expenses concerned the promotion of alternative fuels and materials and the maintenance of facilities. The noteworthy projects include the Argilor project in France, designed to reduce the clinker content in cement through activating clay;
- **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.

6.4.2 Main investments in progress and planned

As reported in the Capital Markets Day on November 16, 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 Senegal

The Group, through its subsidiary Sococim Industries, launched a €260 million investment plan at end-2021 to build a new firing line that will significantly increase the Group's clinker capacity in the sub-region, improve the industrial performance of its platform in Senegal, reduce its costs and play an active part in the Group's objectives in terms of reducing its CO_2 emissions, with the extensive use of alternative fuels.

In 2022, the construction of this new facility continued in line with the Group's expectations. This new industrial base is expected to be commissioned in mid-2024.

6.5 OUTLOOK FOR 2023

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 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 Context

In 2023, the Group is targeting further significant sales growth, with its markets overall expected to display resilience and reflect the full benefit of the price hikes in selling prices introduced in 2022 and the fresh increases anticipated in 2023. Furthermore, the financial year 2023 will benefit from the full effect of the new Ragland kiln and the disappearance of the non-recurring costs incurred in 2022. Lastly, based on the latest trends observed, energy costs are expected to stabilise progressively at levels above those seen in 2022. Taking these factors into account, the Group's 2023 EBITDA is expected to rise towards a level at least equivalent to that recorded in 2021.

6.5.2 Industrial investments

In 2023 and 2024, the Group will taper its investment efforts to around €350 million in 2023 and drop them further in 2024. Over this period as a whole, these investments will be primarily on:

- the completion of construction work on the new kiln in Senegal;
- investment projects relating to the carbon footprint reduction targets;
- and lastly, the sustaining capital expenditure.

The Group does not plan to carry out any further strategic growth investments until it has brought the leverage ratio under 2.0.

6.5.3 Regional details

In terms of the anticipated trends per country, the Group wishes to provide the following commentary, which will remain highly dependent on the evolving consequences of the war in Ukraine, in particular on energy costs:

- in **France**, demand may tail off slightly during the year, with conditions affected by inflation and interest rate hikes. Selling prices are expected to rise further, however, to offset cost inflation, particularly in energy costs;
- in **Switzerland**, the market is expected to remain resilient throughout the year, stabilising progressively. As in France, selling prices are expected to increase, after the increases introduced at the beginning of the year;
- in the **United States**, the market is expected to keep moving in a positive direction with the impact of the economic stimulus plan being rolled by the US administration. In this market, the Group will reap the benefit of the commercial ramp-up in the new industrial facility commissioned in 2022 amid favourable price conditions;
- in **Brazil**, business levels in the markets in which the Group operates are expected to remain broadly stable over the year. Further price hikes are anticipated to offset the continuing increase in production cost;
- In **India**, the macroeconomic and sector environment is expected to remain favorable. With prices still volatile, the rise in energy costs is only likely to be offset gradually;
- in **Kazakhstan**, market conditions are expected to remain favourable despite a persistently high basis for comparison and fierce competition;
- in **Turkey**, the Group will continue to focus on protecting its margins in a hyperinflationary environment amid challenging macroeconomic and political conditions that limit visibility;
- in **Egypt**, the economic and monetary effects of the Ukrainian crisis have worsened the overall outlook. With the sector agreement in force since July 2021 remaining in place, the Group expects stable demand and further improvement in selling prices, which will curb the effects of inflation;
- in **West Africa**, trends in Cement are expected to remain dynamic as a result of a favourable sector environment, especially after the recent reopening of the border with Mali. With cement price controls still in place Senegal, the full impact of cost increases is unlikely to be offset. The Aggregates business in Senegal is expected to continue its infrastructure project-led growth.

Financial information

Chapter 7

7.1 CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2022

7.1.1 Consolidated financial statements at December 31, 2022

Consolidated income statement

(in thousands of euros)	Notes	2022	2021
Revenue	4	**3,642,063**	**3,122,940**
Raw materials and consumables used		(2,509,400)	(2,002,119)
Employees expenses	5	(528,635)	(483,699)
Taxes		(60,982)	(56,968)
Other ordinary income (expenses)	6	27,074	38,964
EBITDA		**570,120**	**619,118**
Net changes to ordinary depreciation, amortization and provision	6	(285,655)	(259,196)
Recurring EBIT		**284,465**	**359,922**
Other non-ordinary income (expenses)	7	6,270	(28,291)
Net changes to non-ordinary depreciation, amortization and provision	7	(13,007)	4,793
Operating income (expense)		**277,728**	**336,424**
Cost of net financial debt		(31,155)	(28,442)
Other financial income		31,900	19,363
Other financial expenses		(50,666)	(20,919)
Financial result	8	**(49,921)**	**(29,998)**
Share of profit (loss) of associates	11.1	12,697	5,156
Profit (loss) before tax		**240,504**	**311,582**
Income tax	9	(65,060)	(89,398)
CONSOLIDATED NET INCOME		**175,444**	**222,184**
Portion attributable to minority interests		19,357	18,005
Portion attributable to the Group		**156,086**	**204,179**
Earnings per share *(in euros)*			
Basic and diluted Group share of net earnings per share		3.48	4.55

Consolidated statement of comprehensive income

(in thousands of euros)	2022	2021
Consolidated net income	**175,444**	**222,184**
Other items not recycled to profit or loss:		
Remeasurement of the net defined benefit liability	30,649	7,350
Other items not recycled to profit and loss	(9,744)	(2,127)
Tax on non-recycled items	(6,617)	(2,574)
Other items recycled to profit or loss:		
Changes in currency translation adjustments	(20,849)	69,699
Cash flow hedge instruments	7,914	1,946
Tax on recycled items	(2,053)	(386)
Other comprehensive income (after tax)	**(700)**	**73,908**
TOTAL COMPREHENSIVE INCOME	**174,744**	**296,092**
Portion attributable to minority interests	11,403	25,671
Portion attributable to the Group	**163,341**	**270,421**

Consolidated statement of financial position

(in thousands of euros)	Notes	December 31, 2022	December 31, 2021
ASSETS			
Goodwill	10.1	1,204,814	1,157,232
Other intangible assets	10.2	183,066	173,653
Property, plant and equipment	10.3	2,504,926	2,169,041
Right of use related to leases	10.4	193,122	195,112
Investment properties	10.5	32,124	32,218
Investments in associated companies	11.1	80,804	92,774
Deferred tax assets	9	126,212	68,012
Receivables and other non-current financial assets	11.2	269,651	219,241
Total non-current assets		**4,594,719**	**4,107,283**
Inventories and work-in-progress	12.1	560,795	429,243
Trade and other accounts	12.2	464,216	436,219
Current tax assets		45,201	6,947
Other receivables	12.3	204 690	206,475
Assets held for sale	11.1	21,780	-
Cash and cash equivalents	13.1	503,597	527,393
Total current assets		**1,800,279**	**1,606,277**
TOTAL ASSETS		**6,394,998**	**5,713,560**

(in thousands of euros)	Notes	December 31, 2022	December 31, 2021
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital		179,600	179,600
Additional paid-in capital		11,207	11,207
Treasury shares		(47,097)	(52,018)
Consolidated reserves		3,003,393	2,800,579
Translation reserves		(558,838)	(579,950)
Shareholders' equity, Group share		**2,588,265**	**2,359,418**
Minority interests		**274,529**	**246,681**
Total shareholders' equity	14	**2,862,794**	**2,606,099**
Provisions for pensions and other post-employment benefits	15.1	86,355	108,529
Other provisions	15.2	123,413	104,974
Financial debts and put options	16.1	1,672,772	1,291,434
Lease liabilities	16.1	161,045	159,883
Deferred tax liabilities	9	325,188	219,800
Other non-current liabilities		21,594	23,927
Total non-current liabilities		**2,390,367**	**1,908,547**
Provisions	15.2	12,570	10,381
Financial liabilities and put options at less than one year	16.1	242,161	371,119
Lease liabilities at less than one year	16.1	47,537	55,502
Trade and other accounts payable	17.1	540,374	459,647
Current taxes payable		14,814	27,558
Other liabilities	17.2	284,381	274,707
Total current liabilities		**1,141,837**	**1,198,914**
Total liabilities		**3,532,204**	**3,107,461**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**6,394,998**	**5,713,560**

Consolidated statement of cash flow

(in thousands of euros)	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**175,444**	**222,184**
Share of profit (loss) of associates		(12,697)	(5,156)
Dividends received from associated companies		7,057	1,208
Elimination of non-cash and non-operating items:			
■ depreciation, amortization and provisions		303,434	255,811
■ deferred taxes		6,803	5,717
■ net gain (loss) from disposal of assets		(5,377)	(7,622)
■ unrealized fair value gains (losses)		(14,688)	(3,625)
■ others(1)		1,055	19,070
Cash flows from operating activities		**461,031**	**487,587**
Change in working capital		(104,132)	(48,674)
Net cash flows from operating activities(2)	18.1	**356,899**	**438,913**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of non-current assets:			
■ Property, plant and equipment and intangible assets		(422,356)	(386,570)
■ financial investments		(28,505)	(40,157)
Inflows linked to disposals of non-current assets:			
■ Property, plant and equipment and intangible assets		13,975	10,759
■ financial investments		4,392	4,105
Impact of changes in consolidation scope		(45,404)	(31,005)
Net cash flows from investing activities	18.2	**(477,898)**	**(442,868)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(82,355)	(74,116)
Increases/decreases in capital		-	-
Proceeds from borrowings	16.1	462,197	331,443
Repayments of borrowings	16.1	(138,328)	(140,122)
Repayment of lease liabilities	16.1	(58,414)	(52,963)
Acquisitions of treasury shares		(18,366)	(22,887)
Disposals or allocations of treasury shares		20,191	24,701
Net cash flows from financing activities		**184,926**	**66,056**
Impact of changes in foreign exchange rates		(23,022)	9,182
Change in cash position		**40,905**	**71,283**
Net cash and cash equivalents - opening balance	13.2	430,442	359,159
Net cash and cash equivalents - closing balance	13.2	471,347	430,442

(1) Including the effect of application of IAS 29 (see note 1.1).
(2) - Including cash flows from income taxes: €(81.7) million at December 31, 2022, and €(84.3) million at December 31, 2021.
- Including cash flows from interest paid and received: €(37.6) million at December 31, 2022, including €(9.2) million for financial expenses on IFRS 16 leases and €(27) million at December 31, 2021, including €(10.2) million for financial expenses on IFRS 16 leases.

Statement of changes in consolidated shareholders' 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, 2021	**179,600**	**11,207**	**(53,587)**	**2,689,713**	**(640,805)**	**2,186,128**	**234,306**	**2,420,434**
Net income	-	-	-	204,179	-	204,179	18,005	222,184
Other comprehensive income[1]	-	-	-	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)	(7,886)	(74,200)
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	-	-	-	(6,536)	-	(6,536)	(82)	(6,618)
At December 31, 2021	**179,600**	**11,207**	**(52,018)**	**2,800,579**	**(579,950)**	**2,359,418**	**246,681**	**2,606,099**
At January 1, 2022 reported	**179,600**	**11,207**	**(52,018)**	**2,800,579**	**(579,950)**	**2,359,418**	**246,681**	**2,606,099**
Adjustments related to the application of IAS 29 [2]	-	-	-	58,610	-	58,610	7,313	65,923
At January 1, 2022 restated	**179,600**	**11,207**	**(52,018)**	**2,859,189**	**(579,950)**	**2,418,028**	**253 994**	**2,672,022**
Net income	-	-	-	156,086	-	156,086	19,357	175,444
Other comprehensive income[2]	-	-	-	(13,858)	21,112	7,254	(7,954)	(700)
Total comprehensive income	-	-	-	**142,228**	**21,112**	**163,340**	**11,403**	**174,744**
Dividends paid	-	-	-	(73,042)	-	(73,042)	(9,299)	(82,341)
Net change in treasury shares	-	-	4,921	(3,030)	-	1,891	-	1,891
Changes in scope of consolidation and additional acquisitions	-	-	-	(13,330)	-	(13,330)	12,458	(872)
Hyperinflation reserves	-	-	-	56,602	-	56,602	7,165	63,767
Other Changes[3]	-	-	-	34,776	-	34,776	(1,192)	33,584
AT DECEMBER 31, 2022	**179,600**	**11,207**	**(47,097)**	**3,003,393**	**(558,838)**	**2,588,265**	**274,529**	**2,862,794**

(1) 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.
(2) The impacts of the application of IAS 29 are detailed in note 1.1.
(3) Mainly including the tax repayment of €29 million following reclamations regarding the tax treatment of capital gains on the sale of shares.

Group translation reserves as of December 31, 2022 and 2021, are detailed as follows:

(in thousands of euros)	December 31, 2022	December 31, 2021
US dollar	72,246	42,103
Swiss franc	252,335	220,766
Turkish lira	(366,219)	(329,617)
Egyptian pound	(123,466)	(129,937)
Kazakh tenge	(115,936)	(105,245)
Mauritanian ouguiya	(6,959)	(8,391)
Brazilian real	(68,922)	(98,638)
Indian rupee	(201,917)	(170,991)
TOTAL	**(558,838)**	**(579,950)**

7.1.2 Notes to the consolidated financial statements at December 31, 2022

Contents

GENERAL ACCOUNTING POLICIES AND CONSOLIDATION SCOPE

General remarks

The consolidated financial statements reflect the accounts 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 10, 2023 and will be submitted to the Shareholders General Meeting of April 7, 2023 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, 2022 for its accounting policies. The consolidated financial statements at December 31, 2022 present comparative information for the prior financial year, prepared in accordance with the same IFRS framework with the exception of the changes to the standards detailed below, that must be applied for periods beginning on or after January 1, 2022 and that the Group did not adopt early.

New accounting standards applicable from January 1, 2022

Various new standards and amendments are mandatory as from January 1, 2022 including:

- 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": updating of the references to the conceptual framework;
- annual improvements to IFRS – 2018-2020 Cycle.

These new texts as well as the interpretations published in 2022 by the IFRS IC did not have a significant impact on the consolidated financial statements at December 31, 2022.

Lastly, following the sharp increase in cumulated 3-year inflation in Turkey, leading to the conclusion that the Turkish economy was qualified as an hyperinflation economy, the Group was obliged to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" to its activities in Turkey, from January 1, 2022. The application of this standard involves restatements of non-monetary assets and liabilities, shareholders' equity and income statement items to reflect changes in purchasing power in local currency. This restatement of the financial statements was carried out by applying a consumer price index (respectively 763.23 at January 1, 2022, and 1,128.45 at December 31, 2022) to non-monetary assets and liabilities and to the income statement of the Turkish entities before translation at the closing exchange rate. The restatement of non-monetary assets and liabilities at January 1, 2022 led the Group to recognize an increase of €59 million in Group shareholders' equity (see Statement of changes in shareholders' equity). The effects of the application of this standard are therefore translated to the 2022 income statement as follows:

(in millions of euros)	2022	Of which IAS 29 (including application of closing exchange rates)
Revenue	3,642	(5.7)
EBITDA	570	(1.1)
Recurring EBIT	284	(11.0)
Financial income	(50)	(12.0)
Consolidated net income	175	(20.8)

Published accounting standards, amendments and interpretations which are not yet mandatory

As at December 31, 2022, the Group has not early adopted standards and interpretations published by the IASB, adopted by European Union, that will be mandatory in 2023. These standards in particular include:

- IFRS 17 - Insurance Contracts;
- Amendment to IAS 1 "Presentation of Financial Statements": Improvement of information relative to the accounting policies communicated in the notes;
- Amendment to IAS 12 "Income Taxes": deferred taxation relative to assets and liabilities arising from a single transaction;
- Amendment to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors": clarification regarding the definition of an accounting estimate.

The Group does not expect the application of these standards and amendments to have a significant effect on the Group's consolidated financial statements. Lastly, following the adoption in December 2022 of the European directive relative to the minimum taxation of international groups (the "GloBE" rules), the Group is currently reviewing the potential impacts of these tax rules on all of its subsidiaries. Under the current rules (which should be promulgated in France during the first half of 2023), the Group does not expect any material impact on its consolidated financial statements in 2023. In parallel, the Group is monitoring closely discussions and reflections by the IASB on the accounting consequences of this new regulation (which should lead to an amendment to IAS 12 expected in 2023).

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 items of the consolidated statement of financial position ae classified as current and non-current assets and liabilities according to their maturity (corresponding generally to 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 and the non-monetary assets and liabilities concerned by IAS 29 "Financial Information in Hyperinflationary Economies".

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 15), in particular those for pensions and other post-employment benefits (note 15.1);
- value the put options granted to third parties on shares in fully consolidated subsidiaries (note 16);
- measure financial instruments at their fair value and exposure to credit risk (note 16);
- 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 conflict in Ukraine and inflation

The Vicat group does not have any industrial or commercial operations in Ukraine or Russia. As a result, no Group assets and no employees have been directly impacted by the current conflict. As things stand, there has been no direct impact on the Group's business. Nevertheless, the conflict largely contributed to the deterioration in the macro-economic environment which had a major impact with the return of inflation in 2022.

Against this backdrop, the Group reacted very quickly by implementing price increase in all the regions where it operates to offset, depending on the region, all or part of the sharp increase in the cost of energy and certain raw materials. In this exceptional context, the Group also took care to integrate these items in its estimates and assumptions and to analyze their potential accounting consequences. During fiscal 2022, the Group did not note any significant impact on its consolidated financial statement (other than the increase in selling prices and the cost of energy mentioned above).

Impact of climate risks on the financial statements

The main climate risks to which the Group is exposed are transition risks. Given the energy-intensive nature of its business, the Group emits greenhouse gases. In this respect, the Group is committed every day on its ecological and environmental transition with the goal of progressively reducing the CO_2 emissions of scopes 1, 2 and 3 to achieve carbon neutrality across its value chain by 2050. This transition commitment is fully reflected in the Group's strategic planning to change its production systems (plants and processes), and shift its market positioning (with the development of new innovative products or services).

Vicat is also exposed at certain of its production sites to physical risks which materialize in the form of the occurrence of extreme weather events. This type of event (the frequency of which varies) could, on the one hand, jeopardize the integrity of sites, and, on the other, disrupt operations of the subsidiaries concerned.

These transition risks (whether initiated by the Group or imposed for certain subsidiaries by the regulatory framework) or the physical risks may have an impact on the Group's financial statements. All of 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 allowances. This system, built around the ETS (*Emissions Trading Scheme*) Directive, allows companies that exceed their greenhouse gas emission ceilings to buy allowances 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, 2022, the Group had allowances totaling 4,495 thousand metric tons, not recognized on the balance sheet (with a market value of €373 million), which it plans to keep to meet its need to surrender allowances over the coming years. In 2022, the following countries in which the Group operates were covered by these ETS: France, Switzerland and Italy as well as a part of the United States (California). 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 allowances 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 allowances in the sales price. For more details on the recognition of free allowances (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 2050. 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. The physical risks linked to weather conditions could translate mainly to damage of our installations and the cost of repairs.

Measurement of inventories

The climate transition 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 without nevertheless excluding potential write off linked to physical risks linked to weather conditions.

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 15.2). These measurements are periodically reviewed to reflect new 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 the Vicat Group, 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, 2022 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 1, 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. Income, expense and cash flow statement items of companies not concerned by the application of IAS 29, 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.

The following foreign exchange rates were used:

	2022		2021	
	Closing	Average	Closing	Average
Brazilian real	5.64	5.44	6.31	6.38
Swiss franc	0.98	1.01	1.03	1.08
Egyptian pound	26.48	20.14	17.80	18.51
Indian rupee	88.17	82.71	84.23	87.49
Kazakh tenge	491.68	484.53	488.91	504.26
Mauritanian ouguiya	39.17	38.79	41.07	42.46
Turkish lira	19.96	19.96	15.23	10.47
US dollar	1.07	1.05	1.13	1.18
CFA Franc	655.96	655.96	655.96	655.96

NOTE 3 CHANGES IN CONSOLIDATION SCOPE AND OTHER SIGNIFICANT EVENTS

Macro-economic environment and business trends

The impacts of the sharp rise in energy costs observed in 2022 were limited by the Group thanks to its ability to increase its selling prices in all of the regions where it operates. Demand is down slightly owing to a particularly unfavorable comparison basis linked to the record levels achieved notably in the first half of 2021, the decline in volumes delivered to Turkey to limit the impact of higher costs in that country and the political situation in Mali.

In France: Group business enjoyed clear growth during 2022, supported by a marked increase in selling prices. Owing to the unfavorable comparison base, demand contracted slightly.

In Europe (excluding France): business in Switzerland was stable over the year at constant scope and exchange rates. The increase in selling prices offset the decline in demand in the Group's markets, which nevertheless remained at high levels. Italy reported a strong performance over the year, supported by a favorable construction market and very strong growth in selling prices.

In the Americas: in the United States, in a supportive market environment, Group business was significantly impacted by the longer-than-expected start-up for the new Ragland kiln during the second half, and a particularly difficult winter at the end of the year. Owing to these factors, deliveries were down, but were largely offset by solid growth in selling prices. In Brazil, volumes were stable overall during the year. Against a backdrop of strong inflation, price increases were significant.

In Asia: in India, despite a particularly high comparison base in 1st semester, the environment remained dynamic throughout the year, supported by favorable demand and price trends. In Kazakhstan, Group business was up over the year as a whole against a backdrop of uptrending prices which offset the contraction in deliveries.

In the Mediterranean: in Turkey, revenue was up markedly over the period. The macroeconomic and sector situation was marked by a situation of hyperinflation. Against this backdrop, the Group favored production using its most efficient production base to limit the impact of rising costs. As a result, while volumes were down significantly over the period, selling prices enjoyed very strong growth. In Egypt, 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 environment remained favorable over 2022, with a slight increase in demand and a regular increase in selling prices.

Negotiations with the Egyptian State enabling the capital increase initiated by the Group in 2018 to go ahead, led to the signature on March 21, 2022 of an agreement enabling the capital increase to go ahead and confirming Vicat's rights to hold or consolidate its majority ownership. The Group has thus consolidated its shareholding through a simplified public tender offer, raising its equity interest from 56.2% at December 31, 2021 to 67.2% at December 31, 2022.

In Africa: Group business was up, despite the decline in deliveries in Mali owing to the political situation. In Senegal more particularly, volumes and selling prices were up.

Volatility of exchange rates and impact on the income statement

The 2022 income statement was impacted by the depreciation of the Turkish lira versus the euro, partially offset by the depreciation of the euro versus the US dollar, Brazilian real and Swiss franc.

Over the period, this resulted in a negative currency effect of €(85.7) million on consolidated revenue and €(12.6) million on EBITDA.

Consolidated shareholders' equity included, for its part, net positive translation differences in 2022 of €13.8 million given the strengthening of foreign currencies against the euro at the end of the period.

Tax rebate linked to the Soparfi capital reduction

Following a claim filed by Vicat SA on the tax treatment of a capital gain taxed in 2018, the Group was granted a rebate from the French tax administration and in January 2023 received a payment of the €29 million initially disbursed. This amount was booked to 2022 Group consolidated shareholders' equity.

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.

CONSOLIDATED INCOME STATEMENT

Definition of management indicators

EBITDA

EBITDA (*Earnings Before Interest, Tax, Depreciation and Amortization*): this is calculated by adjusting revenue for the cost of goods sold, employees expenses, tax and duties and other ordinary income and expenses.

Recurring EBIT

Recurring EBIT (Earnings Before Interest and Tax): EBITDA plus net depreciation, amortization, additions to provisions and impairment losses on ongoing business.

From 2022, "Value added" and "Gross operating income" indicators are no longer presented. This choice stems mainly from the fact that these indicators are no longer used internally to steer operating decisions or to assess performance.

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)	2022	2021
Sales of goods	3,349,184	2,864,668
Sales of services	292,879	258,272
REVENUE	**3,642,063**	**3,122,940**

Change in revenue on a like-for-like basis

(in thousands of euros)	2022	Changes in consolidation scope	Change in translation effect[1]	2022 At constant scope and exchange rates	2021
REVENUE	**3,642,063**	**9,766**	**(85,741)**	**3,718,038**	**3,122,940**

(1) of which effect of application of IAS 29, see Note 1.1.

NOTE 5 EMPLOYEES EXPENSES AND WORKFORCE

(in thousands of euros)	2022	2021
Wages and salaries	396,927	360,373
Payroll taxes	125,794	115,256
Employee profit sharing (French companies)	5,913	8,070
EMPLOYEES EXPENSES	**528,635**	**483,699**
Average number of employees of the consolidated companies	*9,745*	*9,476*

Employee profit-sharing for the French companies is allocated, at the employee's choices, in cash, in Vicat shares in the Group shareholding plan (PEG), or in Company shared investment funds (FCPE) as part of the Group savings plan or in the collective retirement savings plan (PERECO).

The share price for the profit sharing is determined based on the average of the 20 trading days preceding the allocation date.

Share-based payments

In a decision dated April 9, 2021, the Board of Directors, acting on an authorization granted by the General Meeting of the same day, decided to implement a free share plan for 271,497 shares to be delivered in annual tranches, over a variable timeframe depending on the beneficiaries (determined based on the date of retirement, theoretically set at reaching the age of 67), extending out to 2037. This plan, implemented to partially offset the supplementary defined benefits pension plan (Art. 39) which was terminated in 2021, is intended for certain executives holding managerial functions within the Group along with certain company officers who benefited from said supplementary pension plan.

This plan is subject to the condition of the beneficiary being employed by the Group at the end of annual vesting period. In the event of non-compliance with this employment condition at the end of the vesting period, the free shares allocated in respect of vesting periods not past due shall be cancelled by right (except in the event of death or invalidity of the beneficiary). Only shares already delivered can be held by the beneficiary.

This plan provides in particular that each tranche (i) will have a vesting period of one year plus the vesting period of the previous period and (ii) a holding period of five years at the end of each vesting period, limited to continued employment within the Group.

Summary table of plan:

Date of General Meeting Date of the meeting of the Board of Directors	April 9, 2021 April 9, 2021
Total number of shares of free shares granted	**271,497**
Number of shares vesting at December 31, 2022	34,878
Aggregate number of shares that have lapsed or been cancelled	-
Remaining free shares at December 31, 2022	**236,619**

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 personnel costs for the period pro-rata to the vesting of rights offset in shareholders' equity.

In 2022, €3,546 thousand was recognized under employees expenses in respect of this plan (€2,538 thousand in 2021).

NOTE 6 OTHER INCOME, EXPENSES, DEPRECIATION AND AMORTIZATION ORDINARY

Accounting policy

These are income and expense items that arise from the Group's operating activities, but that are not received or incurred as part of the direct production process or sales activity. These income and expense items mainly include insurance payments, patent royalties, sales of surplus CO_2 emission rights, the lease revenues and investment properties and certain charges relating to losses or claims as well as certain operating subsidies.

(in thousands of euros)	2022	2021
Net income from disposal of assets	5,278	4,663
Income from investments properties	3,835	3,997
Other	17,962	30,304
OTHER ORDINARY INCOME (EXPENSES)	**27,074**	**38,964**

(in thousands of euros)	2022	2021
Net depreciation and amortization charges	(226,286)	(204,931)
Net depreciation and amortization charges for right of use related to leases	(54,363)	(53,517)
Net provision expenses	(5,006)	(747)
NET CHARGES TO ORDINARY DEPRECIATION, AMORTIZATION AND PROVISIONS	**(285,655)**	**(259,196)**

NOTE 7 OTHER INCOME, EXPENSES, DEPRECIATION AND AMORTIZATION NON-ORDINARY

Accounting policy

These are income and expenses generated by non-recurring events in the performance of the Group. For example, among these income and expenses are capital gains or losses on the sale of significant and unusual assets, impairment as well as certain restructuring expenses.

(in thousands of euros)	2022	2021
Other non-ordinary income (expenses) (1)	6,270	(28,291)
Other net charges to non-ordinary depreciation, amortization and provisions (2)	(13,007)	4,793
TOTAL	**(6,737)**	**(23,498)**

(1) At December 31, 2022, it mainly included €11.8 million in income (€18.3 million expense at December 31, 2021) at Ciplan covered by the firm and irrevocable guarantee provided by the non-controlling shareholder in respect of disputes arising from the period prior to the acquisition.
(2) Including mainly at December 31, 2022, a net allocation to provisions for risks and charges at Ciplan of €11.8 million for which the company received a firm and irrevocable guarantee from its minority shareholder (allocation to provisions of €18.3 million at December 31, 2021) for indemnifiable disputes provisioned and relating to the period before Vicat's acquisition (note 11.2).

NOTE 8 FINANCIAL RESULT

(in thousands of euros)	2022	2021
Interest income from financing and cash management activities	30,083	22,863
Interest expense from financing and cash management activities	(66,767)	(44,766)
Interest expense from lease liabilities	(9,159)	(10,164)
Change in fair value of derivatives	14,688	3,625
Cost of net financial debt	**(31,155)**	**(28,442)**
Dividends	985	899
Foreign exchange gains	16,819	15,810
Write-back of impairment of financial assets	1,467	407
Net expense from disposal of financial assets	99	849
Other income	12,530	1,398
Other financial income	**31,900**	**19,363**
Foreign exchange losses	(24,482)	(16,192)
Impairment on financial assets	(4,282)	(4,546)
Discounting expenses	(3,613)	(2,223)
Loss on net monetary situation (IAS 29)	(12,317)	
Other expenses	(5,973)	2,042
Other financial expenses	**(50,666)**	**(20,919)**
FINANCIAL RESULT	**(49,921)**	**(29,998)**

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)	2022	2021
Current taxes	(58,257)	(83,681)
Deferred taxes	(6,803)	(5,717)
TOTAL	**(65,060)**	**(89,398)**

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)	2022	2021
Net earnings from consolidated companies	162,747	217,028
Income tax	65,060	89,398
Profit (loss) before tax	227,807	306,426
Theoretical tax rate	25.8%	28.4%
Theoretical income tax expense at the parent company rate	**(58,843)**	**(87,056)**
Reconciliation:		
France/Foreign jurisdictions spreads[1]	195	6,744
Transactions taxed at specific rates	(1,089)	201
Changes in tax rates	(2)	750
Permanent differences	(343)	(6,859)
Tax credits	648	350
Other	(5,626)	(3,528)
EFFECTIVE TAX EXPENSE	**(65,060)**	**(89,398)**

(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)	2022	2021	2022	2021
Deferred tax at January 1st	**68,012**	**68,965**	**219,800**	**214,196**
Expense/income for the year	65,050	(1,608)	71,853	4,109
Deferred tax recognized in other comprehensive income	(7,502)	(4,446)	1,168	(1,475)
Changes in consolidation scope	-	671	17	(4,447)
Reclassification	(1,952)	94	(1,200)	94
Translation and other changes	2,604	4,336	33,550	7,322
DEFERRED TAX AT DECEMBER 31st	**126,212**	**68,012**	**325,188**	**219,800**

Analysis of net deferred tax (expense)/income by principal category of timing difference

(in thousands of euros)	2022	2021
Net assets and right of use	(54,780)	4,681
Financial instruments	(5,063)	(582)
Pensions and other post-employment benefits	(14,138)	(3,852)
Special tax depreciation, regulated provisions and other provisions	4,291	271
Other timing differences, tax loss carry-forwards and miscellaneous	54,217	(9,195)
NET DEFERRED TAX INCOME/(EXPENSES)	**(15,473)**	**(8,677)**
▪ *recognized in consolidated net income*	*(6,803)*	*(5,717)*
▪ *recognized in other comprehensive income*	*(8,670)*	*(2,960)*

Source of deferred tax assets and liabilities

(in thousands of euros)	**December 31, 2022**	December 31, 2021
Net assets and right of use	203 641	147,935
Financial instruments	19,616	6,656
Pensions and other post-employment benefits	(10,979)	(26,834)
Special tax depreciation, regulated provisions and other provisions	25,262	20,647
Other timing differences, tax loss carry-forwards and miscellaneous	(38,564)	3,384
Net deferred tax liabilities	**198,976**	**151,788**
Deferred tax assets [1]	(126,212)	(68,012)
Deferred tax liabilities	325,188	219,800
NET BALANCE	**198,976**	**151,788**

(1) Deferred tax assets mainly stem from tax losses carried forward by the subsidiaries, the main contributor being the United States for €59 million in deferred tax assets.

Deferred tax assets not recognized in the consolidated financial statements

Unrecognized deferred tax assets amounted to €22.3 million at December 31, 2022 (€22.4 million at December 31, 2021).

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 perpetuity 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 production facilities.

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;
- Maintenance Capital Expenditure;
- the change in the 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 production facilities. Such forecasts include the impact of foreseeable developments in cement consumption based on the latest macroeconomic and industry sector data, changes likely to affect the competitive position, technical improvements in the manufacturing process (stemming in part from the integration of climate risks as part of Group strategy) as well as expected changes in the cost of the main production factors contributing to the cost price of the products.

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 calculated 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 perpetual growth rate.

Tests are conducted at each year-end on the sensitivity to an increase or decrease of one point in the discount rate and perpetual growth rate 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, 2022**	December 31, 2021
Opening	**1,157,232**	**1,118,874**
Changes in consolidation scope	37,587	8,006
Impairment	(380)	-
Change in translation effect	9,727	30,352
Other movements	649	-
CLOSING	**1,204,814**	**1,157,232**

Goodwill is distributed as follows by cash-generating unit (CGU):

	December 31, 2022			December 31, 2021	
	Goodwill *(in thousands of euros)*	**Discount rate after tax used for the impairment tests** *(in%)*	**Perpetual growth rate used for the impairment tests** *(in%)*	Discount rate after tax used for the impairment tests *(in%)*	Perpetual growth rate used for the impairment tests *(in%)*
India CGU	212,964	15.4%	5%	12.1%	4.8%
West Africa Cement CGU	151,193	13.9% to 23.3%	2% to 4%	10% to 14.4%	2% to 5.5%
France-Italy CGU	234,380	8.7%	2%	7.8%	1.5%
Switzerland CGU	145,011	9%	1.4%	8.1%	1%
Brazil CGU	158,762	13.9%	3%	10.4%	3%
United States CGU	132,861	8.7%	1.9%	8.0%	2%
Other CGUs cumulated	169,643	17.4% to 22%	2% to 6%	12.6% to 18.5%	3.3% to 8%
TOTAL	**1,204,814**				

	December 31, 2022	
	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	(61,823)	(27,485)
TOTAL	**(61,823)**	**(27,485)**

The impairment tests carried out in 2022 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 in both cases leading to the recoverable amount being less than the net carrying amount for the India CGU.

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 depreciated 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 January 1, 2021	**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**
Acquisitions	602	2,330	1,479	7,140	11,552
Disposals	-	(1,550)	-	(133)	(1,684)
Changes in consolidation scope	-	-	4	-	4
Change in translation effect	1,601	501	3,238	261	5,601
Other movements(1)	262	11,300	13,975	(10,700)	14,836
AT DECEMBER 31, 2022	**128,847**	**83,882**	**106,453**	**14,195**	**333,378**

Depreciation and impairment *(in thousands of euros)*	Concessions, patents & similar rights	Software	Other intangible assets	Intangible assets in progress	Total
At January 1, 2021	**(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)**
Increase	(1,910)	(7,539)	(4,432)	-	(13,881)
Decrease	-	331	-	-	331
Changes in consolidation scope	-	-	(2)	-	(2)
Change in translation effect	827	(228)	(1,005)	-	(406)
Other movements(1)	-	(422)	(6,516)	-	(6,938)
AT DECEMBER 31, 2022	**(33,120)**	**(59,923)**	**(57,269)**		**(150,312)**
Net book value at December 31, 2021	94,345	19,237	42,443	17,628	173,653
NET BOOK VALUE AT DECEMBER 31, 2022	**95,727**	**23,959**	**49,185**	**14,195**	**183,066**

(1) Of which effect of application of IAS 29 (see note 1.1).

Capitalized development costs in 2022 amounted to €0.3 million (no development costs capitalized in 2021).

Research and development costs booked as expenses amounted to €4.3 million at December 31, 2022, i.e. a stable amount compared with December 31, 2021.

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 expenses 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 January 1, 2021	**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**
Acquisitions	19,170	65,035	6,104	324,388	414,697
Disposals	(1,927)	(41,499)	(2,674)	(369)	(46,469)
Changes in consolidation scope	2,370	1,779	7	-	4,156
Change in translation effect	(1,140)	(64,799)	(376)	19,572	(46,743)
Reclassification[(1)]	76,630	401,824	(6,396)	(478,178)	(6,120)
Other movements[(2)]	100,610	362,776	7,358	(82)	470,662
AT DECEMBER 31, 2022	**1,514,496**	**3,975,272**	**131,529**	**313,658**	**5,934,956**

(1) The €478 million reclassified on assets in progress mainly relate to the start-up of the new kiln in Ragland in the United States. They are booked to buildings and technical installations.
(2) Of which effect of application of IAS 29 (see note 1.1)

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 January 1, 2021	**(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)**
Increase	(52,263)	(152,317)	(6,839)	-	(211,420)
Decrease	1,214	39,720	2,370	-	43,304
Changes in consolidation scope	(159)	(231)	2	-	(387)
Change in translation effect	(57)	42,407	873	-	43,224
Reclassification	(3,930)	(3,633)	8,689	-	1,125
Other movements[1]	(39,412)	(284,008)	(6,724)	-	(330,144)
AT DECEMBER 31, 2022	**(752,611)**	**(2,584,977)**	**(92,442)**	-	**(3,430,029)**
Net book value at December 31, 2021	660,780	1,023,240	36,693	448,328	2,169,041
NET BOOK VALUE AT DECEMBER 31, 2022	**761,885**	**1,390,295**	**39,087**	**313,658**	**2,504,926**

(1) Of which effect of application of IAS 29 (see note 1.1)

At December 31, 2022, property, plant and equipment in progress amounted to €285 million (€418 million as at December 31, 2021) and advances/down payments on property, plant and equipment represented €29 million (€31 million as at December 31, 2021). Contractual commitments to acquire property, plant and equipment and intangible assets amounted to €243 million (€277 million as at December 31, 2021).

Capitalized interest amounted to €7.2 million (€2.4 million as at December 31, 2021).

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 "services" component of the lease, and in particular those 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$5,000 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 on a straight-line basis 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 and interest expense taken to the income statement.

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 put 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.

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.

Gross amounts *(in thousands of euros)*	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Total
At January 1, 2021	**81,726**	**74,671**	**141,969**	**56,241**	**354,607**
Acquisitions/Increase	11,603	8,886	26,821	14,669	61,979
Decrease	(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**
Acquisitions/Increase	7,384	4,327	31,339	12,734	55,783
Decrease	(5,775)	(601)	(37,987)	(10,705)	(55,068)
Changes in consolidation scope	-	-	-	-	-
Change in translation effect	1,118	637	657	405	2,817
Other movements(1)	572	249	(2,289)	(945)	(2,412)
AT DECEMBER 31, 2022	**95,635**	**87,322**	**138,193**	**59,340**	**380,491**

(1) Of which effect of application of IAS 29 (see note 1.1).

Depreciation and impairment *(in thousands of euros)*	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Total
At January 1, 2021	**(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)**
Increase	(6,752)	(7,769)	(27,624)	(12,223)	(54,368)
Decrease	5,570	1,009	32,877	10,705	50,161
Changes in consolidation scope	-	-	-	-	-
Change in translation effect	(81)	(348)	(1,272)	(231)	(1,931)
Other movements(1)	(316)	(220)	3,151	413	3,029
AT DECEMBER 31, 2022	**(35,008)**	**(54,534)**	**(73,182)**	**(24,645)**	**(187,368)**
Net book value at December 31, 2021	58,908	35,504	66,160	34,541	195,112
NET BOOK VALUE AT DECEMBER 31, 2022	**60,627**	**32,788**	**65,012**	**34,695**	**193,122**

(1) Of which effect of application of IAS 29 (see note 1.1).

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 an insignificant number of contracts.

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 January 1, 2021	**41,548**	**(26,717)**	**14,831**
Acquisitions/Increase	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**
Acquisitions/Increase	66	(1,375)	(1,309)
Disposals/Decreases	(22)	22	-
Change in translation effect	1,549	(346)	1,202
Changes in consolidation scope and other	4,961	(4,948)	13
AT DECEMBER 31, 2022	**66,234**	**(34,110)**	**32,124**
Fair value of investment properties at December 31, 2021	-	-	96,577
FAIR VALUE OF INVESTMENT PROPERTIES AT DECEMBER 31, 2022	-	-	**97,821**

The rental income from investment properties recognized under "Other operating income and expenses" (see note 6) amounted to €3.8 million at December 31, 2022 (€4.0 million at December 31, 2021).

NOTE 11 JOINT VENTURES AND OTHER NON-CURRENT ASSETS

11.1 Investments in associated companies

(in thousands of euros)	December 31, 2022	December 31, 2021
Opening	**92,774**	**77,873**
Earnings from associated companies	12,697	5,156
Dividends received from investments in associated companies	(7,057)	(1,208)
Changes in consolidation scope	23,678	8,986
Change in translation effects and other[1]	(41,288)	1,967
CLOSING	**80,804**	**92,774**

(1) In October 2022, the equity investments held in an associate were the subject of a sale agreement which should be concluded in 4th quarter of 2023. In accordance with IFRS 5, at December 31, 2022, the Group therefore reclassified the shares in this equity affiliate as "Assets held for sale" for an amount of €22 million. No significant impact linked to the reclassification nor the valuation of these assets at their fair value was booked in 2022.

11.2 Receivables and other non-current assets

(in thousands of euros)	Gross value	Impairment	Net book value
At January 1, 2021	**252,218**	**(13,042)**	**239,176**
Acquisitions/Increase	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**
Acquisitions/Increase	28,010	(1,060)	26,950
Disposals/Decreases	(3,260)	21	(3,240)
Changes in consolidation scope	(1)	-	(1)
Change in translation effect	5,535	(1,486)	4,050
Changes of other items in other comprehensive income	(12,443)	(9,701)	(22,144)
Other	44,796	(1)	44,795
AT DECEMBER 31, 2022	**314,806**	**(45,155)**	**269,651**
Of which investments in subsidiaries & affiliated companies	*59,827*	*(12,246)*	*47,582*
Of which loans and receivables[1][2]	*217,407*	*(32,909)*	*184,498*
Of which financial instruments (see note 16.1.1)	*37,571*	*-*	*37,571*
AT DECEMBER 31, 2022	**314,806**	**(45,155)**	**269,651**

(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 €40.8 million at end-December 2022 (€28 million at end-December 2021) for the same amount as provisions for indemnifying claims (see note 15.2).

(2) Bharathi Cement:
On December 31, 2022, an amount of €33.6 million (including interest) recorded in "Other non-current receivables", was 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 the seizure by the Enforcement Directorate of INR950 million (approximately €12 million) in a bank account held by Bharathi Cement. A second provisional 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 provisional seizure of INR1,530 million, and demanded a bank guarantee prior to the repayment of the funds. This decision was confirmed on April 27, 2022 by the Hyderabad Court of Justice. The Enforcement Directorate has filed an appeal with the Indian Supreme Court.
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 slow the proceedings, started in 2012, are, the receivable related to these provisional seizures was reclassified at end-2018 as "Other receivables" (see note 12.3).

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 allowances

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), to reflect the allowances economic model, in particular eliminating the impacts associated with the volatility of the prices of allowances.

According to this method, provided the allowances are intended to fulfill the obligations related to emissions (production model):

- allowances 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.

Since the Group today has mainly the allowances allocated free of charge by the French State under National Allowance 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, 2022			December 31, 2021		
(in thousands of euros)	**Gross**	**Provisions**	**Net**	Gross	Provisions	Net
Raw materials and consumables	448,837	(28,659)	420,178	351,561	(29,560)	322,001
Work-in-progress, finished goods and goods for resale	145,247	(4,630)	140,617	111,914	(4,672)	107,242
TOTAL	**594 084**	**(33,289)**	**560,795**	**463,475**	**(34,232)**	**429,243**

Surplus CO_2 emissions allowances received free of charge are recorded under inventories at a zero value (corresponding to 4,495 thousand metric tons at end-2022 and 4,781 at end-2021).

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 16.2).

Trade 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 trade 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, trade 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 January 1, 2021	**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)	(4,399)
Changes	10,460	448	10,908
At December 31, 2021	**462,526**	**(26,307)**	**436,219**
Increase	-	(3,475)	(3,475)
Reversal of provisions used	-	4,887	4,887
Change in translation effect	(5,766)	(14)	(5,780)
Changes in consolidation scope	744	-	744
Changes	31,813	(192)	31,622
AT DECEMBER 31, 2022	**489,317**	**(25,101)**	**464,216**
of which past due:			
■ less than 3 months	99,826	(5,726)	94,100
■ more than 3 months	23,105	(16,842)	6,263
of which not past due:			
■ less than 1 year	364,899	(1,421)	363,478
■ more than 1 year	1,489	(1,114)	375
AT DECEMBER 31, 2022	**489,319**	**(25,102)**	**464,216**

The Group is not dependent on any of its major customers, and no single customer accounts for more than 10% of revenue.

Assignment of receivables in France and in Switzerland

During the 4th quarter 2022, the Group carried out an assignment without recourse of €76 million of its receivables amounting to €76 million. This cession relates to receivables initially held by the French companies in the Group and, to a lesser extent, by a Swiss subsidiary. In accordance with IFRS 9, the related receivables are derecognized to the extent that the conditions contract highlight the transfer of the cash flow to the factor and transfer almost all of the risks and rewards all of the risks and benefits related to these receivables.

12.3 Other receivables

(in thousands of euros)	Other tax receivables	Payroll-related receivables	Other receivables	Provisions other receivables	Total net other receivables
At January 1, 2021	**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**
Increase	-	-	394	(158)	236
Reversal of provisions used	-	-	(418)	26	(392)
Change in translation effect	438	17	(4,456)	11	(3,989)
Changes in consolidation scope	857	-	1,670	-	2,527
Other movements	(3,110)	265	2,715	(37)	(167)
AT DECEMBER 31, 2022	**63,225**	**4,203**	**138,394**	**(1,132)**	**204 690**
of which past due:					
■ less than 3 months	2,836	2,252	25,494	(95)	30,487
■ more than 3 months	844	11	5,073	(837)	5,092
of which not past due:					
■ less than 1 year	49,956	1,939	92 170	(200)	143,865
■ more than 1 year	9,589	-	15,657	-	25,246
AT DECEMBER 31, 2022	**63,225**	**4,203**	**138,394**	**(1,132)**	**204 690**

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, 2022	December 31, 2021
Cash	111,376	126,839
Marketable securities and term deposits < 3 months	392,221	400,554
CASH AND CASH EQUIVALENTS	**503,597**	**527,393**

13.2 Analysis of net cash balances

(in thousands of euros)	December 31, 2022	December 31, 2021
Cash and cash equivalents (see note 13.1)	503,597	527,393
Bank overdrafts	(32,251)	(96,951)
NET CASH BALANCES	**471,347**	**430,442**

NOTE 14 SHARE CAPITAL

Accounting policy

Treasury shares

In compliance with IAS 32, Vicat treasury shares are deducted from shareholders' equity.

Vicat's share capital is composed of 44,900,000 fully paid-up ordinary shares with a nominal value of €4 each, including 642,739 treasury shares as at December 31, 2022 (723,505 as at December 31, 2021) 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 mainly owned and controlled by the Parfininco holding company.

These are registered shares or bearer shares, at the shareholders' 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 2022 in respect of 2021 amounted to €1.65 per share, totaling €74,085 thousand, compared with €1.50 per share paid in 2021 in respect of 2020 and totaling €67,350 thousand. The dividend proposed by the Board of Directors to the Ordinary General Meeting for 2022 amounts to €1.65 per share, totaling €74,085 thousand.

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, 2022, the liquidity account was composed of: 64,013 Vicat shares and €1,508 thousand in cash.

NOTE 15 PROVISIONS

15.1 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 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 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.

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.

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.

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.

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 thousands of euros)	**December 31, 2022**	December 31, 2021
Pension plans and termination benefits (TB)	37,543	45,299
Other benefits	48,812	63,230
Total pension and other post-employment benefit provisions	**86,355**	**108,529**
Plan assets	-	(719)
NET LIABILITY	**86,355**	**107,810**

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 is 11 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

(in thousands of euros)	December 31, 2022 Pension plans and TB	December 31, 2022 Other benefits	December 31, 2022 Total	December 31, 2021 Pension plans and TB	December 31, 2021 Other benefits	December 31, 2021 Total
Present value of funded liabilities	362,448	48,812	411,260	398,795	63,230	462,024
Fair value of plan assets	(388,168)	-	(388,168)	(407,531)	-	(407,531)
Net liability before asset limit	**(25,720)**	**48,812**	**23,092**	**(8,736)**	**63,230**	**54,493**
Limit on recognition of plan assets (asset ceiling)	63,263	-	63,263	53,317	-	53,317
NET LIABILITY	**37,543**	**48,812**	**86,355**	**44,581**	**63,230**	**107,810**

Analysis of net annual expense

(in thousands of euros)	2022 Pension plans and TB	2022 Other benefits	2022 Total	2021 Pension plans and TB	2021 Other benefits	2021 Total
Current service costs	(10,042)	(2,683)	(12,725)	(12,678)	(2,350)	(15,028)
Financial cost	(4,415)	(2,010)	(6,425)	(3,348)	(1,855)	(5,203)
Interest income on assets	2,946	-	2,946	2,067	-	2,067
Curtailments and settlements	(632)	-	(632)	6,734	(127)	6,607
Total Expense with income statement impact	**(12,143)**	**(4,694)**	**(16,836)**	**(7,225)**	**(4,332)**	**(11,557)**
Actuarial gains and losses on plan assets	(39,940)	-	(39,940)	(10,124)	-	(10,124)
Experience adjustments	(21,644)	3,161	(18,483)	(3,545)	5,523	1,977
Adjustments related to demographic assumptions	1,049	(327)	722	8,081	1,345	9,426
Adjustments related to financial assumptions	71,355	16,995	88,350	3,857	2,214	6,071
Total expense with impact on other comprehensive income	**10,820**	**19,829**	**30,649**	**(1,731)**	**9,081**	**7,350**
TOTAL EXPENSE FOR THE YEAR	**(1,323)**	**15,135**	**13,813**	**(8,957)**	**4,749**	**(4,208)**

Change in financial assets used to fund the plans

Pension plans and TB *(in thousands of euros)*	2022	2021
Fair value of assets at January 1st	**407,531**	**464,627**
Interest income on assets	2,946	2,067
Contributions paid	11,026	15,722
Translation differences	20,093	19,430
Benefits paid	(20,129)	9,181
Changes in consolidation scope	-	(139,832)
Actuarial gains (losses)	(33,299)	36,336
FAIR VALUE OF ASSETS AT DECEMBER 31st	**388,168**	**407,531**

Analysis of plan assets by nature and country at December 31, 2022

Breakdown of plan assets	France	Switzerland	United States	India	Total
Cash and cash equivalents	-	0.8%	-	-	2,620
Equity instruments	-	25.8%	-	-	86,602
Debt instruments	-	30.5%	-	-	102,391
Real estate assets	-	29.6%	-	-	99,367
Assets held by insurers	100%	0.1%	100%	100%	52,241
Other	-	13.4%	-	-	44,947
TOTAL	**100%**	**100%**	**100%**	**100%**	**388,168**
PLAN ASSETS *(IN THOUSANDS OF EUROS)*	**25**	**336,150**	**50,266**	**1,727**	**388,168**

Change in net liability

(in thousands of euros)	**2022**			2021		
	Pension plans and TB	**Other benefits**	**Total**	Pension plans and TB	Other benefits	Total
Net liability at January 1st	**44,579**	**63,231**	**107,810**	**47,210**	**65,509**	**112,719**
Expense for the year	1,323	(15,135)	(13,813)	8,957	(4,749)	4,208
Contributions paid	(6,589)	-	(6,589)	(9,603)	-	(9,603)
Translation differences	199	3,921	4,120	145	5,039	5,184
Benefits paid by employer	(2,008)	(2,984)	(4,992)	(2,276)	(2,568)	(4,844)
Changes in consolidation scope	-	-	-	-	-	-
Other	39	(220)	(181)	146	-	146
NET LIABILITY AT DECEMBER 31st	**37,543**	**48,812**	**86,355**	**44,579**	**63,231**	**107,810**

Principal actuarial assumptions	France	Europe (excluding France)	United States	b>Turkey and India	West Africa & the Middle East
Discount rate					
2022	3.8%	2.3% to 3.5%	5.3%	7.4% to 10%	18.0%
2021	1.0%	0.3% to 1%	3.0%	6.2% to 18.5%	4.5% to 15%
Rate of increase in medical costs					
2022	-	-	6.84% to 4.5%	-	-
2021	-	-	6.65% 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 value of the obligation at the end of 2022 corresponding to a variation of +/-50 basis points in the discount rate is €(21) million and €23.3 million, respectively.

The sensitivity of the value of the obligation at the end of 2022 corresponding to a change of +/-1% in the rate of increase of medical costs is €(5.4) million and €6.5 million, respectively.

15.2 Other provisions

Accounting policy

In accordance with IAS 37, a provision is recognized when the Group has a present obligation, 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.

Provisions are discounted when the impact is significant, booked to financial income and expenses.

(in thousands of euros)	Restoration of sites	Dismantling	Other risks[1]	Other expenses	Total
At January 1, 2021	**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)
Change in translation effect	2,006	21	1,061	361	3,449
Changes in consolidation scope	204	-	(424)	(247)	(471)
Other movements	(3)	1	(105)	1	(104)
At December 31, 2021	**61,210**	**476**	**46,678**	**6,992**	**115,355**
Increase	4,629	-	24,257	4,369	33,255
Reversal of provisions used	(3,506)	-	(11,027)	(545)	(15,078)
Reversal of unused provisions	-	-	-	(786)	(786)
Change in translation effect	1,835	23	2,122	(1,166)	2,815
Other movements	340	-	102	(21)	422
AT DECEMBER 31, 2022	**64,508**	**500**	**62,132**	**8,844**	**135,983**
of which less than one year	*31*	*-*	*6,907*	*5,632*	*12,570*
of which more than one year	*64,477*	*500*	*55,225*	*3,212*	*123,413*

Impact (net of expenses incurred) on the income statement at December 31, 2022	Increase	Reversals unused
Operating income (expense)	16,092	-
Non-operating income (expense)	17,163	(786)

(1) At December 31, 2022, other risks included:

- *The provisions recognized in Ciplan's (Brazil) financial statements for a total amount of €35.2 million (€20.7 million at December 31, 2021) 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 (€21.6 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 (€0.5 million),*
  - *a mining dispute (€11.4 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 by Vicat. This guarantee is recognized in other non-current assets for €40.8 million (see note 11.2), on the one hand, in respect of indemnifiable claims accounted for as a provision amounting to €34.1 million (€20.2 million as at December 31, 2021) and, on the other hand, in respect of tax contributions recorded as tax debts at more than one year (€6.7 million).
- *An amount of €13.9 million (€12.9 million as at December 31, 2021) 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 million as at December 31, 2022 (€13.1 million as at December 31, 2021) corresponds to the sum of other provisions that, taken individually, are not material.*

NOTE 16 NET DEBT AND FINANCIAL INSTRUMENTS

16.1 Net financial liabilities and put options

Financial liabilities as at December 31, 2022 break down as follows:

(in thousands of euros)	December 31, 2022	December 31, 2021
Financial liabilities at more than one year	1,658,657	1,274,493
Put options at more than one year	14,116	16,941
Lease liabilities at more than one year	161,045	159,883
Financial liabilities and put options at more than one year	**1,833,817**	**1,451,317**
Financial instrument assets at more than one year - see note 11	(37,571)	-
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENTS ASSETS AT MORE THAN ONE YEAR	**1,796,246**	**1,451,317**
Financial liabilities at less than one year	242,161	371,119
Lease liabilities at less than one year	47,537	55,502
Financial liabilities and put options at less than one year	**289,698**	**426,621**
Financial instrument assets at less than one year [(1)]	(1,527)	(15,892)
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENTS ASSETS AT LESS THAN ONE YEAR	**288,171**	**410,729**
Total financial liabilities net of financial instruments assets [(1)]	2,070,302	1,845,105
Total put options	14,116	16,941
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENTS ASSETS	**2,084,417**	**1,862,046**

(1) At December 31, 2022, financial instrument assets (€39 million at December 31, 2022) are presented either under non-current assets (see note 11.2), for the portion that is more than one year (€37.7 million at December 31, 2022) or under other receivables, for the portion that is less than one year (€1.3 million at December 31, 2022).

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, 2021	**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**
Issues	419,811	-	48,390	42,387	-	7,394	517,981
Repayments	(9,624)	-	(13,743)	(128,703)	-	(44,671)	(196,741)
Change in translation effect	5,332	-	1,520	(25,282)	601	(437)	(18,265)
Changes in consolidation scope	-	-	-	-	-	-	-
Other movements	(34,180)	(37,571)	(35,005)	(17,360)	13,764	29,749	(80,603)
AT DECEMBER 31, 2022	**1,672,772**	**(37,571)**	**161,045**	**242,161**	**(1,527)**	**47,537**	**2,084,417**

(in thousands of euros)	December 31, 2022	December 31, 2021
Gross indebtedness	2,070,302	1,845,105
Cash and cash equivalents (see note 13.1)	(503,597)	(527,393)
NET INDEBTEDNESS	**1,566,705**	**1,317,712**

16.1.1. Financial liabilities

Analysis of financial liabilities by category and maturity

At December 31, 2022 *(in thousands of euros)*	Total	2023	2024	2025	2026	2027	More than 5 years
Bank borrowings and financial liabilities	1,783,092	167,717	241,008	700,896	146,297	1,383	525,790
Of which financial instrument assets	*(39,098)*	*(1,527)*	*(7,703)*	-	*(5,665)*	*(21,843)*	*(2,360)*
Of which financial instrument liabilities	*675*	*316*	*71*	-	*55*	*211*	*22*
Miscellaneous borrowings and financial liabilities	25,644	19,933	3,308	564	773	773	295
Lease liabilities	208,580	47,537	33,136	23,589	17,762	12,220	74,337
Current bank lines and overdrafts	52,986	52,986	-	-	-	-	-
FINANCIAL LIABILITIES	**2,070,302**	**288,172**	**277,452**	**725,049**	**164,832**	**14,375**	**600,422**
of which commercial paper	*438,500*	-	-	*438,500*	-	-	-

At 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 revolving bilateral lines in Senegal and in Turkey, IFRS 16 debts, and bank credit balances.

Reconciliation of financial liabilities with the cash flow statement

	Monetary change			Non-monetary change			
(in thousands of euros)	Opening	Issues	Repayments	Exchange rate fluctuations	Changes in consolidation scope	Other movements	Total
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**	**331,442**	**(193,085)**	**(6,486)**	**4,616**	**92,491**	**1,862,046**
Financial liabilities and put options > 1 year	1,291,434	419,811	(9,624)	5,332	-	(34,180)	1,672,772
Financial instrument assets > 1 year	-	-	-	-	-	(37,571)	(37,571)
Lease liabilities > 1 year	159,883	-	(13,743)	1,520	-	13,384	161,045
Financial liabilities and put options < 1 year	371,119	42,387	(128,703)	(25,282)	-	(17,360)	242,161
Financial instrument assets < 1 year	(15,892)	-	-	601	-	13,764	(1,527)
Lease liabilities < 1 year	55,502	-	(44,671)	(437)	-	37,143	47,537
AT DECEMBER 31, 2022	**1,862,046**	**462,197**	**(196,741)**	**(18,265)**	**-**	**(24,819)**	**2,084,418**

Characteristics of borrowings and financial liabilities (currencies and interest rates)

By currency (net *of currency swaps*) *(in thousands of euros)*	December 31, 2022	December 31, 2021
Euro	1,624,715	1,370,835
US dollar	38,201	42,258
Turkish lira	58,426	40,506
CFA Franc	124,571	148,715
Swiss franc	103,943	68,681
Mauritanian ouguiya	5,274	3,562
Egyptian pound	30,364	92,064
Indian rupee	34,288	34,300
Kazakh tenge	288	379
Brazilian real	50,231	43,806
TOTAL	**2,070,302**	**1,845,105**

By interest rate *(in thousands of euros)*	December 31, 2022	December 31, 2021
Fixed rate	1,020,965	957,571
Floating rate	1,049,336	887,534
TOTAL	**2,070,302**	**1,845,105**

The average interest rate on gross debt at December 31, 2022 was 3.56%, up compared to December 31, 2021 from 3.12%. The average maturity of the debt at December 31, 2022 was 4.9 years, unchanged on December 31, 2021.

16.1.2. 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 exercise 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 share of the Group is calculated on the basis of the percentage held in the subsidiaries in question, 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 factor relevant 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, 2022, 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 €14.1 million at December 31, 2022, corresponding to the present value of their exercise prices.

16.2 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.

Impairment of receivables is based on the expected 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, etc.

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.

Hedge accounting for an asset/liability/firm commitment or cash flow is applicable if:

- The hedging relationship is formally designated and documented;
- The effectiveness of the hedging relationship is demonstrated at 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.

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

Derivative financial instruments are valued at their balance sheet fair value and estimated using 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. 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.

During 2022, the deterioration in the macroeconomic environment with a surge in inflation did not call into question the risk management policy relative 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, 2022:

(in thousands of euros)	USD	EUR	CHF
Assets	196,074	89,134	86,353
Liabilities and contracted commitments	(206,246)	(112,424)	(6,768)
Net position before risk management	**(10,172)**	**(23,290)**	**79,585**
Hedging instruments	(12,659)	3,500	(84,493)
Net position after risk management	**(22,831)**	**(19,790)**	**(4,908)**

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.

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 documented certain of these cash flow hedging caps at July 1, 2022 and applied the accounting treatment related to this type of hedging (see accounting policy). This reclassification mainly led over the period to:

- an expense of €(1.9) million recorded as a financial expense corresponding to the amortization at fair value of the CAPs booked to the income statement at June 30, 2022 for an amount of €16.6 million;
- a change in the fair value of these instruments amounting to €13 million booked to equity (other comprehensive income).

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	(6,600)	(435)
Impact of a -100 bps. change in the interest rate	6,098	435

(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, 2022, the Group had €370 million in unutilized confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€462 million as at December 31, 2021).

The Group also has a €550 million commercial paper issue program. At December 31, 2022, the amount of commercial paper issued stood at €439 million. Commercial papers which constitute short-term credit instruments are backed by lines of credit confirmed for the issued amount and are therefore hedged against the impossibility of placing them in the market, and are treated as such in medium-term financial debts in the consolidated balance sheet.

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 (53.8%) and leverage (2.75) 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, 2022, 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 2022:

(in thousands of foreign currency)	Nominal value *(in foreign currency)*	Nominal value *(in euros)*	Market value *(in euros)*	Residual maturity < 1 year *(in euros)*	1 - 5 years *(in euros)*	> 5 years *(in euros)*
CASH FLOW HEDGES [A]						
Interest rate instruments						
■ Euro Caps	€714,500	714,500	38,794	1,503	34,907	2,384
FOREIGN EXCHANGE INSTRUMENTS [A]						
Hedging for foreign exchange risk on intra-group loans						
■ VAT $	$ 193,000	180,949	77	77		
■ VAT CHF	CHF 83,200	84,493	(170)	(170)		
TOTAL		**979,942**	**38,701**	**1,410**	**34,907**	**2,384**

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, 2022:

(in millions of euros)	December 31, 2022
Level 1: instruments quoted on an active market	-
Level 2: valuation based on observable market information	38.7
Level 3: valuation based on non-observable market information (see note 11)	47.6

NOTE 17 CURRENT LIABILITIES

17.1 Trade payables and related accounts

(in thousands of euros)	December 31, 2022	December 31, 2021
Opening	**459,647**	**375,329**
Changes	89,571	88,335
Change in translation effect	(8,821)	(1,464)
Changes in consolidation scope	3	(2,455)
Other movements	(27)	(98)
CLOSING	**540,374**	**459,647**

17.2 Other liabilities

(in thousands of euros)	December 31, 2022	December 31, 2021
Payroll liabilities	83,556	76,547
Tax liabilities	92,815	71,602
Other liabilities and accrued expenses	108,010	126,558
TOTAL	**284,381**	**274,707**

NOTE 18 CASH FLOWS

18.1 Net cash flows from operating activities

Net cash flows from operating activities conducted by the Group in 2022 totaled €357 million, compared with €439 million as at December 31, 2021.

This reduction in cash flows generated by operating activities between 2022 and 2021 is mainly due to a change in working capital of €(55) million compared to 2021, resulting from higher sales as well as the increase in raw material procurement costs and the decline in cash flow from operations of €(27) million.

(in thousands of euros)	Working capital January 1, 2021	Change in working capital	Other changes	Working capital December 31, 2021	Change in working capital	Other changes	**Working capital December 31, 2022**
Inventories	354,937	93,682	(19,376)	429,243	138,032	(6,481)	560,794
Other Working capital components	(45,662)	(45,008)	3,179	(87,491)	(33,900)	32,865	(88,526)
WORKING CAPITAL	**309,275**	**48,674**	**(16,197)**	**341,752**	**104,132**	**26,384**	**472,268**

18.2 Net cash flows from investing activities

Net cash flows from investing activities conducted by the Group in 2022 were €(478) million, compared with €(443) million in 2021.

Acquisitions of property, plant and equipment and intangible assets

These reflect net outflows for industrial investments (€408 million in 2022 and €376 million in 2021) mainly corresponding, in 2022 and 2021, to investments made in the United States, Senegal and France.

Acquisition/disposal of shares in consolidated companies

Transactions involving the acquisition/disposal of consolidated companies carried out in 2022 resulted in total outflows of €(45) million. The main outflows over the period related to the acquisitions of majority interests in Turkey and France as well as the acquisition of a minority interest in a Brazilian subsidiary.

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 geographic regions 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 geographical area is the 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: Operating revenue and consolidated revenue, EBITDA and recurring 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, 2022 *(in thousands of euros except workforce)*	France	Europe (excluding France)	Americas	Asia	Mediterranean	Africa	Total
Income statement							
Operating revenue	1,217,775	391,328	859,532	499,958	374,081	345,293	3,687,966
Inter-country eliminations	(40,299)	(3,280)	-	(94)	-	(2,231)	(45,903)
Consolidated revenue	1,177,476	388,048	859,532	499,864	374,081	343,062	3,642,063
EBITDA (see Definition of management indicators)	171,803	85,250	135,001	98,305	43,799	35,962	570,120
Recurring EBIT (see Definition of management indicators)	75,101	50,950	72,212	64,328	19,806	2,068	284,465
Balance sheet							
Total non-current assets	943,417	672,119	1,362,105	668,107	355,543	593,427	4,594,719
Net capital employed[1]	934,496	553,543	1,060,014	645,295	386,731	631,963	4,212,041
Other information							
Acquisitions of property, plant and equipment and intangible assets	143,015	36,330	164,769	26,854	26,389	84,740	482,098
Net depreciation and amortization charges	(95,642)	(33,931)	(61,788)	(33,882)	(23,536)	(31,868)	(280,649)
Average workforce at December 31st	3,282	711	2,216	1,227	1,352	957	9,745

December 31, 2021 *(in thousands of euros except workforce)*	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	3,171,176
Inter-country eliminations	(31,359)	(2,761)	-	(80)	-	(14,036)	(48,236)
Consolidated revenue	1,073,977	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
Recurring 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	535,501	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	67,663	455,797
Net depreciation and amortization charges	(88,996)	(34,645)	(53,429)	(32,300)	(16,817)	(32,262)	(258,449)
Average workforce at December 31st	3,071	725	2,161	1,216	1,353	950	9,476

(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.

Information by business segment

December 31, 2022 (in thousands of euros)	Cement	Concrete & Aggregates	Other Products and Services	Total
Income statement				
Operating revenue	2,296,140	1,398,356	454,016	4,148,512
Inter-segment eliminations	(331,787)	(35,697)	(138,965)	(506,449)
Consolidated revenue	1,964,353	1,362,659	315,051	3,642,063
EBITDA (see Definition of management indicators)	411,282	131,600	27,238	570,120
Recurring EBIT (see Definition of management indicators)	232,577	41,608	10,280	284,465
Balance sheet				
Net capital employed(1)	3,034,185	1,005,667	172,190	4,212,041

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	3,557,644
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	29,594	619,118
Recurring EBIT (see Definition of management indicators)	300,016	48,883	11,024	359,922
Balance sheet				
Net capital employed(1)	2,841,342	951,101	214,043	4,006,486

(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.

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 2022 was as follows:

Guy Sidos: €1,695,626 and Didier Petetin: €527,455.

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.

Furthermore, to partially offset the loss of the supplemental pension plan ("article 39"), a free share allocation plan was implemented during 2021. The two company officers mentioned above benefited from this, as well as the few managers who benefited from this supplemental pension plan. Pursuant to the free share plan, during 2022, Guy Sidos acquired 13,078 shares at a unit price of €30.55 and Didier Petetin acquired 824 shares at a unit price of €30.55.

Outside of this free share plan, no stock or stock options have been granted to the above company officers with the exception of any income 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 2022 and 2021 is as follows, broken down by type of related party:

	December 31, 2022				December 31, 2021			
(in thousands of euros)	Sales	Purchases	Receivables	Payables	Sales	Purchases	Receivables	Payables
Associates	4,251	2,689	5,518	972	3,359	1,424	3,542	2,294
Other related parties	-	1,224	-	120	29	1,200	1	-
TOTAL	**4,251**	**3,913**	**5,518**	**1,092**	**3,388**	**2,624**	**3,543**	**2,294**

NOTE 21 AUDIT FEES

Fees paid to statutory auditors and other professionals in their networks in 2022 financial statements of Vicat SA and its fully consolidated subsidiaries:

2022	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	1,051	45%	441	19%	866	37%
■ Vicat SA	337	59%	231	41%	-	-
■ Controlled entities	714	40%	210	12%	866	48%
Services other than the certification of the financial statements	8	21%	12	31%	18	47%
■ Vicat SA	-	-	1	100%	-	-
■ Controlled entities	8	22%	11	30%	18	49%
Subtotal Audit	**1,059**	**44%**	**453**	**19%**	**884**	**37%**
OTHER SERVICES						
Legal, tax, employment and other matters	3	1%	-	-	406	99%
Subtotal Other services	**3**	**1%**	**-**	**-**	**406**	**99%**
TOTAL	**1,062**	**38%**	**453**	**16%**	**1,290**	**46%**

NOTE 22 SUBSEQUENT EVENTS

No post-balance sheet event has had a material impact on the consolidated financial statements as at December 31, 2022.

NOTE 23 LIST OF MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2022

Fully consolidated: France

			% interest	
Company	Country	City	December 31, 2022	December 31, 2021
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	(1)	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	(1)	99.97
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

(1) Merged entities.

Fully consolidated: Rest of the world

			% interest	
Company	Country	City	December 31, 2022	December 31, 2021
CIPLAN	Brazil	Brasilia	76.18	74.13
VICAT BRASIL	Brazil	Brasilia	100.00	100.00
SINAÏ CEMENT COMPANY	Egypt	Cairo	67.18	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

Company	Country	City	% interest December 31, 2022	% interest December 31, 2021
SOCOCIM INDUSTRIES	Senegal	Rufisque (Dakar)	99.90	99.90
ALTOLA AG	Switzerland	Olten (Solothurn)	100.00	100.00
KIESWERK AEBISHOLZ AG	Switzerland	Aebisholz (Soleure)	100.00	100.00
BÉTON AG BASEL	Switzerland	Basel	100.00	100.00
BÉTON AG INTERLAKEN	Switzerland	Interlaken (Bern)	75.42	75.42
BETONPUMPEN OBERLAND SA Aaretal	Switzerland	Wimmis (Bern)	82.46	82.46
EMME KIES + BÉTON AG	Switzerland	Lützelflüh (Bern)	66.67	66.67
MITTELAND BETON AG	Switzerland	Flumenthal (Solothurn)	88.94	88.94
FRISCHBETON LANGENTHAL AG	Switzerland	Langenthal (Bern)	81.17	81.17
FRISCHBETON THUN AG	Switzerland	Thoune (Bern)	53.48	53.48
KIESTAG KIESWERK STEINIGAND AG	Switzerland	Wimmis (Bern)	98.55	98.55
KIES NEUENDORF AG	Switzerland	Neuendorf (Soleure)	50.00	50.00
SABLES + GRAVIERS TUFFIÈRE SA	Switzerland	Hauterive (Fribourg)	50.00	50.00
SHB STEINBRUCH + HARTSCHOTTER WERK BLAUSEE MITHOLZ AG	Switzerland	Kandergrund (Bern)	98.55	98.55
SOLOTHURNER ENTSORGUNGS GESELLSCHAFT AG	Switzerland	Flumenthal (Solothurn)	100.00	100.00
SONNEVILLE AG	Switzerland	Deitingen (Solothurn)	100.00	100.00
VIGIER BÉTON JURA SA	Switzerland	Belprahon (Bern)	84.81	84.81
VIGIER BÉTON KIES SEELAND AG	Switzerland	Lyss (Bern)	100.00	100.00
VIGIER BÉTON MITTELLAND AG	Switzerland	Flumenthal (Solothurn)	100.00	100.00
VIGIER BÉTON ROMANDIE SA	Switzerland	St. Ursen (Fribourg)	100.00	100.00
VIGIER BÉTON SEELAND JURA AG	Switzerland	Safnern (Bern)	94.24	94.24
VIGIER CEMENT AG	Switzerland	Péry-La Heutte (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 AG	Switzerland	Müntschemier (Bern)	100.00	100.00
VIGIER TRANSPORT AG	Switzerland	Bellach (Soleure)	100.00	100.00
VITRANS AG	Switzerland	Péry-La Heutte (Bern)	100.00	100.00
BASTAS BASKENT CIMENTO	Turkey	Ankara	91.60	91.60
BASTAS HAZIR BÉTON	Turkey	Ankara	91.60	91.60
BIKILTAS ENERJI PETROL MADENCILIK INSAAT AS	Turkey	Konya	100.00	(1)
KONYA CIMENTO	Turkey	Konya	83.08	83.08
KONYA HAZIR BÉTON	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	99.99	99.99

(1) Equity accounted entity at December 31, 2021.

Equity method: France

Company	Country	City	% interest December 31, 2022	% interest December 31, 2021
ALTèreNATIVE	France	L'Isle d'Abeau	49.99	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 ABBE 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, 2022	% interest December 31, 2021
HYDROELECTRA AG	Switzerland	St. Gall	50.00	50.00
GRAVIÈRE DE LA-CLAIE-AUX-MOINES SA	Switzerland	Savigny	35.00	-
PROBÉTON	Switzerland	Vernier	50.20	50.20
SILO TRANSPORT AG	Switzerland	Bern	50.00	50.00
SINAÏ WHITE CEMENT	Egypt	Cairo	17.06	14.27
PLANALTO	Brazil	Brasilia	37.33	36.32
VITO RECYCLING SA	Switzerland	Péry-la Heutte	50.00	50.00
BIKILTAS ENERJI PETROL MADENCILIK INSAAT AS	Turkey	Selcuklu/Konya	(1)	50.00

(1) Fully consolidated entity starting from 2022.

7.1.3 Statutory auditors' report on the consolidated financial statements

Year ended December 31, 2022

To the shareholders of Vicat SA,

Opinion

In compliance with the engagement entrusted to us by the annual general meeting, we have audited the accompanying consolidated financial statements of Vicat SA for the year ended December 31, 2022.

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 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 January 1, 2022 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

Pursuant to 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.

Impairment test of goodwill, intangible assets and property, plant and equipment (non-financial assets)

Description of the risk identified:

Goodwill, intangible assets and property, plant and equipment have net book values at December 31, 2022 of €1,205 million, €183 million and €2,505 million, respectively, and represent a significant amount of the consolidated balance sheet. These assets are accounted and described in Notes 2.2 – Business combinations, 10.1 – Goodwill, 10.2 – Others intangible assets, 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 forecasts and consequently on the determination of the recoverable amounts of these assets.

Management performs impairment tests if 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 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. Value in use is valued according to the discounted future cash flow projections method over a period of 10 years, plus the terminal value calculated on the basis of a projection to perpetuity of the operating cash flow for the final 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 value 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 CGUs, 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 availability, external data of other companies in the same business sector.

We also paid particular attention to determining the normative cash flow. 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 the calculation of 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 proceeding in India against one of the Group's partner in Bharati Cement.

As indicated in note 15.2, The Group is recording a provision when it has a present obligation, 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 was subject to precautionary seizures in 2015 and 2016 due to an inquiry by the CBI (Central Bureau of Investigation) against a Group partner for an amount of approximately €33.6 million as at December 31, 2022 (€34 million as at December 31, 2021). These amounts, not available to the company until the completion of the on-going proceedings, are booked in other non-current receivables.

The company is appealing to the administrative and judicial authorities. Any related contingent liability cannot 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 subsidiaries, and have performed a critical review of the Group estimates in relation with the documentation analyzed, the external attorneys legal documentation, and the information provided on the main ongoing proceedings and their potential financial incidence, as communicated 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 these proceedings, examining the available procedural elements as well as the legal opinions issued by the Group's law firm;
- exercised our professional judgment to assess, in particular, the positions held by the Group 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 certify that the consolidated statement of extra-financial performance provided for in article L.225-102-1 of the French Commercial Code is included in the information on the Group provided in the 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 audited by an independent third party.

Other verifications or information required by law and regulations

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 standards applicable in France relating to the procedures performed by the statutory auditors relating to the annual and consolidated financial statements presented in the European single electronic format, that the format defined in EU Delegated Regulation no. 2019/815 of December 17, 2018 was followed in 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 the Chairman and Chief Executive Officer of Vicat SA. With regard to consolidated financial statements, our work includes ensuring that the tagging of these financial statements complies with the format defined by the abovementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic reporting format.

Due to the technical limits inherent in the tagging of consolidated financial statements using the European Single Electronic Format (ESEF), it is possible that the content of certain tags in the notes may not be rendered identically to the consolidated financial statements accompanying this report.

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 SA by the ordinary general meeting held on November 25, 1983 for KPMG SA and on May 16, 2007 for Wolff & Associés S.A.S.

As at December 31, 2022, KPMG SA and Wolff & Associés S.A.S. were in the 40th year and 15th 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 financial statements.

As specified by article 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 auditors exercise professional judgment throughout the audit. 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 auditors conclude 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 are inadequate, to state reservations or to refuse to certify;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these consolidated financial 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 auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these 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 we have identified regarding the accounting and financial reporting procedures.

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

Lyon, February 15, 2023	Chamalières, February 15, 2023
KPMG Audit	**Wolff & Associés S.A.S.**
Philippe Massonnat	Grégory Wolff
Partner	*Partner*

7.2 STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2022

7.2.1 Vicat SA statutory financial statements at December 31, 2022

Income statement

(in thousands of euros)	2022	2021
Production of goods sold	479,965	429,405
Production of services sold	61,829	50,759
Sale of goods	1,753	4,636
Net revenue	**543,548**	**484,801**
Stored production	6,360	901
Capitalized production	3,714	3,948
Operating subsidy	546	341
Reversals of provisions, depreciation and amortization, expense transfers	5,453	6,729
Other income	5,197	5,227
Operating income	**564,817**	**501,947**
Purchases and external expenses	367,512	300,760
Taxes	13,767	12,723
Wages and payroll taxes	86,556	78,011
Depreciation expenses	35,695	32,077
Other operating expenses	1,810	1,251
Operating expenses	**505,341**	**424,823**
Operating income (expense)	**59,476**	**77,125**
Income from investments in subsidiaries and affiliates	69,069	64,111
Other interest and similar income	20,175	8,834
Reversals of provisions and expense transfers	627	2,554
Positive exchange rate differences	952	355
Financial income	**90,822**	**75,855**
Depreciation, amortization and provisions	10,461	248
Interest and similar expenses	27,688	16,221
Negative exchange rate differences	495	536
Net expenses on disposal of short-term financial investments	-	-
Financial expenses	**38,644**	**17,005**
Financial income	**52,179**	**58,850**
PROFIT FROM ORDINARY ACTIVITIES	**111,654**	**135,975**
Exceptional income on management transactions	4	1
Exceptional income on capital transactions	2,294	4,427
Reversals of provisions and expense transfers	9,760	8,814
Exceptional income	**12,058**	**13,068**
Exceptional expenses on management transactions	14	(187)
Exceptional expenses on capital transactions	3,714	3,039
Depreciation, amortization and provisions	18,408	13,668
Exceptional expenses	**22,135**	**16,521**
EXCEPTIONAL INCOME (EXPENSES)	**(10,077)**	**(3,453)**
Employee profit-sharing	2,379	3,260
Income tax	2,746	16,515
NET INCOME	**96,453**	**112,747**

Balance sheet at December 31, 2022

(in thousands of euros)	2022 Gross	2022 Depreciation, amortization and impairment	2022 Net	2021
Assets				
Development expenses	265	32	233	-
Concessions, patents, licenses and similar rights	54,262	36,803	17,459	13,304
Goodwill	7,747	1,624	6,123	6,177
Other intangible assets	6,827	680	6,147	8,722
Intangible assets	**69,101**	**39,138**	**29,962**	**28,204**
Land	74,945	13,057	61,889	61,006
Buildings	192,294	155,222	37,073	37,323
Plant, machinery and equipment	684,161	566,154	118,008	106,665
Other property, plant and equipment	16,590	14,507	2,082	963
Property, plant and equipment in progress	60,531	-	60,531	47,071
Advances and prepayments	9	-	9	88
Property, plant and equipment	**1,028,530**	**748,939**	**279,591**	**253,115**
Investments in associated companies	2,249,875	7,514	2,242,361	2,197,775
Receivables related to investments in associated companies	1,597	-	1,597	1,565
Other receivables from subsidiaries and associates	23,421	6,291	17,130	10,019
Loans	265,442	-	265,442	230,080
Other financial investments	20,714	13,538	7,175	12,181
Financial investments	**2,561,049**	**27,343**	**2,533,705**	**2,451,619**
Intangible and tangible fixed assets	**3,658,680**	**815,420**	**2,843,259**	**2,732,938**
Raw materials and other supplies	91,467	9,343	82,123	65,164
Products in progress	5	-	5	-
Services in progress	-	-	-	-
Intermediate and finished products	28,916	-	28,916	22,577
Goods	779	-	779	252
Inventories and work-in-progress	**121,167**	**9,343**	**111,823**	**87,994**
Advances and prepayments on orders	813	-	813	1,247
Trade receivables and related accounts	86,162	122	86,041	104,786
Other receivables	485,032	194	484,839	446,293
Short-term financial investments	16,304	3,581	12,723	15,014
Cash	4,948	-	4,948	7,483
Prepaid expenses[1]	5,187	-	5,187	3,615
Current assets	**598,447**	**3,896**	**594,551**	**578,437**
Expenses to be allocated over several years	905	-	905	919
TOTAL ASSETS	**4,379,198**	**828,660**	**3,550,538**	**3,400,288**
(1) Of which more than one year (gross).	-			-

(in thousands of euros)	2022	2021
Shareholders' equity and liabilities		
Share capital	179,600	179,600
Share premium	11,207	11,207
Revaluation reserve	10,897	10,940
Reserves:		
▪ Legal reserve	18,708	18,708
▪ Regulated reserves	112	112
▪ Other reserves	1,226,159	1,187,464
Retained earnings	247,048	246,034
Net income for the year	96,453	112,747
Investment grants	4,895	2,656
Regulated provisions	76,465	70,431
Shareholders' equity	**1,871,545**	**1,839,899**
Provisions for risks	1,149	716
Provisions for charges	57,233	49,969
Provisions	**58,383**	**50,685**
Bank borrowings and financial liabilities	1,378,848	1,222,992
Miscellaneous borrowings and financial liabilities	260	270
Trade payables and related accounts	81,535	87,592
Tax and employee-related payables	26,942	27,055
Debts on non-current assets and related accounts	5,627	10,821
Other liabilities	126,324	160,974
Deferred income[1]	1,075	-
Debts	**1,620,610**	**1,509,704**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,550,538**	**3,400,288**
(1) Of which more than one year (gross).	-	-

7.2.2 Notes to the 2022 statutory financial statements

Contents

NOTE 1 SIGNIFICANT EVENTS

Regarding the Group's financing:

- the second tranche of the Private Placement (USPP) arranged with leading US investors on November 15, 2021, was released on February 15, 2022 and amounted to €150 million. This tranche has a maturity of 15 years (2036) and 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;
- Vicat SA also agreed a three-year bilateral credit facility with BPI France on September 26, 2022. This €30 million facility is available to the Group at a floating rate of EURIBOR 3-months plus a spread;
- Vicat SA repaid, upon maturity on December 1, 2022, the final tranche of the Private Placement (USPP) arranged in 2010. The amount repaid totaled €90.7 million.

In addition, Vicat SA carried out an assignment without recourse of €44.8 million of its receivables at December 31, 2022. This amount has been deducted from the trade receivables being an assignment without recourse.

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 are not amortized.

Research costs are expensed.

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 reevaluated.

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 estimation 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 allowances

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 allowances.

According to this method, provided the allowances are intended to fulfill the obligations related to emissions (production model):

- allowances 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.

Since Vicat today has only the allowances allocated free of charge by the State under National Allowances 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 Financial instruments

Vicat SA, as a holding company, draws up a risk management policy covering both interest rates and foreign currencies in order to hedge against the economic risks to which it is exposed. In accordance with ANC Regulation no. 2015-05, derivatives are measured at each annual reporting date. It is important to consider two separate scenarios:

- Individual open positions: these are derivatives that do not qualify for hedge accounting. These instruments are initially recognized on the balance sheet at their nominal value (offset for the same amount in a balance sheet account) and subsequently remeasured at their market value at each reporting date. A provision for risks is booked whenever an unrealized loss is recognized on this instrument (in line with the principle of prudence, unrealized gains are not, however, recognized in profit or loss);
- Ordinary hedges: these are derivatives that qualify for hedge accounting. When such instruments are arranged, they are recognized as off-balance sheet commitments at their nominal value. The interest coupons and premiums are recognized under financial income symmetrically to the hedged item.

2.11 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". Additional provisions for risks are funded for non-offset unrealized currency losses.

2.12 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 12.12% in 2022, breaking down as follows:

	2022			
(in thousands of euros)	France	Rest of the world	Total	2021
Sale of products	436,040	43,925	479,965	429,405
Sale of services	37,346	24,483	61,829	50,759
Sale of goods	1,625	128	1,753	4,636
TOTAL	**475,011**	**68,537**	**543,548**	**484,801**

3.2 Operating income (expense)

Operating income (expense) of €59,476 thousand was down €17,649 thousand on 2021 primarily due to the sharp increase in raw material prices and energy costs.

3.3 Financial income

Financial income fell €6,671 thousand in 2022 (net income of €52,179 thousand in 2022 compared with €58,850 thousand in 2021).

3.4 Exceptional income (expenses)

Exceptional expense stood at €(10,077) thousand in 2022 compared with an expense of €(3,453) thousand in 2021. This change was primarily due to the rise in the price increase provision of €(8,886) thousand compared with €(6,113) thousand in 2021, the rise in the loss-making subsidiary provision of €(4,480) thousand compared with €(1,200) thousand in 2021, as well as a deterioration in the gains (losses) on disposal of treasury shares of €1,313 thousand.

3.5 Income tax

At December 31, 2022 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	111,654	(4,810)	(327)	106,517
Exceptional expense (and employee profit-sharing)	(12,456)	2,315	77	(10,064)
ACCOUNTING PROFIT (LOSS)	**99,198**	**(2,495)**	**(250)**	**96,453**

The impact of special tax-based valuations on 2022 profit (loss) are as follow:

Headings *(in thousands of euros)*	Increase	Reversals	Amount
Net income for the year	-	-	96,452
Income tax[1]	-	-	2,495
Social security contributions	-	-	250
Profit (loss) before tax	-	-	**99,197**
Change in special tax depreciation	4,756	(7,533)	(2,777)
Change in the special revaluation provision	-	(55)	(55)
Change in price increase provision	8,866	-	8,866
Subtotal	**13,622**	**(7,588)**	**6,035**
Profit (loss) excluding special tax-based valuations (before tax)	**-**	**-**	**105,231**

(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 agreement with itself as parent company. This option impacts 23 companies, nine of which joined this financial year. 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 2022, this saving amounted to €4.28 million.

The expenses referred to under articles 223 *(c)* and 39.4 of the French General Tax Code amounted to €140 thousand in respect of 2022.

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 2022:

Headings *(in thousands of euros)*	Amount
Tax owing on:	
■ Price increase provisions	4,454
■ Special tax depreciation	14,665
Total increase	**19,119**
Tax paid in advance on expenses that are deductible the following year	1,619
of which employee profit-sharing:	*626*
Total relief	**1,619**
Net deferred tax	**17,501**

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	63,735	5,555	1,131	942	69,101
Total intangible assets	**63,735**	**5,555**	**1,131**	**942**	**69,101**
Land and improvements	73,291	430	96	1,320	74,945
Buildings and improvements	188,543	924	22	2,849	192,294
Plant, machinery and equipment	654,023	12,963	110	17,286	684,162
Other property, plant and equipment	14,802	408	75	1,455	16,590
Property, plant and equipment in progress	47,071	37,233	-	(23,773)	60,531
Advances and prepayments	88	-	-	(79)	9
Total property, plant and equipment	**977,818**	**51,958**	**303**	**(942)**	**1,028,531**
TOTAL	**1,041,553**	**57,513**	**1,434**	**-**	**1,097,633**

The main changes in property, plant and equipment and intangible assets are related to:

- Xeuilley - Argilor FLS Contract for €11,454 thousand;
- Montalieu – New Hall Clinker for €7,635 thousand;
- Chambéry – Refurbishment of cement silos for €1,181 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 €26,763 thousand.

Depreciation

(in thousands of euros)	Opening gross amount	Increase	Decrease	Reclassification	Closing depreciation
Development expenses, concessions, patents, goodwill and others	35,531	3,607	-	-	39,138
Total intangible assets	**35,531**	**3,607**	**-**	**-**	**39,138**
Land and improvements	11,922	771	-	-	12,693
Buildings and improvements	150,983	4,038	22	-	154,999
Plant, machinery and equipment	546,191	19,129	23	-	565,297
Other property, plant and equipment	13,839	718	50	-	14,507
Total property, plant and equipment	**722,935**	**24,657**	**95**	**-**	**747,497**
TOTAL	**758,466**	**28,264**	**95**	**-**	**786,635**

The impairment of non-current assets comes on top of depreciation and totaled €1,442 thousand. It was mainly related to industrial equipment at the paper business for €1,079 thousand.

Research & development costs recorded in expenses for the financial year and eligible for CIR (research and innovation tax credit) amounted to €4,266 thousand in 2022 (compared with €4,329 thousand in 2021). These include €3,157 thousand for internal costs (depreciation, staff and operating costs) and €1,109 thousand for work commissioned to external organizations.

4.2 Financial investments

Gross amount

(in thousands of euros)	Opening gross amount	Increase Contribution	Decrease	Closing gross amount
Investments in associated companies	2,205,037	44,853	14	2,249,875
Receivables related to investments in associated companies	1,565	32	-	1,597
Other receivables from subsidiaries and associates	10,019	13,402	-	23,421
Loans	230,080	35,371	10	265,441
Other financial investments	25,373	60	4,719	20,714
TOTAL	**2,472,074**	**93,718**	**4,743**	**2,561,048**

Gross financial investments increased by €88,974 thousand, mainly as a result of:

- changes in investments in associated companies:
  - Of which new investments: 14,745
  - Of which subscriptions to capital increases: 43,528
- the change in other financial investments: with the allocation of treasury shares to current assets for ....(4,300)
- the change in medium-and long-term VIGIER and NCC loans: 35,361

Investments in associated companies break down as follows at December 31:

(in thousands of euros)		Amount
1. Affiliates whose (gross) market value is equal to or greater than €16,000		
4,393,013	PARFICIM shares	1,423,624
1,749,418	BÉTON TRAVAUX shares	88,884[(1)]
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
1,175,000	HAFFNER ENERGY shares	9,400
368,550	GENVIA shares	2,690
34,374	VALERCO shares	1,210
10	OL Group debt securities	1,000
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	98
34,000	GYPSE DE MAURIENNE shares	104
500	ECOMINERO shares	50
1,654	SIGMA units	29
		1,616,428
2. Affiliates whose market value is less than € 16,000		**34**
3. Investments in foreign companies		**656,834[(2)]**
TOTAL		**2,273,296**
(1) Of which increase following revaluation.		*1,308*
(2) Of which increase following revaluation.		*429*

Loans and other gross financial investments amounted to €287,753 thousand and have a term of more than one year.

Impairment

(in thousands of euros)	Opening impairment	Increase	Reversals	Closing impairment
Investments in associated companies	7,263	251	-	7,514
Other financial investments	13,192	6,638	-	19,829
TOTAL	**20,455**	**6,889**	**-**	**27,344**

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:

- 64,013 treasury shares representing a net value of €1,507 thousand;
- €764 thousand in cash.

Under this agreement, 648,867 shares were purchased in 2022 for €18,366 thousand and 638,459 shares were sold for €18,767 thousand.

At December 31, 2022, financial investments included 292,516 treasury shares totaling €20,190 thousand, in addition to 351,044 treasury shares classified as short-term financial investments (see note 4.5).

It should be noted that at December 31, 2022, net financial expense included a net increase in provisions for impairment of treasury shares of €(3,919) thousand (compared to a reversal of €14,262 thousand in 2021).

4.3 Inventories and work-in-progress

(in thousands of euros)	2022			2021		
	Gross	**Provision**	**Net**	Gross	Provision	Net
Raw materials and consumables	91,467	9,343	82,123	76,057	10,893	65,164
Intermediate and finished products	28,921	-	28,921	22,577	-	22,577
Goods	779	-	779	252	-	252
TOTAL	**121,167**	**9,343**	**111,823**	**98,886**	**10,893**	**87,994**

The successive roll-out since 2008 of various National Allowances 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 allowance reductions.

Under phase IV (2021/2026), the allowance shortfall totals 333 thousand metric tons for 2022. The net surplus of free CO_2 allowances stood at 4,445 thousand metric tons at end-2022.

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

(in thousands of euros)	2022		
	Gross	**Maturity < 1 year**	**Maturity > 1 year**
Trade receivables and related accounts	86,162	86,162	-
Other receivables	485,032	485,032	-
TOTAL RECEIVABLES	**571,195**	**571,195**	**-**

4.5 Short-term financial investments

They consist of:

- 114,262 Vicat shares held for allocation to employees under compulsory and discretionary profit-sharing schemes and arbitraging with a net value of €6,180 thousand. This valuation was on the basis of the average share price in December 2022 of €22.74;
- 236,619 Vicat shares held under the free share plan with a net value of €10,127 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)	**2022**	2021
Operating expenses	5,187	3,615
TOTAL	**5,187**	**3,615**

4.7 Shareholders' equity

(in thousands of euros)	**2022**	2021
Opening shareholders' equity	1,839,899	1,788,343
Closing shareholders' equity	1,871,545	1,839,899
Change	**31,646**	**51,556**
Analysis of changes		
Net income for the year	96,453	112,747
Dividend payments[1]	(73,037)	(66,316)
Revaluation adjustment	(43)	(13)
Investment grants	2,239	2,656
Regulated provisions	6,035	2,482
TOTAL	**31,646**	**51,556**

(1) Less dividends on treasury shares.

Share capital is € 179,600,000, divided into 44,900,000 shares of € 4 each, held by:

- Public 33.95%;
- Employee shareholders* 1.34%;
- Parfininco 31.94%;
- Soparfi 26.87%;
- Family 4.47%;
- Vicat 1.43%.

4.8 Provisions

(in thousands of euros)	Opening amount	Increase	Reversals (used)	Reversals (unused)	Closing amount
Regulated provisions	**70,431**	**13,622**	**7,588**	**-**	**76,465**
Price increase provisions	8,425	8,866	-	-	17,291
Special tax depreciation	59,707	4,756	7,533	-	56,930
Special revaluation provision	2,300	-	55	-	2,245
Provisions for risks and charges	**50,685**	**10,961**	**3,224**	**39**	**58,383**
Provisions for quarry restoration	5,502	801	432	-	5,870
Provisions for disputes	716	1,062	589	39	1,149
Other provisions for risks and charges	44,468	9,098	2,203	-	51,363
TOTAL	**121,116**	**24,583**	**10,812**	**39**	**134,848**

* *Pursuant to article L. 225-102 of the French Commercial Code.*

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	17,291	473	16,818
Special tax depreciation	56,930	-	56,930
Special revaluation provision	2,245	-	2,245
TOTAL	**76,465**	**473**	**75,992**

The provisions for risks and charges amount to €58.4 million and cover:

- estimated costs under the French quarry restoration obligation of €5.9 million. These provisions are made for each quarry 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 €45.4 million for tax to be repaid to subsidiaries under the Group tax consolidation agreement. This is €4.5 million up on 2021.

4.9 Miscellaneous borrowings

Maturities schedule

(in thousands of euros)	Gross amount	1 year max	More than 1 year and up to 5 years max	5 years or more
Bank borrowings and financial liabilities[1]	1,376,678	3,551	923,500	449,627
Miscellaneous borrowings and financial liabilities	260	260	-	-
Short-term bank borrowings	2,169	2,169	-	-
Total financial liabilities	**1,379,108**	**5,981**	**923,500**	**449,627**
Trade payables and related accounts	81,535	81,535	-	-
Tax and employee-related payables	26,942	26,942	-	-
Debts on non-current assets and related accounts	5,627	5,627	-	-
Other liabilities	126,324	126,324	-	-
TOTAL	**1,619,536**	**246,409**	**923,500**	**449,627**
(1) Of which commercial paper.	*438,500*	-	*438,500*	-

During 2022, medium and long-term financial liabilities, current bank facilities and other bank borrowings rose by €155.8 million. The new loans taken out during the year amounted to €150 million with €90.7 million in loans being repaid in 2022.

Other information

At December 31, 2022 the Company had €162 million in unused confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€225 million at December 31, 2021).

The Company also has a program for issuing commercial paper amounting to €550 million. At December 31, 2022, the amount of commercial paper issued stood at €439 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.

Medium- to long-term borrowings are subject to special clauses (covenants) requiring certain financial ratios to be met. The existence of these covenants does not represent a risk to the Company's financial position.

Risk coverage

Foreign exchange rates	Imports and exports denominated in currencies other than the euro are more often hedged by forward currency purchases and sales.
Interest Rates	The floating rate debt (€838 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, 2022.
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. €439 million on December 31, 2022.

4.10 Accounts payable

Accounts payable *(in thousands of euros)*	2022	2021
Bank borrowings and financial liabilities	3,552	2,655
Trade payables and related accounts	52,886	72,363
Tax and employee-related payables	18,977	20,136
Other liabilities	-	41
TOTAL	**75,415**	**95,195**

NOTE 5 OTHER INFORMATION

5.1 Off-balance sheet commitments

Compensation of executive directors *(in thousands of euros)*	Amount
Retirement obligations	6,842
Deposits and guarantees[1]	122,053
TOTAL	**128,895**

(1) Of which €106,548 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 €11,882 thousand as at December 31, 2022.

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: 3.75%;
- wage inflation: from 2.00% to 2.30%.

Commitments received *(in thousands of euros)*	Amount
Confirmed credit lines[1]	820,000
Other commitments received	-
TOTAL	**820,000**

(1) Including €550,000 thousand allocated to cover the commercial paper issue program.

Financial instruments

(in thousands of euros)	Nominal value *(currency)*	Nominal value *(euro)*	Fair value *(euro)*
CHF forward sales	CHF 83,200	84,493	(169)
USD Forward sales	USD 193,000	180,949	77
Interest rate caps	EUR 714,500	714,500	38,794

5.2 Transactions with related companies and other related parties

Transactions with related companies

Related companies *(in thousands of euros)*	2022
Financial expenses	988
Financial income excluding dividends	19,041

Commitments relating to multiple balance sheet lines *(in thousands of euros)*	2022 Payables or receivables represented by commercial paper
Investments in associated companies	2,265,782
Receivables related to investments in associated companies	267,039
Trade receivables and related accounts	54,034
Other receivables	436,450
Trade payables and related accounts	16,887
Other liabilities	101,385

All transactions with related parties were at arm's length terms.

5.3 Remuneration and workforce

Remuneration of executives *(in thousands of euros)*	2022
Remuneration allocated to:	
■ Directors	446
■ members of Management	2,101
TOTAL	**2,547**

Workforce	Average	31/12/2022
Management	389	405
Supervisors, technicians, white-collar workers	329	337
Blue-collar staff	219	221
TOTAL	**937**	**963**
Of which Paper Division	*171*	*174*

5.4 Statutory auditors' fees

(in euros)	KPMG	Wolff & A.
Certification of the financial statements	337,000	231,088
Services other than the certification of the financial statements	-	500
TOTAL	**337,000**	**231,588**

5.5 Payment terms customers and suppliers

Customers *(in euros)*	Article D. 441 I.-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	74	174	71	27	97	369
Total amount of invoices, inc. vat	1,743,375	6,146,565	1,773,139	375,482	1,239,947	9,535,133
Percentage of revenue for the year, inc. vat	0.28%	0.98%	0.28%	0.06%	0.20%	1.52%
(B) Invoices not included in (A) relating to disputed liabilities and receivables that aren't recognized						
Number of invoices not included	226					
Amount of invoices not included, inc. vat	3,082,403					
(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 6 foreign subsidiaries which have, at the end of December 2022, a debt of €15,112,280 towards the company which breaks down as follows:

	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	139,553	812,673	905,451	984,137	12,270,466	14,972,727

Suppliers *(in euros)*	Article D. 441 I.-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	7	42	16	7	59	124
Total amount of invoices, inc. vat	9,331	631,185	53,466	(22,866)	19,297	681,082
Percentage of total purchases inc. vat for the year	0.00%	0.14%	0.01%	0.00%	0.00%	0.15%
(B) Invoices not included in (A) relating to disputed liabilities and receivables that aren't recognized						
Number of invoices not included	75					
Amount of invoices not included, inc. vat	252,945					
Amount excluding past due intercompany invoices totaling €128,610						

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 *(%)*	Book value of securities held		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	Observations
				Gross	Net						
A - Subsidiaries (at least 50% of the share capital held by the company)											
Béton Travaux 38081 L'Isle d'Abeau Cedex	27,997	286,619	99.98%	88,884	88,884	71,774	-	121	61,466	15,045	-
National Cement Company[1] Los Angeles – USA	USD 280,520	USD 261,732	97.85%	229,581	229,581	180,949	-	USD 706,381	USD 31,444	-	-
Ciplan[2] Brazil	BRL 436,922	BRL 373,411	76.18%	339,511	339,511	-	-	BRL 1,702,871	BRL 114,077	-	-
Parficim 38081 l'Isle d'Abeau	70,288	1,466,678	100.00%	1,423,624	1,423,624	282,806	-	-	36,415	53,000	-
Satma 38081 L'Isle d'Abeau Cedex	3,841	3,151	100.00%	7,613	7,613	-	-	23,341	763	751	-
Cap Vracs 13270 Fos sur Mer	20,540	23,902	100.00%	53,404	53,404	-	-	4,993	3,077	-	-
Sodicapei 34560 Villeveyrac	164	451	58.47%	10,990	3,477	1,130	-	1,404	(284)	-	-
Getrim 38081 L'Isle d'Abeau Cedex	6,015	201	100.00%	6,015	6,015	15	-	478	31	-	-
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	CFAF 2,000,000	CFAF 21,081,480	17.14%	1,596	1,596	-	-	CFAF 28,358,505	CFAF (1,916,752)	-	Key figures 2021
C- Other subsidiaries and investments in associated companies											
French subsidiaries (collectively)	-	-	-	25,932	19,641	373	-	-	-	426	-
Foreign subsidiaries (collectively)	-	-	-	86,144	86,144	18,747	-	-	-		-
TOTAL	-	-	-	**2,273,295**	**2,259,491**	**555,794**	-	-	-	**69,222**	-

(1) Figures presented in USD.
(2) Figures presented in BRL.
(3) Figures presented in CFAF.

7.2.3 Statutory auditors' report on the annual financial statements

Year ended December 31, 2022

To the shareholders of Vicat SA,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying annual financial statements of Vicat S.A. for the year ended December 31, 2022.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company 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 annual 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 January 1, 2022 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

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 annual 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 annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the annual financial statements.

Measurement of investments in associated companies

Risk identified:

Investments in Group companies as at December 31, 2022 amount to €2,242 million and represent one of the most significant items of the balance sheet. As mentioned in note 2, they are recognized on date of entry at acquisition cost and impaired where necessary, having regard to the equity share percentage, estimated future profitability and stock prices when significant or market prices.

Estimating the value of these investments requires management to exercise judgement as regards the elements to be considered for each related investment. These elements may correspond in some instances to historical items (for some entities, shareholders' equity or, for others, the average stock price over the previous month), or to forecasts (profitability).

The competitive and macroeconomic environments facing a number of subsidiaries, as well as the geographical context for some of them, may lead to lower sales and operating profits.

In this context and with respect to some inherent uncertainties, in particular the probability of achieving forecasts, we concluded that the proper valuation of investments in associated companies, as well the related receivables provisions for risks, constitutes a key audit matter.

Approach taken:

To assess the reasonableness of the valuation of investments in associated companies, on the basis of the information we received, our work consisted mainly in ensuring that Management's estimations were based on an appropriate rationale regarding the valuation method used and the underlying data and, depending on the investments, in:

i) For valuations based on historical items :

- ensuring that the shareholders' equity value used reconciles with the statutory accounts of entities that had been subject to an audit or to a process allowing for an analysis of the overall consistency of the financial statements;
- assess the consistency of the assumptions used by the Management in the course for previous assessments underlying the valuation of the holdings and having regard to economic or structural factors that would have an impact at year-end;
- assessing whether any adjustments to shareholders' equity are backed by documentation that helps justify and explain the reasons for these adjustments.

ii) For valuations based on forecasts :

- obtaining cash flow and operating forecasts for the activities of the entities in question, prepared by operational management and assessing their consistency with the forecasts from the most recent strategic plans prepared by Management for each of these activities and approved, where applicable, by the Group's General Management;
- assessing the consistency of the assumptions used based on our knowledge of the economic environment at year-end;
- comparing forecasts for prior periods with actual performance to assess the achievement of past objectives;
- ensuring that the value derived from cash flow forecast has been adjusted for the financial liabilities of the entity in question.

Besides our assessment of the valuation of investments in associated companies, our work also consisted in assessing the recoverability of receivables related to these investments in the light of analyses performed.

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 annual financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the annual 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 annual financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the annual financial statements of the information relating to payment terms, required under article D.441-6 of the French Commercial Code (Code de commerce).

We certify that the statement of extra-financial performance provided for in article L.225-102-1 of the French Commercial Code (Code de commerce), is included in the management report, it being specified that, in accordance with article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the annual financial statements of the information contained therein and this information must be audited by an independent third party.

Information on corporate governance

We attest that the section of 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 compensation and benefits paid or attributed to company officers and any other commitments made to them, 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. In light of this work, we certify that these disclosures are fair and accurate.

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.

Other verifications or information required by law and regulations

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 standards applicable in France relating to the procedures performed by the statutory auditors relating to the annual and consolidated financial statements presented in the European single electronic format, that the format defined in EU Delegated Regulation no. 2019/815 of December 17, 2018 was followed in the presentation of the annual 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 the Chairman and Chief Executive Officer of Vicat SA.

Based on the work we have performed, we conclude that the presentation of the annual financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

It is not our responsibility to check that the annual financial statements that will be actually included by your company in the annual financial report filed with the AMF correspond to those on which we have carried out our work.

Appointment of the statutory auditors

We were appointed as statutory auditors of Vicat SA by the ordinary general meeting held on November 25, 1983 for KPMG SA and on May 16, 2007 for Wolff & Associés S.A.S.

As at December 31, 2022, KPMG SA and Wolff & Associés S.A.S. were in the 40th year and 15th 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 annual financial statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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 annual financial statements were approved by the Board of Directors.

Statutory auditors' responsibilities for the audit of annual financial statements

Objectives and audit approach

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual 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 by article 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 auditors exercise professional judgment throughout the audit. Furthermore:

- identifies and assesses the risks of material misstatement of the annual 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 annual 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 auditors conclude that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, to state reservations or to refuse to certify;
- evaluates the overall presentation of the annual 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 we have identified regarding the accounting and financial reporting procedures.

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 annual 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

Lyon, February 15, 2023	Chamalières, February 15, 2023
KPMG Audit	**Wolff & Associés S.A.S.**
Philippe Massonnat	Grégory Wolff
Partner	*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 provisional seizure by the "*Enforcement Directorate*" of INR950 million (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 provisional 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 its validity.

In July 2019, the Court of Appeal in Delhi invalidated the provisional seizure of INR1,530 million, and demanded a bank guarantee prior to the repayment of the funds. This decision was confirmed on April 27, 2022 by the Hyderabad Court of Justice. The Enforcement Directorate has filed an appeal with the Indian Supreme Court.

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 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 €40.8 million as at December 31, 2022 in respect of provisions set aside for indemnifying claims as well as a tax liability (see notes 11.2 and 15.2 to the consolidated financial statements).

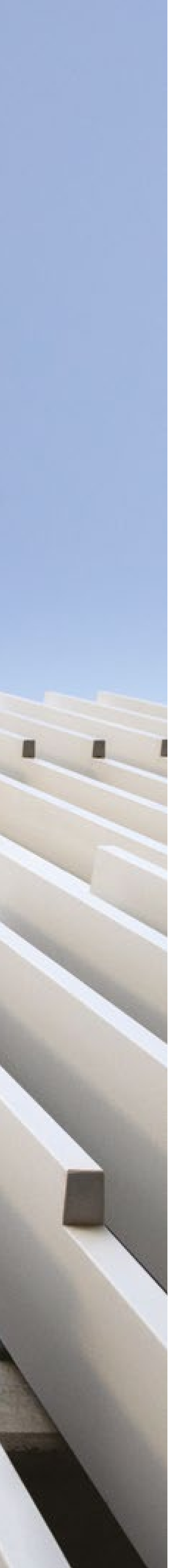
7.3.3 Egypt

To give its Egyptian subsidiary the means to carry out these investments to improve productivity and control costs, the Group launched an EGP 650 million capital increase in 2018. After being blocked for a while by the local authorities in the wake of a disagreement as to the Group's percentage holding, the capital increase was cleared in March 2022. The Group's percentage holding in its subsidiary was finally approved and raised to 67.18% at end-December 2022.

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.

General Meeting



Chapter 8

8.1 AGENDA FOR THE ORDINARY GENERAL MEETING OF APRIL 7, 2023

- 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, 2022.
- Report of the statutory auditors on the consolidated financial statements for the financial year ended December 31, 2022.
- 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, 2022.
- 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, 2022.
- Appropriation of earnings for the year ended December 31, 2022 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 Louis Merceron-Vicat.
- Renewal of the term of office of Sophie Fégueux.
- Renewal of the term of office of Rémy Weber.
- Ratification of the appointment of Caroline Ginon as director to replace Delphine André.
- Approval of the compensation policy for the Company officers – "ex ante" vote.
- 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.
- Approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2022 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, 2022 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, 2022 to Lukas Epple, Chief Operating Officer – "ex post" vote.
- Powers.

8.2 DRAFT RESOLUTIONS FOR THE ORDINARY GENERAL MEETING OF APRIL 7, 2023

First resolution *(Approval of the individual financial statements and transactions for the year ended December 31, 2022)*

The Ordinary General Meeting, having reviewed the Board of Directors' report and the statutory auditors' report on the individual financial statements for the financial year ended December 31, 2022, approves the individual 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 €96,452,623.

Pursuant to the provisions of article 223 (c) 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.

Second resolution *(Approval of the consolidated financial statements for the financial year ended December 31, 2022)*

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, 2022, 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 €175,444 thousand, with a Group share of net income of €156,086 thousand.

Third resolution *(Appropriation of earnings for the year ended December 31, 2022 and setting of 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 2022 financial year	€96,452,623
■ retained earnings carried forward	€247,048,464
TOTAL	**€343,501,087**

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	€23,416,087
■ retained earnings	€246,000,000

and accordingly fixes the dividend to be distributed for the 2022 financial year at the gross amount of €1.65 per share (excluding withholding).

The ex-dividend date is April 25, 2023 and the dividend will be paid out on April 27, 2023.

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:

	2020	2021	2022
Ordinary dividend per share	€1.50	€1.50	€1.65
Dividends eligible for relief under article 158.3-2 of the French General Tax Code	€1.50	€1.50	€1.65
Dividends not eligible for relief under article 158.3-2 of the French General Tax Code	-	-	-
Total dividend	€67,350,000	€67,350,000	€74,085,000

Fourth 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 2022 financial year.

Fifth 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.

Sixth 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. 22-10-62 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):

- 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 savings 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);
- 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;
- 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;
- 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;
- 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 €384,643,910, which corresponds to a maximum of 3,846,439.10 shares with a nominal value of €4 each at December 31, 2022.

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 13, 2022 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 shareholders' equity;
- 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.

Seventh resolution *(Reappointment of Louis Merceron-Vicat as Director)*

The Ordinary General Meeting resolves to reappoint Louis Merceron-Vicat as Director for a four-year term expiring at the end of the Ordinary General Meeting to be held in 2027 to approve the financial statements for 2026.

Eighth resolution *(Reappointment of Sophie Fégueux as Director)*

The Ordinary General Meeting resolves to reappoint Sophie Fégueux as Director for a four-year term expiring at the end of the Ordinary General Meeting to be held in 2027 to approve the financial statements for 2026.

Ninth resolution *(Reappointment of Rémy Weber as Director)*

The Ordinary General Meeting resolves to reappoint Rémy Weber as Director for a four-year term expiring at the end of the Ordinary General Meeting to be held in 2027 to approve the financial statements for 2026.

Tenth resolution *(Ratification of the appointment of Caroline Ginon as director to replace Delphine André)*

The General Meeting resolves to ratify the appointment of Caroline Ginon by the Board of Directors on November 3, 2022 as Director to replace Delphine André for the remainder of her term of office, i.e. until the end of the Ordinary General Meeting held in 2024 called to approve the financial statements for the financial year 2023.

Eleventh 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.

Twelfth 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 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.

Thirteenth resolution *("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2022 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, 2022 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, 2022, 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, 2022 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, 2022 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, 2022, will be paid to him.

Fifteenth resolution *("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2022 to Lukas Epple, Chief Operating Officer)*

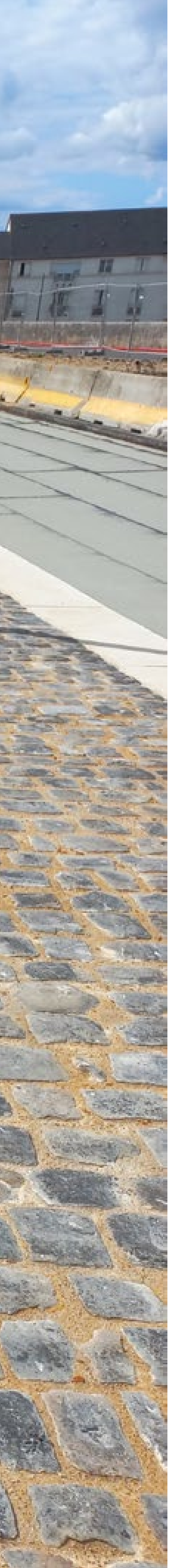
The Ordinary General Meeting, acting in accordance with the provisions of article L. 22-10-34 (II) of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance:

- 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, 2022 to Lukas Epple, Chief Operating Officer;
- acknowledges that Lukas Epple is not compensated for his office as Chief Operating Officer.

Sixteenth resolution *(Powers)*

The Ordinary 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.

Additional information



Chapter 9

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 shareholdings as set forth in the "Simplified organizational chart" in section 1.3 of this document.

Unless otherwise indicated, the figures used in this document, in particular in section 1.1 "Description of businesses" of this 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 document may not equal their overall arithmetic sum.

This 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 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 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 document.

Investors are invited to carefully consider the risk factors, described in order of importance, in chapter 2 "Risk factors" of this 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 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 document and the declarations or information contained herein could prove to be incorrect.

This 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, cross-reference tables are included on page 267 of this document.

9.1.2 Historical information incorporated by reference

Pursuant to article 19 of the Commission Regulation (EU) No. 2017/1129, the following information has been incorporated by reference in this Universal Registration Document:

- the consolidated financial statements for the financial year ended December 31, 2021, prepared in accordance with IFRS, and the statutory auditors' report thereon set out on page 238 of the 2021 Universal Registration Document, submitted to the *Autorité des marchés financiers* on March 7, 2022 under number D.22.0073, in addition to the information taken from the 2021 management report included on pages 165 to 172 of this 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 Universal 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 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 267 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 17, 2023

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 Lyon.

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. A tender offer will be launched in 2023 to organize the obligatory rotation of the term of office of the Statutory Auditors.

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. A tender offer will be launched in 2023 to organize the obligatory rotation of the term of office of the Statutory Auditors.

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

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 (revenue by entity, share in the consolidated EBITDA, value of the intangible assets and property, plant and equipment for each entity, consolidated shareholders' 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, 2022, the Group's fully consolidated subsidiaries were distributed across various countries as follows:

Country	Number of companies
France	52
Europe excluding France	33
Americas	20
Asia	6
Mediterranean	21
Africa	7
TOTAL	**139**

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, 2022, 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, 2022, 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, 2022, 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, 2022, 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, 2022, Béton Travaux held 93.48% of the share capital of Béton Vicat and BCCA held 6.52%.

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, 2022, Béton Travaux held 87.75% of the share capital of Granulats Vicat, Béton Vicat held 8.8% and BCCA held 3.45%.

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, 2022, 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, 2022, 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 660 million, 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, 2022, 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, 2022, 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 64 million, 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, 2022, Bastas Baskent Cimento Sanayi Ve Ticaret A.S. held 100% of the share capital of Bastas Hazir Beton Sanayi Ve Ticaret A.S.

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, 2022, 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 1,331 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.

At December 31, 2022, the Group owned 67.18% of the share capital of Sinaï Cement.

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, 2022, 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, 2022, Parficim held 51.02% of the share capital.

Kalburgi Cement Private 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 and whose corporate purpose is the operation of quarries and the manufacture of cement.

As at December 31, 2022, 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, 2022, 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 17,740,900,000, 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, 2022, 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 1 578 356 964 whose registered office is located at SCN QD 4 bloco B. Ed. 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, 2022, the Company held 100% of the share capital of Vicat Latin America.

Ciplan Cimento Planalto

Incorporated on December 2, 1969, Ciplan Cimento 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, 2022, the Company (through Vicat Latin America) held 76.18% of the share capital.

Cross-reference tables

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Glossary

Activated clays (or artificial pozzolans)	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.
Addition	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.
Aggregates	Concrete component. Group of mineral grains, depending on their size, which is between 0 and 125 mm (the size is the length of the side of the square mesh of the sieve through which the grain can pass): fillers, grit, sand, or gravel. A distinction is made between natural aggregates from alluvial or solid rock when they do not undergo any other than mechanical treatment, and artificial aggregates when they come from the thermal or mechanical transformation of rocks or minerals. Natural aggregates can be rolled, in a rounded shape of alluvial origin, or crushed, in an angular shape, from quarry rock. The nature of the bonds between the aggregates and the cement paste strongly influences the strength of the concrete.
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".
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 European standard EN 197-1 or EN 197-5. 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, the most widely used being Portland limestone cement (the letters "L" or "LL" are added to the designation of the cement depending on the purity of the limestone used), "L Portland cement" (the letter "S" is added to the designation of the cement) or "Pozzolanic Portland cement" (the letters P are added to the cement designation if natural Pozzolan is uses or "Q" is added if thermally activated clays are used). 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; ■ Either from 50 to 64%; this cement is then designated CEM II/C.
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" which contains either natural pozzolans (the letter "P" is then added to the designation), or thermally activated clays (the letter "Q" is then added to the designation). A CEM IV cement has a clinker content: Either from 65 to 89%; this cement is then designated CEM IV/A; or from 45 to 64%; this cement is then designated CEM IV/B.
CEM V	Refers to "composite cement" which contains as well as the obligatory clinker content at least 18% of blast kiln slag and a second additive chosen from natural pozzolans or fly ash from coal combustion. A CEM V cement has a clinker content: ■ Of at least 40 to 64% (and a slag content of between 18 and 30%); this cement is then designated CEM V/A; ■ or from 20 to 38%; this cement is then designated CEM V/B.
CEM VI	This designation according to standard EN 197-5 characterizes a type of cement composed from 35 to 49% of clinker and from 31 to 59% of blast kiln slag complemented with a choice of from 6 to 20% of natural pozzolan, fly ash or limestone.
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".
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 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.
Crushing	Breaking up rocks into small pieces by crushing or hammering.
Decarbonation	Reaction of release of CO2contained in limestone raw materials under the action of heat (850 to 950°C). In the case of Portland clinker, the lime (Cao) thus formed then combines with the silicon oxides and aluminum to form the clinker. This reaction absorbs a lot of heat and is the main source of heat consumption for the kiln.
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.
Fatal heat	Heat production derived from a production site, which does not constitute the primary purpose and which, as a result, is not necessarily recovered. In certain cases and at certain sites, this fatal heat is recovered and reused in the cement manufacturing process.
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.
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 firing. 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 60 MPa and a much higher durability than that of common concretes.
Hydrogen – Water electrolysis	Hydrogen production by electrolysis is an electrochemical process whereby a reaction is created thanks to an electric current. This reaction enables the separation of the oxygen and hydrogen molecules contained in the water.
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.
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).
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 Pozzolans	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.
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 type cement made from Portland clinker and a setting regulator, or even other constituents the quantity of which can vary between 0 and 5%. Cement compliant with standard NF EN 197-1.
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 quick-setting 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.
Raw materials	Name given to the dosed raw material before entering the cement kiln.
RE2020	Environmental regulation governing new constructions applicable from January 1, 2022 with the objective of continuing the improvement in energy performance while also limiting the carbon footprint throughout the lifecycle of the building.

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.
Semi-dry process	A cement manufacturing process. The cement is manufactured using the semi-dry process when the raw materials (see Raw materials) are ground and homogenized and then humidified to form pellets. These pellets then enter the kiln using a grill for drying and preheating (identical to the semi-wet process).
Semi-wet process	A cement manufacturing process. In the semi-wet process, raw materials (see Raw materials) are ground and mixed with water to make a liquid paste. This paste is then homogenized, pressed in a filter-press to extract a significant portion of the water and then placed in the kiln via a grill for drying and preheating.
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 insertions).
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.
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.
Tricalcium aluminate (C3A)	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.
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.

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