Universal Registration Document

Including the Annual Financial Report

2023

VICAT

Build together, live together

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

2023
UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report

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

Despite inflation, the Group's 2023 performance is improving, demonstrating the relevance of its business model. Business remained stable in all markets. Industrial performance and price increases helped improve the Group's results.

Backed by a healthy financial situation and strong *cash flow* generation, enabling a reduction in debt, Vicat is pursuing its profitable and sustainable growth targets, resolutely focused on decarbonizing its businesses, as shown by moves to modernize its plants, particularly in Senegal, and the activated clay projects at other sites.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

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This is a translation into English of the Universal Registration Document of the Company issued in French and it is available on the website of the Issuer.

“With its successes and the prospects it opens up, 2023 confirmed the relevance of Group Vicat’s development model.”

Guy SIDOS
Chairman and
Chief Executive Officer

With its successes and the prospects it opens up, 2023 confirmed the relevance of Group Vicat's development model.

Concentrated in cement, our basic business, Vicat finds its resilience in its geographical diversification (12 countries of operation in 2023) where we produce locally, for local needs, with a local workforce.

Our cement offering is rounded out with ready-mixed concrete, aggregates and waste recovery, when allowed by the market. In certain geographies, other products and services are offered: finishing products in France; railroad sleepers in Switzerland; transport in France, Switzerland and the United States.

A second reason for our resilience stems from the regular modernization of our equipment. In 2023, the new Ragland kiln strengthened Vicat's significant presence in the United States by doubling our production capacity and reducing production costs and the plant's carbon footprint with a reduction objective of 30%. In 2024, our Rufisque plant in Senegal will do likewise.

A third reason for this resilience stems from the efficiency of our applied research. The launch of the DECA low-carbon concrete range; the marketing of Carat, the carbon negative cement; of Lithosys, the revolutionary concrete 3D printing solution; of the VITO lands cleaning offering; of Collimix Revolution, the very low carbon tile bonding… are all examples of practical developments born of research on these products but also on manufacturing processes, as illustrated by the development of clay activation technologies in the Argilor project or the incorporation of raw clays in partnership with the Materrup start-up.

The last and most important reason for this resilience: the commitment of our teams. In the four continents of our geographies, our employees demonstrate exceptional devotion and skills which, in 2023, enabled us to improve the parameters of our industrial performance, our logistics and our sales. I would like to take this opportunity to express my sincere thanks to them.

> **“In the four continents of our geographies, our employees demonstrate exceptional devotion and expertise.”**

This commitment is a reflection of our family-run business, guaranteeing the coherence of our Group's strategy over time. In 2023, a representative of the eighth generation of the Vicat family assumed operating functions in our company.

This commitment has enabled the Group to improve its safety results; to reduce its carbon footprint and its water consumption per metric ton of cement; to develop initiatives to protect and restore biodiversity; to offset the decline in the residential market with numerous infrastructure project orders, thanks to the recognized technicity of our products and services; to generate the best Group operating results since its creation and to further increase the confidence financial institutions place in us.

2024 will see the launch of the "From low carbon to zero carbon" initiative. Apart from continuing our policy of modernization and decarbonization of our industrial processes, complemented by the market launch of sophisticated composite cements, we are committed to two ultimate decarbonation projects, with CO_2 capture for landfill or for use in the manufacturing of synthetic fuels at our plants in Montalieu (France) and in Lebec (California). The launches of these projects will require significant public aid.

In 2024, we anticipate further improvements in our industrial processes and our circular economy development polices. Our commercial efficiency in mature countries and growth in demand in so-called "emerging" countries" enable us to anticipate further growth in our sales and our earnings while our production base is unlikely to change significantly.

With these very positive prospects, I would like to wish you a pleasant reading of our Universal Registration Document, the complexity of which is imposed on us… pending new non-financial presentation constraints likely to be added in 2025.

Guy SIDOS
Chairman and Chief Executive Officer

A strategy that reflects the fast-changing construction materials market

The Vicat Group's historic business is 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 wants 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 a harmonious development of its sites with respect for the environment. The short- and medium-term objectives are to decarbonize its activities, ensure the safety of its employees, and create inclusion and value for all its 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.

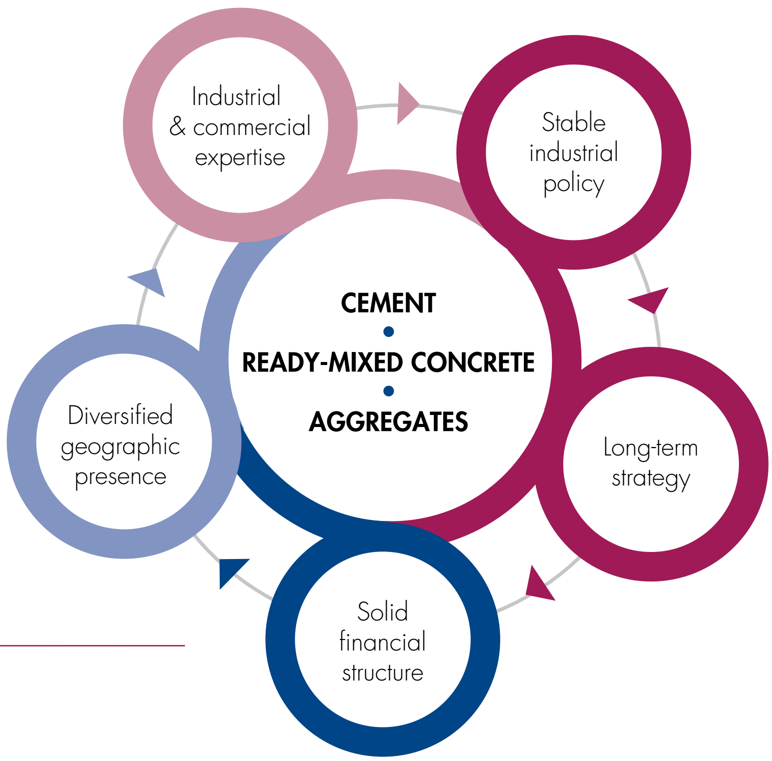
THE GROUP'S STRENGTHS

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;
- **A 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 on which 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 commissioning in 2023 of the new Ragland kiln (United States), as well as the construction of the new clinker 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 *generation* and cut debt, to enable 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 licenses;
- net contribution by the project to the Group's results in the short term.

The Group's record of growth over the past 40 years illustrates the success of this 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

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 developments in France, Switzerland, Turkey, the United States and Brazil illustrate 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 customers' demand for construction materials and to secure the aggregates resources necessary to develop the Ready-mixed Concrete activity. Development in this business relies on industrial acquisitions and investments intended to increase the capacity of existing installations and to open new quarries and installations.

Investments in this business take into account the following criteria:

- proximity to the end-markets and to the Group's concrete batching plants;
- control and management of major geological reserves (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 BY GEOGRAPHICAL REGION

The Group operates in 12 countries. It generates 31% of its consolidated sales revenues in France, 10% in Europe (excluding France), 18% 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 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/mt cement eq. (430 kg CO_2 net/mt cement eq. for Europe).
2. **Defossilization: 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. **Reduce electricity-related emissions by 40%** by 2030 (compared with 2020).
5. **Initiate 2 CCU/CCS** (carbon capture usage/storage) projects by 2030.

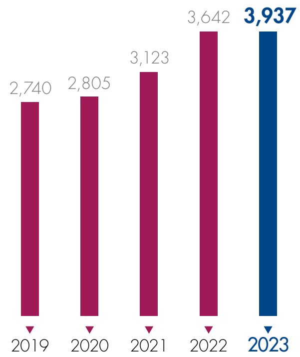
OTHER SUSTAINABILITY

TARGETS

1. **Produce locally** prioritizing 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.

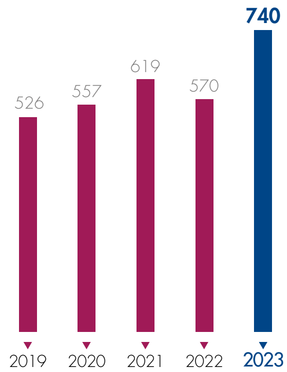
FINANCIAL INDICATORS

Consolidated revenue
(in millions of euros)



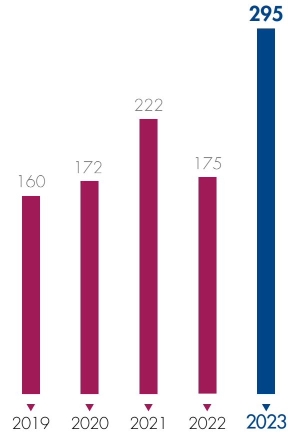
Consolidated revenue for 2023 amounted to €3,937 million, up +8.1% on a reported basis and up +19.6% at constant scope and exchange rates compared with 2022.

EBITDA[1]
(in millions of euros)



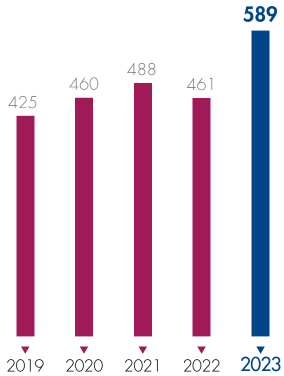
At €740 million, the Group's consolidated EBITDA was up +29.8% relative to 2022 and up +41.0% at constant scope and exchange rates.

Consolidated net income
(in millions of euros)



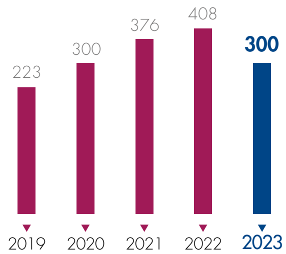
Consolidated net income amounted to €295 million, up +68.3% on a reported basis, and +88.1% at constant scope and exchange rates.

Cash flows from operations
(in millions of euros)



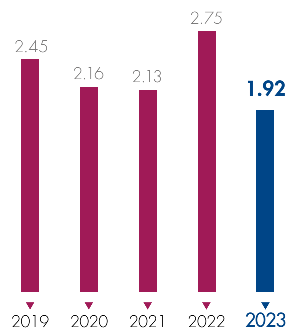
Operating cash flow amounted to €589 million, generating free cash flow of €295 million in 2023, compared with -€121 million in 2022.

Net industrial capital expenditure disbursed *(in millions of euros)*



Net industrial capital expenditure disbursed amounted to €300 million in 2023.

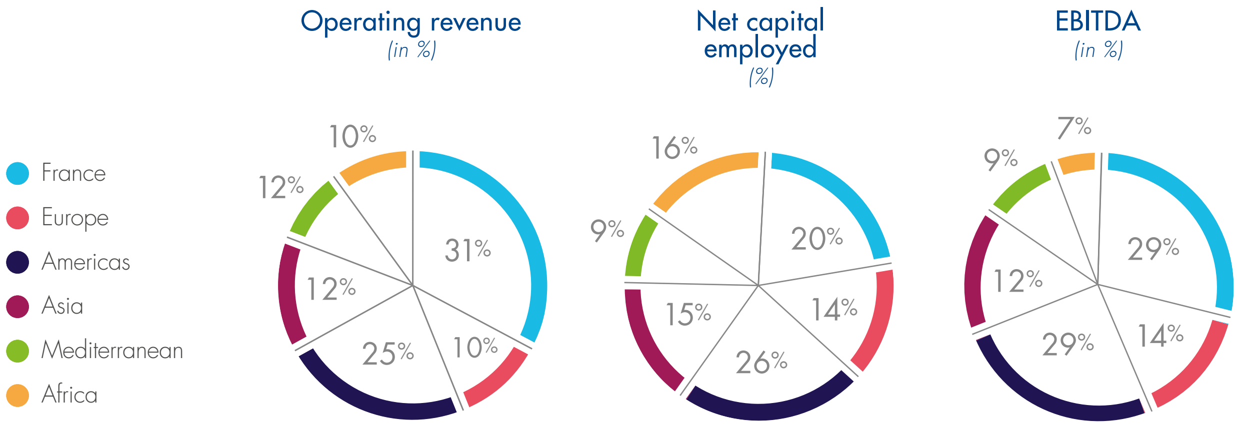
Net debt/EBITDA



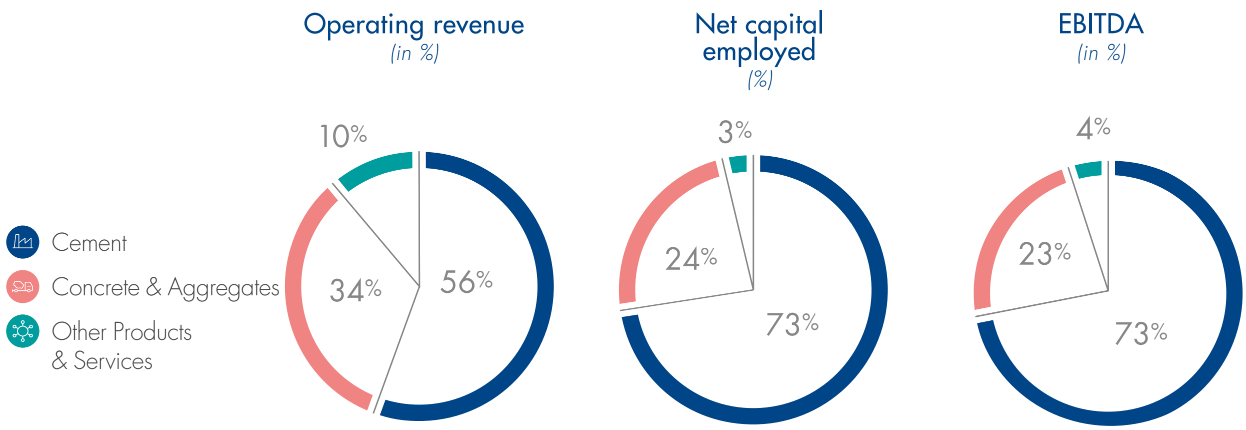
Leverage[2] was 1.92 times EBITDA at December 31, 2023.

[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] *Leverage is a financial ratio used to determine ability to repay debt. It is the ratio of net debt to EBITDA.*

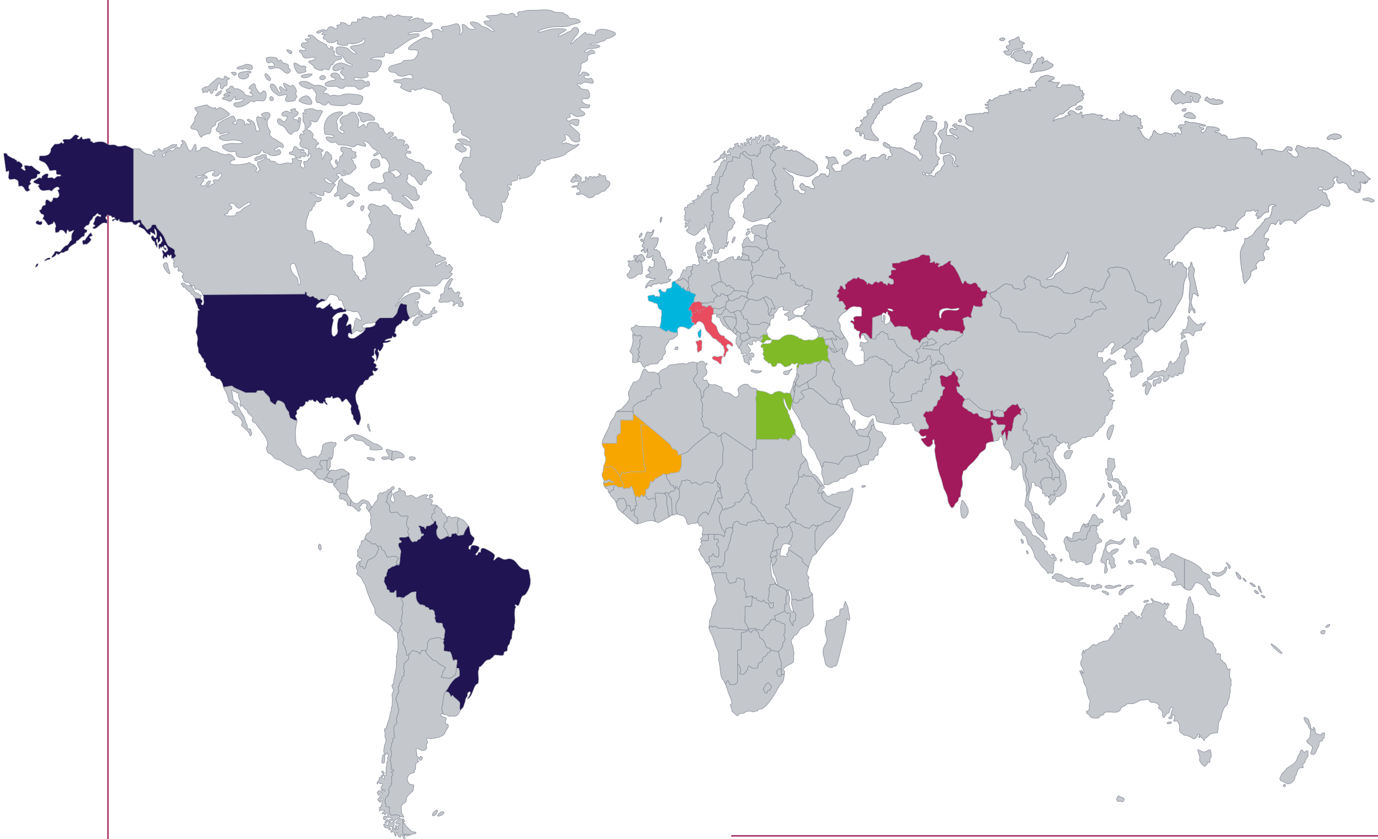
BREAKDOWN BY GEOGRAPHICAL AREA



BREAKDOWN BY BUSINESS SEGMENT



Vicat in the world



€3,937 million
OF REVENUE

9,993
EMPLOYEES

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

12 COUNTRIES WHERE VICAT OPERATES

28.8 MILLION METRIC TONS OF CEMENT SOLD

10.0 MILLION CUBIC METERS OF CONCRETE SOLD

24.3 MILLION METRIC TONS OF AGGREGATES SOLD

16 CEMENT PLANTS
5 GRINDING PLANTS

273 CONCRETE BATCHING PLANTS

71 AGGREGATE QUARRIES

39 MILLION METRIC TONS OF INSTALLED CEMENT CAPACITY

Cement plant

Concrete batching plant

Aggregates quarry

Africa

SENEGAL

1 2

CAPACITY **4.0 MT OF CEMENT**

MALI

1 GRINDING PLANT
CAPACITY **0.8 MT OF CEMENT**

MAURITANIA

1

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

Americas

USA

2 47

CAPACITY **4.3 MT OF CEMENT**

BRAZIL

1 13 2

CAPACITY **3.8 MT OF CEMENT**

Europe

SWITZERLAND

1 18 16

CAPACITY **1.0 MT OF CEMENT**

ITALY

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

France

5 155 45

CAPACITY **4.6 MT OF CEMENT**
2 GRINDING PLANTS

Mediterranean

TURKEY

2 39 5

CAPACITY **5.1 MT OF CEMENT**

EGYPT

1

CAPACITY **3.8 MT OF CEMENT**

Asia

INDIA

2 1

CAPACITY **9.0 MT OF CEMENT**
2 TERMINALS

KAZAKHSTAN

1

CAPACITY **1.6 MT OF CEMENT**

Chapter 1

1 Presentation of the Group

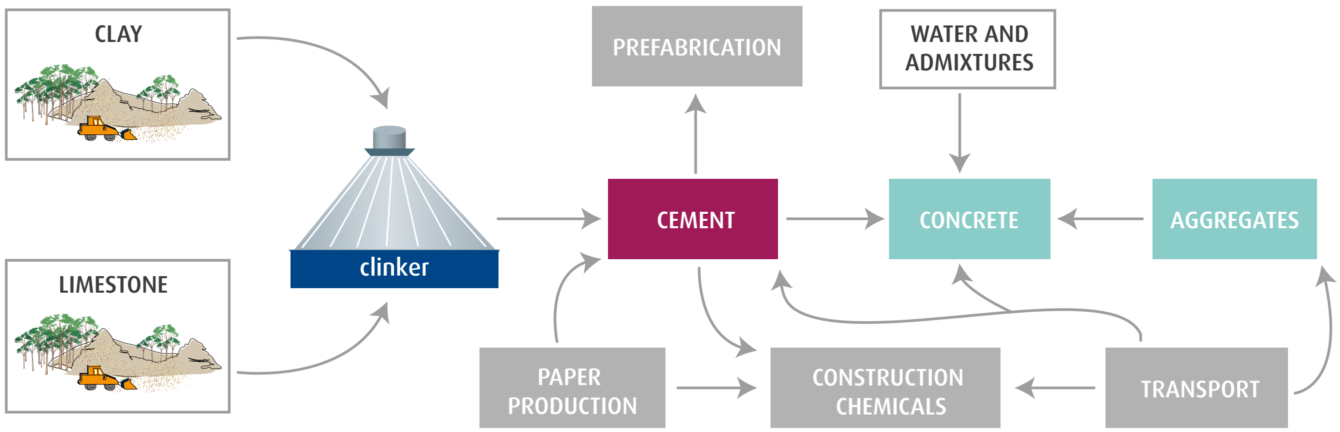
1.1 DESCRIPTION OF BUSINESSES

The Group's three businesses are:

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

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

Integration of the Group's businesses



Cement : cement is a hydraulic binder used in the manufacture of concrete; its raw materials are limestone and clay. In contact with water, the cement silicates and aluminates reorganize and form a crystalline structure, which gives concrete its strength.

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 2023

(in millions of euros)	2023	%
Cement	2,153	54.7
Concrete & Aggregates	1,470	37.3
Other products and services	314	8.0
TOTAL	**3,937**	**100.0**

The share of the Group's core business contributed by Cement, Concrete & Aggregates increased slightly in 2023 to 92% of consolidated revenue.

EBITDA by business segment in 2023

(in millions of euros)	2023	%
Cement	544	73.5
Concrete & Aggregates	169	22.9
Other products and services	27	3.6
TOTAL	**740**	**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 manufacturing 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, 2023, 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 sales volume in 2023 (before intra-group eliminations) amounted to 28.8 million metric tons (compared with 27.1 million metric tons in 2022). In 2023, the segment thus accounted for 54.7% of the Group's consolidated revenue (53.9% in 2022) and 73.5% of the Group's EBITDA (72.1% in 2022).

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.

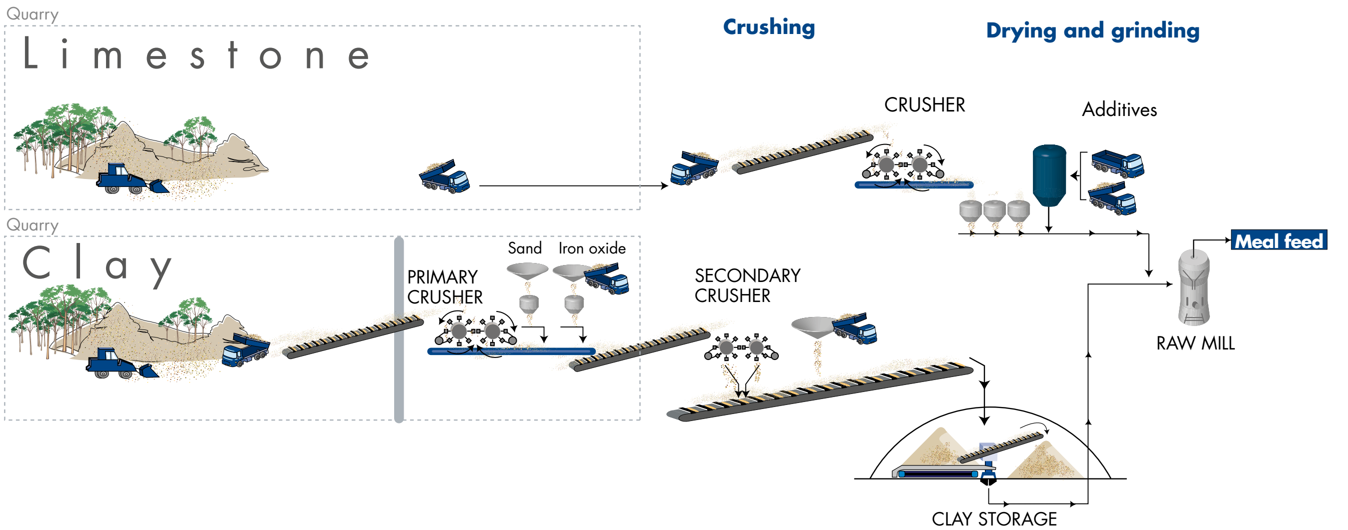
Natural quick-setting cement has been added to these categories: a special quick-hardening cement, whose strength is immediately superior and increases gradually over time. For 180 years, the Group has produced its quick-setting cement from a natural alpine stone, with an exceptional performance offering 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 product and solution innovation" of this document).

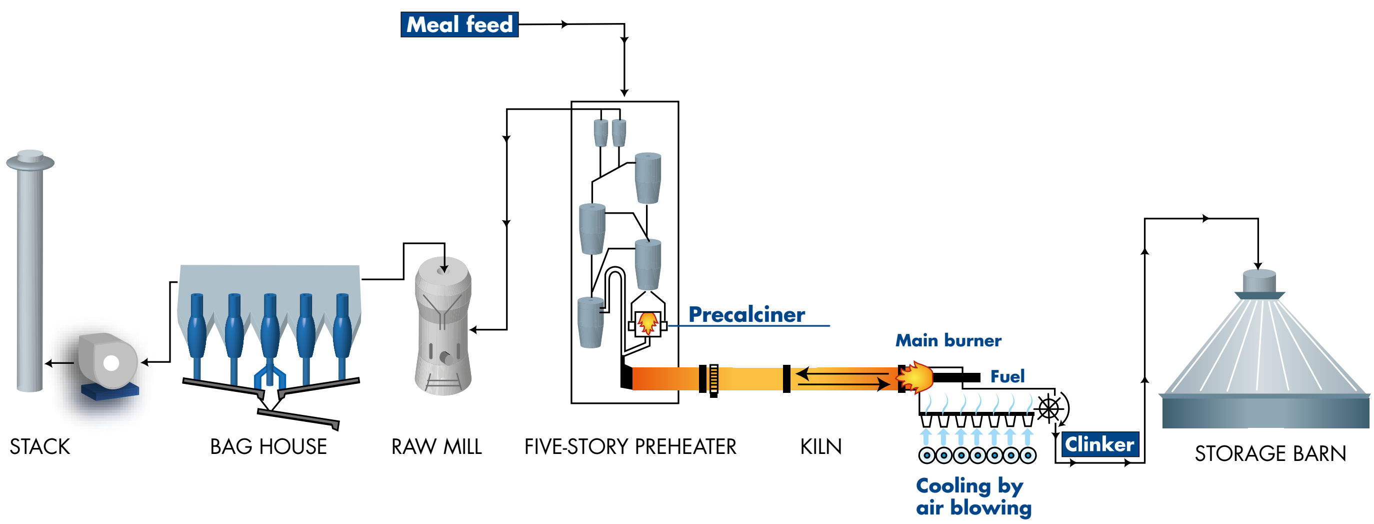
1.1.1.2 Manufacturing methods

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

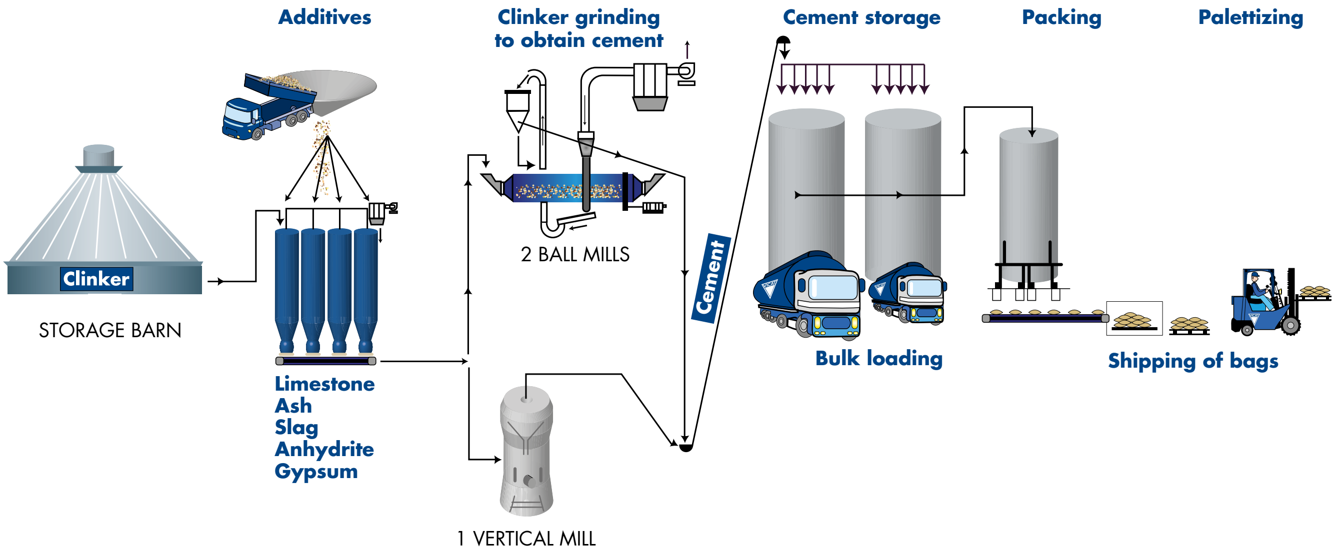
- extraction of raw materials: limestone and clay are extracted from quarries located near the cement factory. The rock is blasted out with explosives. The rocks and blocks obtained are then transported to crushers, in order to reduce their size and obtain stones less than 6 cm in diameter;
- preparation 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 2023, 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 2023, the share of secondary fuels was 32.0% on average (compared with 28.2% in 2022), with significant variations (from 0% to 98%) 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) and, in particular, activated clay (using specific equipment invested in by the Group) or raw clay. 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	**1.0 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	**3.8 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	**3.8 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. In 2023, construction began on a new firing line.
Mali	**0.8 Mt**	Diago next to Bamako (grinding mill)	After a first facility established in 2004, Ciment et Matériaux du Mali invested in 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 production capacity of over 39 million metric tons.**

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

As discussed in section 6.4 "Investments" of this document, cement manufacturing is a highly capital-intensive industry and requires 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 2022, the world leader had a global market share of around 7%[1].

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

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

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

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 273 concrete batching plants in six countries at the end of 2023, and its companies sold more than 10.0 million cubic meter of concrete during the year.

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 and development laboratory, thus meeting its customers' needs and constraints.

The Group's research and development laboratories design innovative concrete for new applications or ease of use. See section 1.5 "R&D and product and solution 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, 2023, the Group operated 273 concrete batching plants, located near its principal cement production sites, forming regional networks in order to supply construction sites.

- France: 155 concrete batching plants;
- Switzerland: 18 concrete batching plants;
- Brazil: 13 concrete batching plants;
- United States: 47 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 large number of 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 and Aggregates businesses are managed within the same segment, because of the similarity of their customers and the Group's vertical integration policy.

The Group sold 24.3 million metric tons of aggregates in 2023, produced by its 71 quarries.

1.1.3.1 Products

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

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

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

- solid rock is extracted from limestone, granite, porphyry, etc. The most common materials obtained are gravels, 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 primarily 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 size.

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 dredgers. 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, 2023, the Group operated 71 aggregate quarries:

- France: 45 quarries;
- Switzerland: 16 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, this 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 to 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 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 and 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 and 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. The Vicat Group then 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 Sinai Peninsula has a cement production capacity of 3.8 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

Expansion 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.

2023

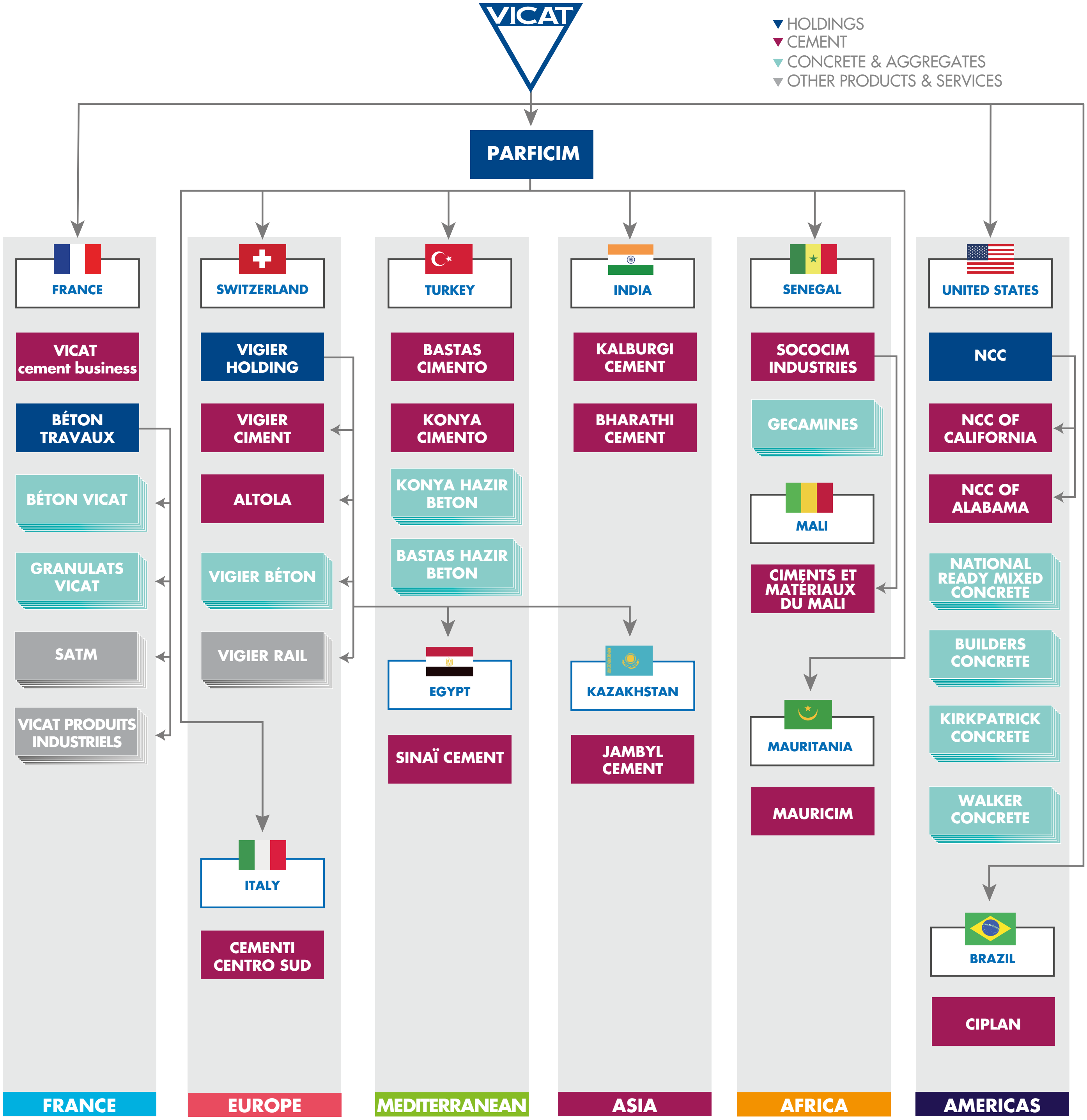
Construction began on a new firing line in Senegal (Sococim Industries)

It has a capacity of 6,500 metric tons per day, and will be commissioned in 2024.

1.3 SIMPLIFIED ORGANIZATIONAL CHART

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

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



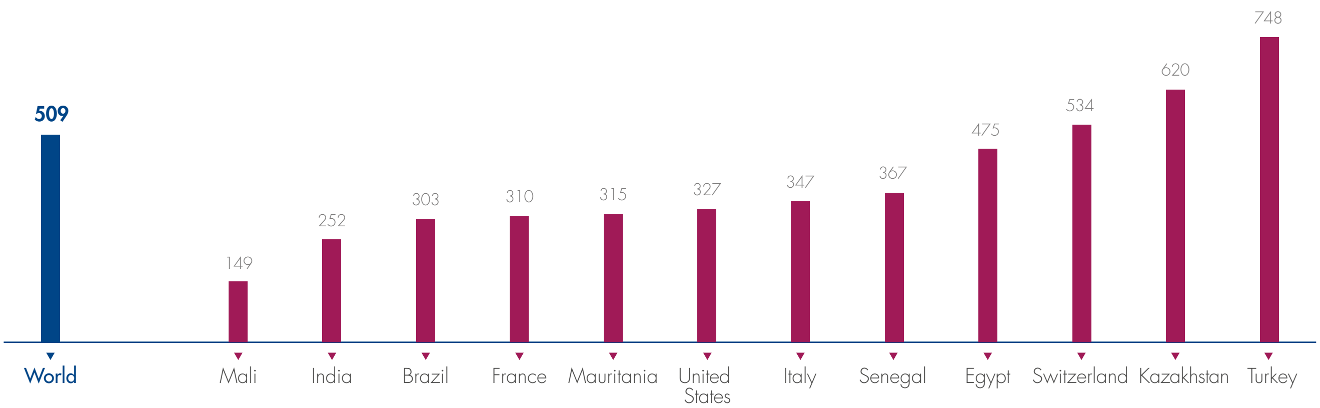
Some of the subsidiaries directly and indirectly controlled by the Group have minority shareholders who may be industrial or financial partners, or historical shareholders in the subsidiary in question before it was acquired by the Group. The presence of these minority shareholders may lead to the signing of shareholder agreements containing provisions relating to corporate governance, information provided to shareholders, or changes in the ownership structure of 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, 2023.

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 2022 *(kg/habitant)*



Sources: Global Cement Report.

Breakdown of consolidated revenue by geographical area in 2023

(in millions of euros)	2023	%
France	1,211	31
Europe (excluding France)	407	10
Americas	979	25
Asia	492	12
Mediterranean	464	12
Africa	384	10
TOTAL	**3,937**	**100**

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 2023.

Cement sales volumes

The Group has 16 cement factories spread over nine countries, as well as five clinker grinding plants established in three countries. Sales were 28,840 thousand metric tons of cement and clinker in 2023.

(in thousands of metric tons)[1]	2023	2022
France	2,945	3,129
Europe (excluding France)	1,061	1,100
Americas	5,463	5,334
Asia	8,770	8,104
Mediterranean	6,737	5,639
West Africa	3,864	3,834
TOTAL	**28,840**	**27,140**

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

Intra-group cement sales accounted for 19.8% of this business in the Group, with a significant disparity, ranging from 0% to 41% 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 and Aggregates businesses. The Group favors local brands rather than a single global brand.

Concrete volumes sold

The Group operates 273 concrete batching plants which produced and sold 10,020 thousand m^3 of concrete in 2023.

(in thousands of m^3)	2023	2022
France	3,214	3,642
Europe (excluding France)	529	593
Americas	3,191	3,093
Mediterranean	3,083	2,692
West Africa	3	4
TOTAL	**10,020**	**10,023**

Aggregates sales volumes

The 71 quarries operated by the Group's Aggregates business sold 24,273 thousand metric tons of aggregates in 2023.

(in thousands of metric tons)	2023	2022
France	9,387	10,597
Europe (excluding France)	2,740	2,803
Americas	2,935	2,962
Asia	709	618
Mediterranean	5,458	5,645
West Africa	3,045	2,893
TOTAL	**24,274**	**25,518**

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

	2023	2022	Change
Cement *(in thousands of metric tons)*	2,945	3,129	-5.9%
Concrete *(in thousands of m^3)*	3,214	3,642	-11.7%
Aggregates *(in thousands of metric tons)*	9,387	10,597	-9.6%

Economic growth in France slowed in 2023, with limited GDP growth of less than 1%. Inflation remains high but is declining, at around 4% per year.

Housing starts were down 22% in 2023, with less than 300,000 units started, owing to the increase in interest rates and new building regulations. Non-residential building starts also declined, by 14%.

Public works business, however, recovered 4% over the year, thanks notably to work related to the Grand Paris project.

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 decrease in cement consumption of more than 3% in 2022, cement demand declined by 5.8% in 2023 due to the inflationary backdrop.

In this environment, Vicat sales were down 5.1%. 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 2023, as for cement, consumption of ready-mixed concrete should decline by close to 7% to approximately 36 million cubic meters.

The Group's 155 concrete batching plants cover 10 of the 19 French regions, mainly located in the eastern half of France, and sold nearly 3,214 thousand m^3 in 2023, down 12%. Selling prices, however, increased over the 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 290 million metric tons in 2023 (excluding recycled materials), down 7%.

The Group has some 60 sites, including 45 quarries, which enabled it to produce and market 9,387 thousand metric tons of aggregates in 2023, down 9.6% on 2022. 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 operational sales by business

(in millions of euros)	2023	2022	Change
Transport and Major Projects	187.3	193.0	-3.0%
Construction chemicals	103.6	96.4	+7.5%
Paper	46.2	54.4	-15.2%

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 sales revenues 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. Owing to the decline in the construction market, revenue generated by this business was down 3.3% in 2023.

SATM's major projects business primarily operates on large infrastructure construction sites such as TGV railway lines, motorway and underground projects, such as the Turin-Lyon tunnel, 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 recognized partner for major projects, both in France and the rest of the world, which enables it to take advantage of major project work opportunities as they arise. As a result, its revenue increased by close to 29% in 2023.

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 8% in 2023 driven by the strength of its activities, notably Flooring, Tiles and export businesses.

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.

2023 was marked by a significant contraction in demand, which had an impact on Company revenue, which was down 25% over the period.

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 2023, revenue from this business was stable.

1.4.2 Europe (excluding France)

Group sales volumes in Europe (excluding France)

	2023	2022	Change
Cement *(in thousands of metric tons)*	1,061	1,100	-3.6%
Concrete *(in thousands of m^3)*	529	593	-10.8%
Aggregates *(in thousands of metric tons)*	2,740	2,803	-2.3%

1.4.2.1 Switzerland

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

In 2023, Switzerland's GDP grew by 1.3% while the inflation rate was down to 2.1%.

CEMENT

Cement consumption in Switzerland amounted to 4.2 million tons[(1)] in 2023, down 9% compared with 2022, owing to the slowdown in the construction sector. This level, nevertheless, represents consumption of just over 500 kg per inhabitant, which is a high level for a mature country.

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

In 2023, the Cement business reported a 4.5% decline in volumes. 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 500 thousand m^3 in 2023, down 11% compared with the previous year.

Vigier operates 16 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 2.7 million metric tons in 2023, down 2.3% on the previous year.

The recycling market is more buoyant than in 2022, with volumes up 34% to 611 thousand metric tons.

Selling prices in these activities were increased in 2023.

(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.

In 2023, revenue generated by this business line increased 3% to more than €50 million.

1.4.2.2 Italy

With cement consumption of just over 19 million metric tons of cement in 2023, Italy suffered a contraction of close to 3% owing to the macroeconomic backdrop.

Cementi Centro Sud, the Group's subsidiary, operates a raw mill and two shipping terminals, one near Genoa and the other in the south of the country, which jointly totaled 243 thousand metric tons sold in 2023, including quick-setting cement trading. 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

	2023	2022	Change
Cement *(in thousands of metric tons)*	5,463	5,334	+2.4%
Concrete*(in thousands of m³)*	3,191	3,093	+3.2%
Aggregates *(in thousands of metric tons)*	2,935	2,962	-0.9%

1.4.3.1 United States

GDP was up 3.1% in 2023. The unemployment rate has been stable for more than one year, at around 3.5% of the active population. Inflation slowed to 3.1% over the year.

Construction spending was up 11.3% compared with 2022, driven mainly by the non-residential commercial sector. The residential market, suffering from high interest rates, increased by only 4%. However, the public works market increased by 16%, benefiting from the bipartisan law on infrastructure adopted in November 2021.

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

▼ CEMENT

The US cement market is estimated at 108 million metric tons in 2023[1], down by around 2.7% on 2022.

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)	2023	2022	Change
South-East	10.3	9.5	+4.1%
California	8.4	9.7	-11.7%
TOTAL UNITED STATES	**107.6**	**110.6**	**-2.7%**

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, Fortaleza Materials in the South-East, and Cemex, Unacem, 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 9th 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-East and to increase considerably the use of alternative fuels, a new firing line was commissioned in 2022 at the Ragland plant in Alabama. Its production rate was in line with expectations in 2023.

Thanks to this investment, Group sales volumes increased more than 12% in 2023. The impact of the new firing line in the South-East offset the decline in business in California, which suffered from unfavorable weather conditions during the first half of the year. Prices were also increased 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 301 million m³ in 2023[1], up 2.2% 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 2023, the Group's Ready-mixed Concrete market in the South-East (Alabama and Georgia) accounted for a production of over 16 million m³, around a 4% increase over 2022[1]. In California, production of ready-mixed concrete came to close to 26 million m³ in 2023, down 12% compared with a year earlier [1].

The Group has grown through successive acquisitions and runs 47 concrete batching plants in the US, mainly through Kirkpatrick Concrete, National Ready Mixed, Walker Concrete and Builders Concrete.

These companies generated sales volumes up 3.7% to more than 2.3 million m³ in 2023. 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 cement plant, in the vicinity of Brasilia, with a total installed cement capacity of 3.8 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 2023 stands at +3%. The unemployment rate continued to decline in 2023 to 7.7%. Inflation slowed to 4.6%.

▼ 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 which should come to around 62[2] million metric tons, down 1.7% compared with 2022, was impacted by the economic slowdown, on the one hand, and by unfavorable weather conditions on the other, with higher-than-average precipitation in the south of the country and severe drought in several other regions. Furthermore, the interest rate (SELIC) remained high throughout the year, which had a negative impact on household consumption and real estate financing.

Against this backdrop, Ciplan sales were down 5% compared with 2022, reaching close to 2.9 million metric tons. They nevertheless benefited from price increases.

▼ CONCRETE

With its network of 13 concrete batching plants, sales came to more than 800 thousand m³ in 2023, i.e. an increase of close to 2%. Prices also trended positively.

▼ AGGREGATES

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

Sales remained stable in 2023, with more than 2.9 million metric tons sold.

1.4.4 Asia

Group sales volumes in Asia

	2023	2022	Change
Cement *(in thousands of metric tons)*	8,770	8,104	+8.2%
Aggregates *(in thousands of metric tons)*	709	618	+14.7%

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 6% in 2023 despite inflationary pressures, with the price index rising 5.6%.

(1) Our estimates and NRMCA data.

(2) Source: Sindicato Nacional da Industria do Cimento (SNIC).

CEMENT

The cement market in India was estimated at over 440 million metric tons in 2023[1], making it the second-largest cement market in the world. With a per capita consumption of more than 250 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. After the 2022 acquisition by Adani of two cement companies, ACC and Ambuja from the Holcim group, making Adani the second-largest cement producer in India, after UltraTech Cement, further acquisitions were carried out in 2023 by these two cement companies: Sanghi Cement (present in Gujarat) by Adani, Kesoram industries (present in Telangana, Karnataka) by Ultratech.

In 2023, 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 132 million metric tons, up 16% on 2022.

The Group markets the production of its two factories under both the Bharathi Cement and Vicat brands through a broad network of distributors. In 2023, the Group sold close to 7.3 million metric tons of cement and clinker, representing an increase of more than 8% in volume terms. Selling price declined in 2023.

AGGREGATES

Bharathi Rock Products operates an aggregate quarry approximately 50 km from Bangalore, in Karnataka. This company sold 0.7 million metric tons of aggregates in 2023, up 15% on 2022.

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 48 million bags in 2023, down 6.6% 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.

Dynamic, GDP growth in Kazakhstan should amount to 4.6% in 2023, with inflation easing to 10%.

Business in the construction sector remained stable in 2023. The construction market is driven by public investment (notably in housing, up 16%) and the development of public infrastructure.

Domestic consumption of cement rose by close to 2% in 2023, to more than 12 million metric tons.

Jambyl Cement sales were dynamic, up 8%, to more than 1.5 million metric tons, thanks notably to exports. Prices were down in 2023.

1.4.5 Mediterranean

Group sales volumes in the Mediterranean

	2023	2022	Change
Cement *(in thousands of metric tons)*	6,737	5,639	+19.5%
Concrete*(in thousands of m³)*	3,083	2,692	+14.5%
Aggregates *(in thousands of metric tons)*	5,458	5,645	-3.3%

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 region.

With its economy still fragile owing to the devaluation of the Turkish lira in 2018, Turkey nevertheless reported solid growth in 2023, with GDP growth of close to 6% thanks notably to government budget measures.

Monetary easing which was the pivot of government economic policy, was replaced in 2023 with more orthodox measures to fight inflation, with massive interest rate increases of more than 40%. This did not halt the collapse of the domestic currency, which lost 39% over the year versus the euro, also bringing inflation to close to 65% at end-December, maintaining the Turkish economy in hyperinflation.

The construction sector recovered in 2023, benefiting notably from reconstruction efforts following the tragic earthquakes in February 2023.

CEMENT

The uptrend also impacted cement consumption, which was up almost 15% in 2023, to approximately 63 million metric tons in 2023.

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.

(1) Source: internal estimate.

The principal cement consumption areas in Turkey are the urban areas of Marmara (Istanbul) and Central Anatolia (Ankara), and the tourist areas of the Mediterranean (Antalya) and the Aegean Sea.

Against this backdrop, the Group's cement sales were up close to 15% to 3.9 million metric tons. Selling prices continued to increase sharply in 2023, offsetting the impacts of cost inflation.

▼ READY-MIXED CONCRETE & AGGREGATES

The Turkish RMC market is estimated at around 126 million m^3 in 2023[1], reflecting growth of 20% compared with the previous year.

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 3.1 million m^3 in 2023, up 15%, accompanied by an increase in selling prices.

The Group's position in the Aggregates business is focused on supplying its ready-mixed concrete market, which accounts for 69% of its sales.

At 5.5 million metric tons, aggregate sales were down 3% in 2023. 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.

The economy slowed during 2023 owing to restrictive monetary policy, the sharp depreciation of the Egyptian pound, import controls and the surge in inflation.

While it remains in positive territory, GDP growth was slower in 2023, at 3.8%, as the country suffered from a lack of strong currency, against a backdrop of a weakening national currency and high interest rates to tackle high inflation, at more than 30%.

In terms of security, the situation in North Sinai has not changed much since the beginning of the military operation launched in February 2018, although logistics flows have improved markedly.

The building sector, which had been stagnant since 2016, rebounded in 2021, to 6 to 7% per year, thanks in particular to a major works program undertaken by the Egyptian State, including for example the new capital project or the high-speed rail link project.

Cement consumption was down 7% in 2023, reaching less than 48 million metric tons, held back by market regulations implemented by the Egyptian government since 2021.

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 by more than 23% to 2.8 million metric tons thanks to the marketing of new cements and the development of the export business. Price increases in the domestic market were possible to limit the impact of inflation.

1.4.6 Africa

Group sales volumes in Africa

	2023	2022	Change
Cement *(in thousands of metric tons)*	3,864	3,834	+0.8%
Concrete*(in thousands of m³)*	3	4	-16.6%
Aggregates *(in thousands of metric tons)*	3,045	2,893	+5.3%

1.4.6.1 Senegal

The economy in Senegal has been hit by the global macroeconomic backdrop. Inflation declined to 5.5% in 2023 and GDP growth is expected at more than 4%.

The building sector remains very dynamic, with steady 8% growth, driven by numerous State and private projects both in urban and rural areas.

▼ 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 8 million metric tons.

The cement market in Senegal enjoyed 8% growth in 2023 to over 6.6 million metric tons.

The Group faces competition in Senegal with Ciment du Sahel and 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.

(1) Estimate provided by the THBB (Turkish Ready Mixed Concrete Association).

Sales came to 3.2 million metric tons in 2023, down 4% owing to intense competition. After having been frozen by the government, it was possible to increase selling prices at the end of 2022, and selling prices held up well in 2023, 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.

2023 benefited from strong demand, driven by State markets and notably road building projects. The building sector (individual houses, small buildings, construction and road works) and was stable compared with the previous year.

Against this background, the Group saw volumes rise 5.3% to over 3.0 million metric tons in 2023, as well as selling prices.

1.4.6.2 Mali

Despite the persistence of the security, political and financial crisis, the Malian economy remained relatively resilient in 2023, with GDP growth estimated at 5%. These trends were more mixed in the construction and public works sector, driven mainly by the State and its development partners, with a near-total freeze on project financing. Inflation eased to around 2.6%.

The reopening of borders in July 2022 led to a partial resumption of business.

Against this backdrop, cement consumption jumped over 17% to in excess of 3.3 million metric tons. Ciments et Matériaux du Mali benefitted from this upward trend, selling 375 thousand metric tons, in addition to 157 thousand metric tons of direct sales by Sococim Industries, i.e. an overall increase of 34% compared with 2022.

1.4.6.3 Mauritania

2023 saw economic growth of 4.8%, inflation back down to 5% and an unemployment rate unchanged, but high, at 35%. Annual cement consumption in Mauritania rose 10% in 2023 to over 1.2 million metric tons, 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 by over 13% in 2023 to 260 thousand metric tons.

The Group supplements its operations in Mauritania with a ready-mixed concrete business.

1.5 R&D AND PRODUCT AND SOLUTION 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. The 2023 goals of the R&D and Product Innovation teams remained focused on the decarbonation of the Group's operations.

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:

- the 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 and 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 €4.0 million in 2023.

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. The DECA range, which explains the product portfolio in simple terms, has been developed in France so that our products are more accessible to our clients.

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 CARAT, 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 0 kg 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 in partnership with the start-up, Carbon8. 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. The Research and Development Department explores various applications ranging from social housing (potential savings in building costs) to marine reefs (promotion of underwater biodiversity). Since 2022, the solution developed in Vicat's laboratories has been equipped with a Research and Development and 3D printing production site in Chambéry (France) and was incorporated into a Group subsidiary dedicated to the marketing of new products and solutions. These 3D concrete printing solutions are grouped together under our Lithosys brand.

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 under the Alpenat brand 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.

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.

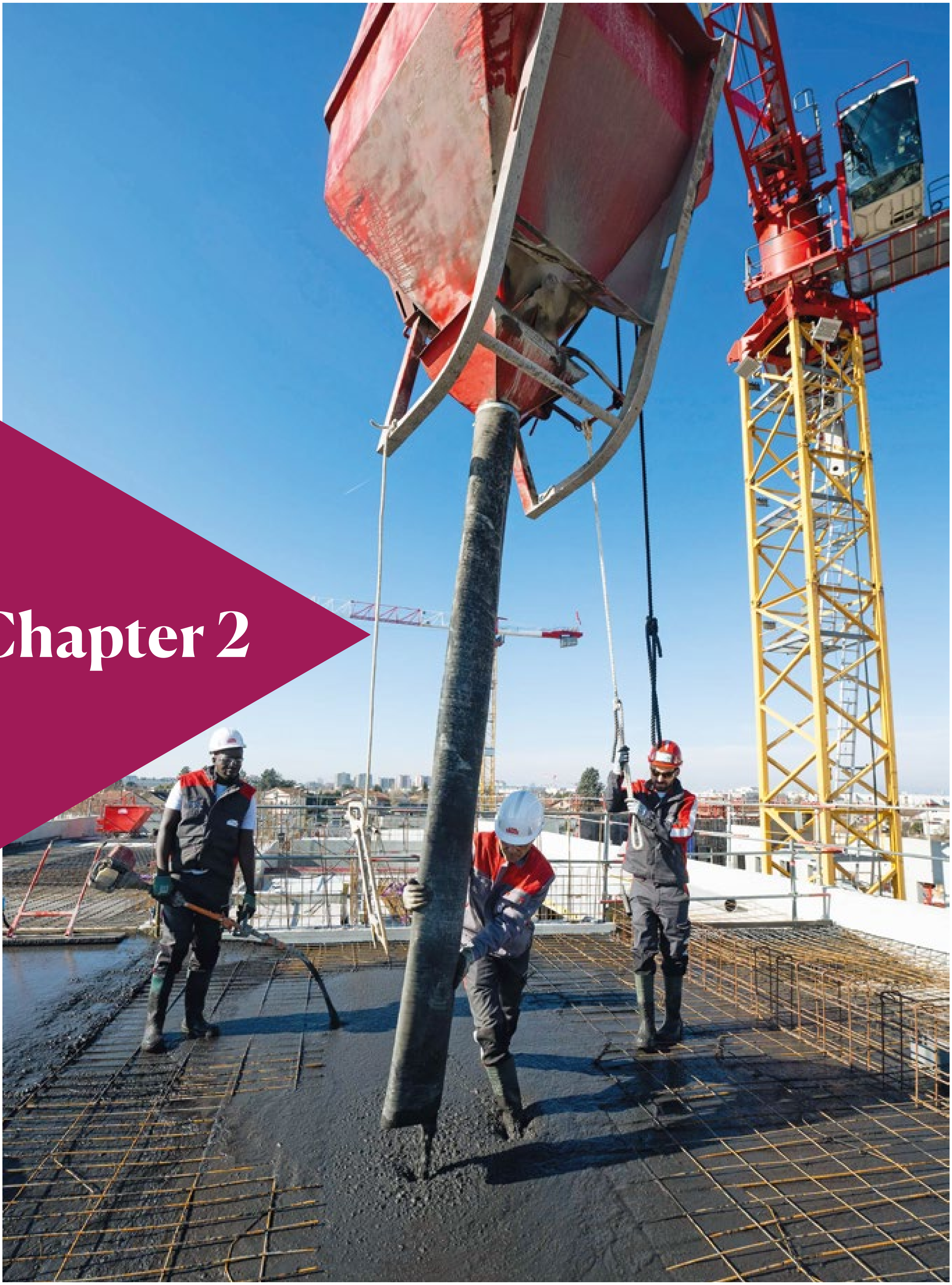
Its analytical capabilities enable the Louis Vicat Technical Center to diagnose issues affecting concrete poured in the 19th and 20th centuries and offer treatment solutions. Vicat is a member of the Cercle des Partenaires du Patrimoine, an association formed by the French Ministry of Culture and Communication 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 ESTP and its foundation, the Commissariat à l'énergie atomique (CEA), the Gustave Eiffel University, 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 mining and industrial waste is being done with the CNRS, the start-up Carbon8, the Institut de chimie et biochimie moléculaires et supramoléculaires in Lyon and the Laboratoire de Génie Chimique in Toulouse. Vicat has also become a partner of the European project Fibsun together with the Institut France Bois Ameublement (FCBA), which seeks to use biomass to restore industrial sites. This biomass can then be used as an ingredient for concrete.

In partnership with three other European cement manufacturers and the engineering firm, Polysius, Vicat is developing second-generation Oxyfuel technology to reduce CO_2 capture costs by concentrating fumes into CO_2.



Chapter 2

2 Risks and Internal Control

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, 9 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
	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	Regulatory risks, non-compliance with tax and regulations	Possible	Moderate	Limited
	Ethics and corruption	Possible	Significant	Medium
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 2023, around 41% of the Group's revenue was generated in markets classed as "emerging countries" (Senegal, Mali, Mauritania, Egypt, Turkey, Kazakhstan, India and 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 2023, 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 classified as being in hyperinflation, with growth in the consumer price index in excess of 60% (see note 3 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 63% of EBITDA in 2023), 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 Risks related to resources

2.1.2.1 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 licenses, or if suppliers suddenly ceased trading or were forced to halt or cut production of these raw materials, the Group may be required to obtain its supplies at a higher cost and may not be able to pass on the entire increase to selling prices, or it may have to seek replacement raw materials.	The supply of raw materials to the Group's factories is ensured by the rigorous management of reserves and quarry operations. A specific in-house organization dedicated to this role enables complete control of raw materials through the combined work of specialists and experts in geology, mining and the environment. The Group uses the best technology there is, from geological and geochemical surveys to the determination of the intrinsic properties of the materials, from computer modeling to operational simulations and extraction and reinstatement work. For instance, the study and monitoring of deposits enables their chemical balance to be monitored and the long-term continuity of supplies to the factories to be checked constantly. Depending on the country, land is controlled by purchase or by an operating agreement with the owners, who may be the State itself. This stage occurs after a complete survey of the subsurface by electric, geophysical or destructive probes. Lastly, the Group is also developing its recycling activity for deconstruction materials (concrete, aggregates) in order to reduce its exposure to traditional supplies.

2.1.2.2 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, or waste heat recovery systems. 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.

2.1.3 Risks related to the construction market

Risk description	Risk management
The products and services sold by the Group, and in particular cement, concrete and aggregates, are used in the 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. Construction activity may also be adversely affected by a sudden hike in interest rates.	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.

2.1.4 Risks related to product defects

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

2.2 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 active documentary monitoring 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 the 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

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 the development of the cement industry or quarrying, 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 monitoring system, 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

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. Internal or external fraud may also occur locally in subsidiaries where the Group operates.	To meet its own ethical obligations as well as those prescribed by law, the Vicat Group has implemented an anti-corruption program that includes an anti-corruption code of conduct, control procedures on operating activities (including the policy on gifts and the anti-corruption accounts control procedure), an internal organization designed to monitor policies and procedures, an internal whistle blowing system and training to educate and raise awareness among employees, directors and third parties, as well as third-party assessment tools and procedures and risk prevention and management tools and procedures associated with international sanctions. The Group has also set up an internal control and external auditing system aimed at enabling to detect and remedy fraud should it occur. Accordingly, following an internal control failure at one of its local subsidiaries in the Europe region, the decision was made to carry out critical analysis of the internal control system and to implement a plan to strengthen it. In the event that fraud is established, disciplinary or legal measures are taken against the person(s) responsible.

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, 2023:

(in millions of euros)	USD	EUR	CHF
Assets	142.2	113	0
Liabilities and contracted commitments	(164.7)	(127.2)	(6.1)
Net position before risk management	**(22.5)**	**(14.2)**	**(6.1)**
Hedging instruments	7	2.7	1.3
Net position after risk management	**(15.4)**	**(11.5)**	**(4.8)**

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 US dollar, totals, in euro equivalent, €0.2 million.

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 significant impact on its earnings, or on the Group's net financial position as illustrated in the table below:

(in thousands of euros)	Impact on income before tax[(1)]	Impact on shareholders' equity (excluding impact on earnings) before tax[(2)]
Impact of a +100 bps. change in the interest rate	(5,463)	(223)
Impact of a -100 bps. change in the interest rate	5,646	222

(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	Internal control manual and procedures
Operational units	Information management tools
Finance Department	Management system
Financial Control Department	Anti-corruption procedures
Legal and Insurance Department	Group insurance policies
Compliance, Security and Internal Audit Department	Business continuity plans

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 or processes and on a training policy.

The Group pays particular attention to matters of internal control in the countries where it operates. It puts measures or processes 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 and processes 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 Group Finance Department;
- the financial controllers are seconded by the Group's management to each of the countries in which the Group operates 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 Head of the Compliance, Security and Internal Audit Department, who reports directly 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 and fraud risks. 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 for a number of years in a progressive upgrading of its information systems, with a view to standardizing the tools used, improving the security and speed of processing of data and transactions on a standardized technical platform, developing shared expertise units 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 and then followed by other Group countries (Switzerland, Brazil, India). Equally, the Group now needs to move on to the new generation of SAP tools with S4 Hana, in India and Brazil for example.

The Group also decided in its IT roadmap to focus on just two ERP systems over the medium term: SAP S4 Hana for the largest volume countries and Microsoft Dynamics 365 Business Central for the other ones. This decision was taken for the Mali subsidiary and the Group's Aggregates subsidiary in Senegal.

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;
- regular earnings forecasts to anticipate any deviance in earnings and to take corrective measures;
- 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.

2.5.2.1 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 motorized vehicle fleet and for the private or public transport of its goods and other property by land, sea and inland waterway.

2.5.2.2 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.

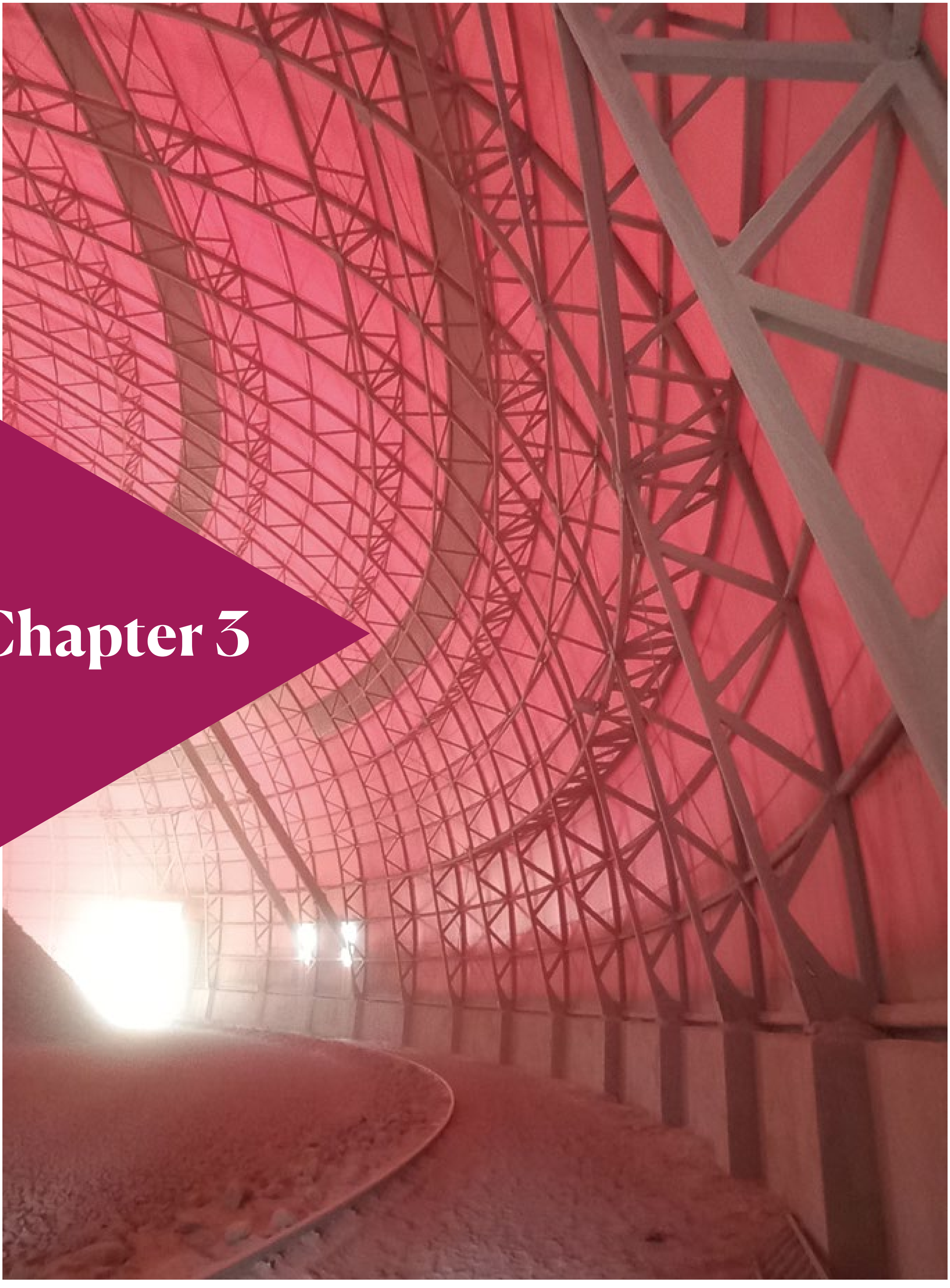
Covers under the civil liability and product liability insurance policies taken out, both in France and abroad, are in amounts consistent with local activities and economic considerations.

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 2023, the total cost of insurance cover on the main risks managed under Group policies was approximately 3.9 per thousand of revenues.

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



Chapter 3

3 2023 Statement of Extra-Financial Performance

VICAT'S BUSINESS MODEL

MEGATRENDS POPULATION GROWTH

Our resources

INDUSTRIAL HERITAGE

- Modern, constantly-evolving high-performance industrial facilities close to their markets. **16** cement plants throughout the world, **273** concrete-batching plants, **71** aggregate quarries.
- Self-generation of **156** GWh of renewable electric energy.
- **7** subsidiaries devoted to circular economy (Altola, Alternative, Bioval, CIRCULère, Çözüm, Terenvie, Vito Recycling).

NATURAL CAPITAL

- Extensive mineral rights guaranteeing access to reserves for the long term.
- Rich, diversified landholding respectful of biodiversity and ecosystems: forests, wetlands, nature reserves.

HUMAN CAPITAL

- Occupational health and safety an essential priority Goal: **Zero accidents**.
- **9,993** committed, passionate employees sharing company values in **12** countries. **94%** of employees on open-term contracts.
- High-quality social dialog based on mutual respect.
- **100%** gender pay equity (see corporate website vicat.com).
- Goal: **100%** of personnel aware of energy-transition issues.
- Close to **100%** of general-management positions occupied by local nationals in the **12** countries where we work.

SOCIETAL CAPITAL

- Constant dialog of trust with stakeholders (populations, partners, suppliers, customers, scientific and technical communities, local bodies, not-for-profits, etc.).
- Territorial identity in each of the **12** countries where we work.
- **2** corporate foundations: Fondation Louis Vicat and Fondation Sococim (Senegal).
- Supplier relations focused on top-rate, responsible, local suppliers (**65%** of purchases made in the economies where we work).
- Committed to social inclusion.

ECONOMIC AND FINANCIAL CAPITAL

- Enduring family-based majority shareholding.
- Geographically diversified generation of cash flow (**69%** in developed countries, **31%** in emerging markets).
- Financial solidity – high equity (**€3 billion**) – controlled, diversified debt (5-year average maturity).

INTELLECTUAL CAPITAL

- Artificial cement invented by Louis Vicat in 1817.
- Recognized know-how and technical excellence in the Cement, Ready-Mixed Concrete, and Aggregate businesses.
- **100%** of top management trained in ethics and compliance.
- Innovation: modern R&D center focused on product and process innovation (**140** engineers and technicians).

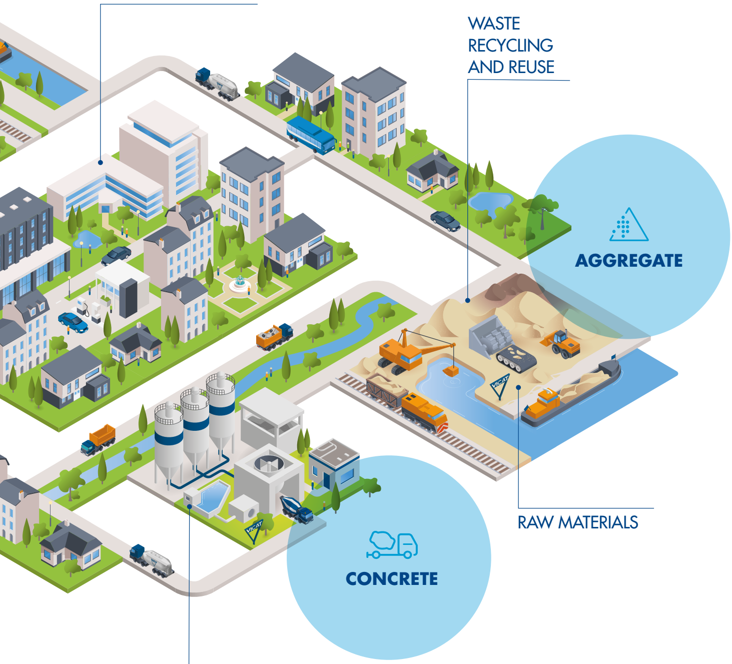
Our activities

Our strategic focuses

Role as a cement manufacturer serving our customers

SOCIAL AND SOCIETAL TRANSITION

ENVIRONMENTAL AND ENERGY TRANSITION



Continuous commitment by the workforce in local economies

Driving force for environmental and energy transition

Our value creation

PEOPLE

- Safety culture: constant improvement of the accident-frequency index (down **4.18%**) and accident-severity index (down **0.25%**).
- **100%** of employees have received safety training.
- Constant increase in the number of hours of training (**28.4 h** / person, up **35%** on 2022).
- Constant increase in the number of women employees, across all socio-economic categories (**12.1%** women).
- More than **94%** of direct jobs are under **open-term contracts**.
- **Zero tolerance** policy as regards discrimination, sexual and moral harassment, and sexist behavior.
- **100%** of businesses engaged in supporting local communities in 2023.
- **1,150** suppliers committed to safety.
- Louis Vicat / Sococim foundations: support for actions in favor of education, handicap awareness, culture, heritage, and entrepreneurship.

CREATION OF ECONOMIC VALUE BY STAKEHOLDERS

- Customers: **€3.9 billion** (2023 sales).
- Employees: **€569-million** payroll.
- Suppliers: **€2.8 billion** paid to suppliers (Group scope, including energy).
- Shareholders: **€94 million** paid out to shareholders.
- Debt holders: **€50-million** debt burden.
- States: **€150 million** paid to national governments (direct and indirect taxes). More than **€720 million** of sales tax (VAT or equivalent) collected.
- Investment for future growth: **€300 million** (including decarbonization projects).

PLANET

- Biodiversity: **73%** of quarries have restoration plans.
- **4.5 million** metric tons of materials recycled, reused or repurposed.
- **520,700** metric tons of CO_2 emissions prevented (at constant cement volume).
- Fuel substitution rate: rise from **28.1%** in 2022 to **32.0%** in 2023 across the Group (equivalent to not burning **1,000,000** metric tons of coal), **72.7%** in Europe.
- Clinker content for equivalent cement reduction from **77.5%** in 2022 to **76.8%** in 2023.
- CDP ranking: **A-**.
- **61** projects involving decarbonization; **€39.8 million** for funding the projects.
- **8.8%** of electrical energy consumed is obtained through renewable self-generation (hydro, photovoltaic, waste heat).
- High-quality, **100%** sustainable, standards-compliant product and service offering for decarbonizing the value chain.

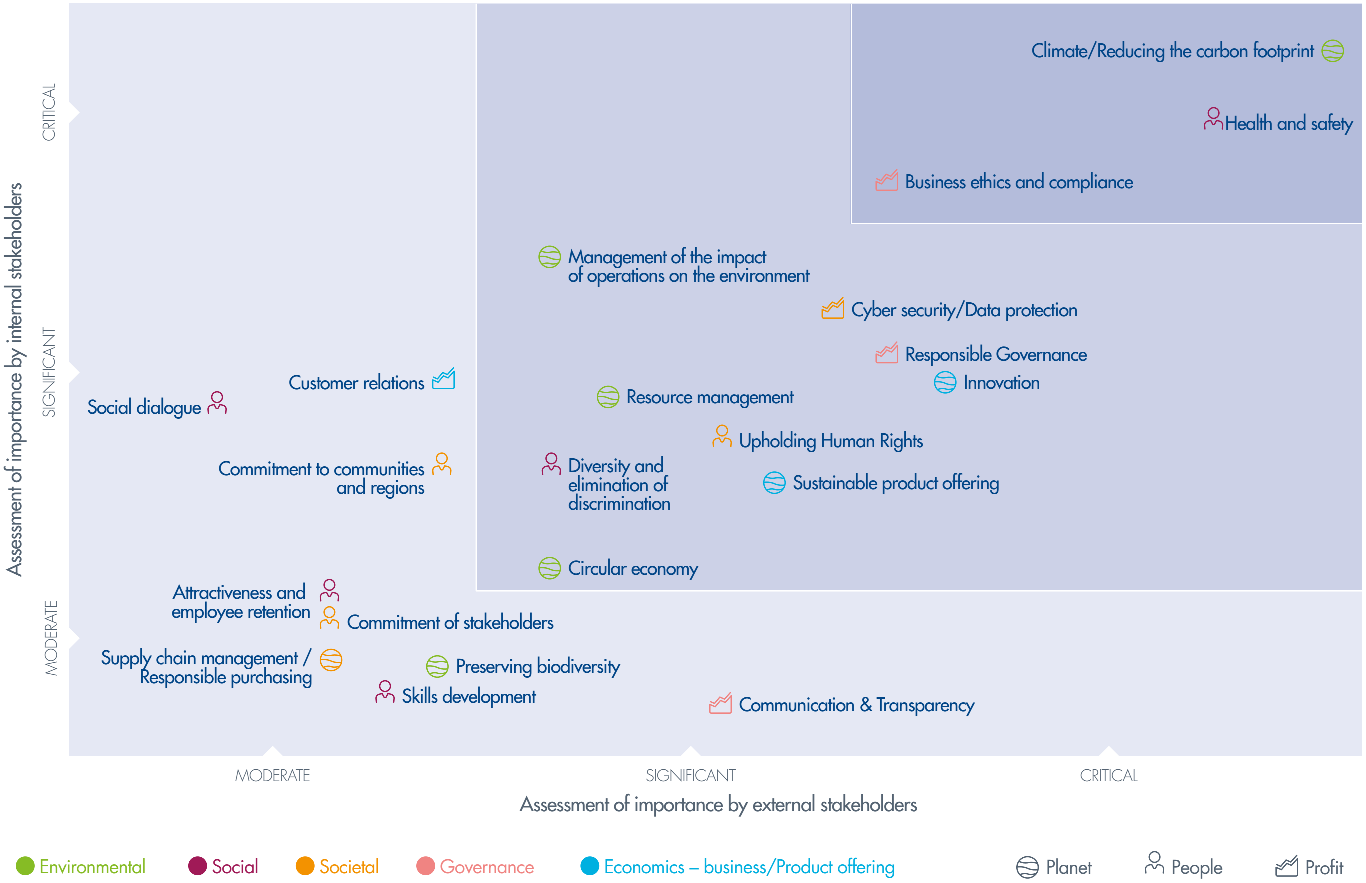
IDENTIFICATION AND ALIGNMENT OF TOP SUSTAINABILITY CHALLENGES

Vicat Group actively engages with its internal and external stakeholders in order to make every effort to achieve the shared sustainability vision. The stakeholders in question are:

- an increasing number of customers who are committed to carbon neutrality in certain regions;
- suppliers;
- investors, who are looking to see progress on reducing the carbon footprint;
- employees, whose health and safety are a major concern;
- the labor partners;
- 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 becoming more demanding in terms of the energy transition and the circular economy;
- local communities who directly or indirectly benefit from the value created by Vicat Group in the countries in which it operates;
- the public or private partners, institutions, schools, universities, etc.

This materiality analysis found that the following were of critical importance for Vicat Group:

- sustained business growth, reflecting the specific expectations of each market;
- the market roll-out of climate change adaptation solutions;
- the reduction in the carbon footprint of its products and solutions;
- process CO_2 capture, also called "hard to abate", for utilization (CCU) or storage (CCS);
- the health and safety of the Group's employees and stakeholders;
- business ethics and compliance.



Vicat Group retained an independent firm to update the materiality analysis. This update enabled Vicat Group to ensure that extra-financial challenges were being fully considered and that there was alignment on this with stakeholders and also to set out the Group's sustainability priorities. The materiality analysis supplements the internal risk mapping done by the Finance Department and the Compliance, Safety and Internal Audit Department. These risks are presented in chapter 2 of the Universal Registration Document. The importance of these two challenges can vary significantly across the regions in which the Group operates.

DESCRIPTION OF THE SUSTAINABILITY CHALLENGES

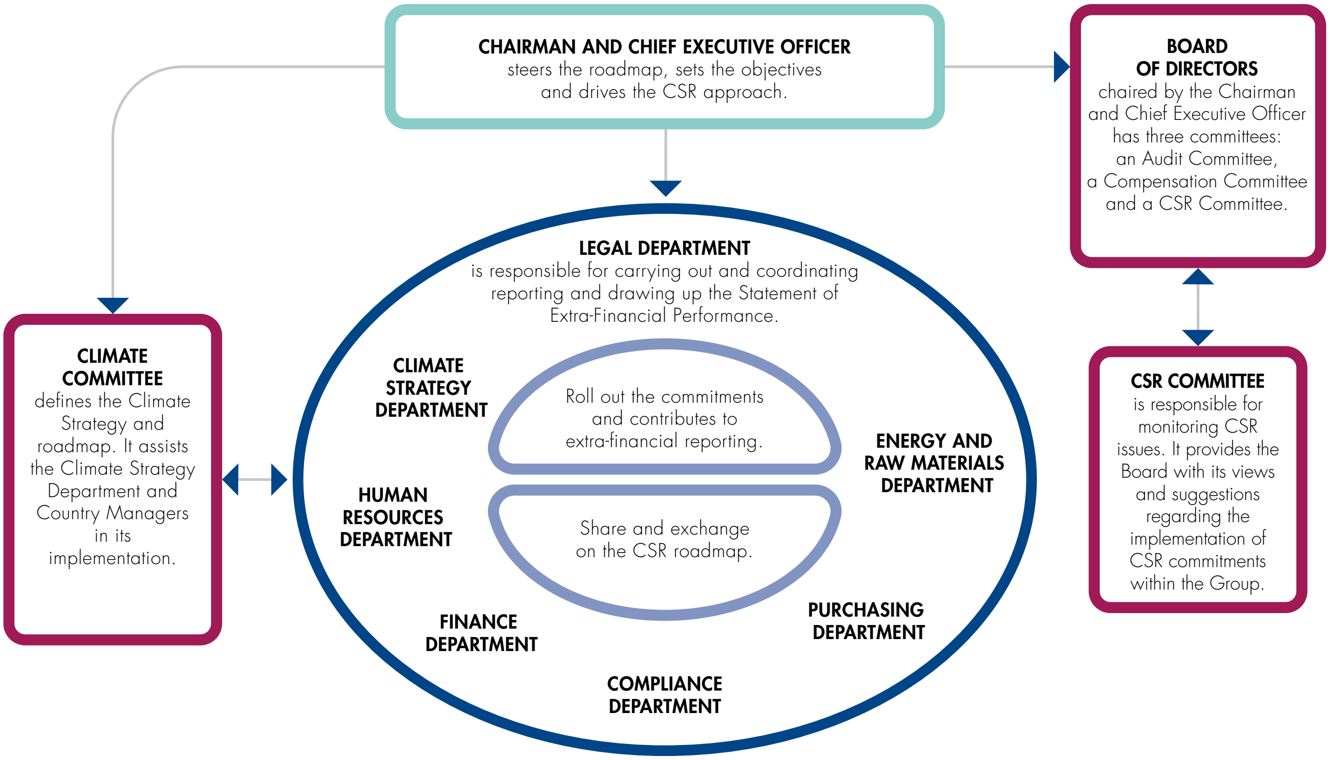
The challenges covered in the Statement of Extra-Financial Performance are the same ones already identified in the course of the materiality analysis and which were ranked as follows: **critical**/**important**/**moderate**.

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, materials shortages, etc.)	Setting quantitative objectives for Scopes 1 and 2 for 2030 to further the 2050 goal of carbon neutrality Drawing up a Climate Plan that primarily focuses on: Improving thermal and electrical energy efficiency Production of renewable and low-emissions energies Reduction in the carbon footprint of mobility Substitution of primary fossil fuels Reduction of clinker content in cement CO_2 capture, storage and utilization	Usage and production of electricity, including renewable electricity Rate of alternative fuels Clinker content of cement CO_2 emissions across Scopes 1, 2 and 3	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 the development of the circular economy Responsible waste management Protecting air quality	Water extraction, waste and usage Consumption involving substitution materials Emissions of dust, NOx 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 rehabilitation plan Share of quarries with a biodiversity management plan or taking positive steps to promote biodiversity Surface area rehabilitated during the year Number of trees planted No. of visitor groups welcomed at the site over the year	SDG 15 "Life on land" SDG 14 "Life below water"
Sustainable product offering and Customer Relations Risk of product quality defect Risk of off-specification products Risk of failure to adapt products	Eco-design Quality management system Innovation policy DECA low-carbon offering Lythosys 3D printing offering	OFG (*Origine France Garantie*) label Number of patents filed Customer satisfaction	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 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 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 Anti-corruption code of conduct Corruption 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	Average percentage of national purchasing Average proportion of revenue with SMEs Number of Supplier Codes of Conduct signed Average proportion of Group purchasing contracts that contain a specific CSR clause Proportion of Group buyers who received training on CSR and the UN SDGs Average percentage of supplier invoices paid by the due date	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

GOVERNANCE ADAPTED TO THE CHALLENGES

Vicat Group's commitment to meeting the sustainability challenges is brought to life through structures and governance that bring together managers at all levels of the Group and the top of the organization.



The Board of Directors plays a key role in assessing risks and opportunities relating to the Climate and the reduction in the carbon footprint of the Vicat Group's operations and products. The Board, which meets at least three times a year, reviews any measures designed to mitigate and adapt to the effects of climate change arising from the climate plan: the investment program, the development of new low-carbon products and the signing of new strategic partnerships designed to help reduce the carbon intensity of the economy. In terms of implementing the sustainability strategy, the Board of Directors is supported by three committees, namely the Audit Committee, the Compensation Committee and the CSR Committee. The Audit Committee reviews the financial indicators presented by the Group with respect to the EU Taxonomy Regulation to assess the level of alignment with the sustainability objectives set out by the European Commission. It also assesses the work done by the Compliance, Safety and Internal Audit Department on business ethics. Furthermore, the CSR Committee reviews all CSR actions taken within Vicat Group over the course of the year.

In addition, the Group has established four quarterly operational committees chaired by the Chairman and Chief Executive Officer:

(i) the Climate issues Committee, established in early 2020, brings together all members of General Management. Initially comprised of the directly affected departments, over the past number of years it has expanded to cover any complex climate matter on a fully cross-company basis. In 2022, the Human Resources Director and the Regulations and Subsidies Director were also included. In 2023, the Performance and Investments Directors and the Research and Development Director also joined this committee. This represents the cornerstone of responsible governance that is tailored to the importance and complexity of climate issues as part of its CSR approach. The Committee is responsible for a range of matters like: reviewing commitments, presenting stakeholder expectations, updating the Climate roadmap, reviewing the consolidation of collected data that are presented in the Statement of Extra-Financial Performance, sharing best practice, identifying new performance indicators;

(ii) the Compliance and Audit Committee, established in 2019, is comprised of the Strategy Director, the Chief Operating Officers, the Deputy Chief Executive Officers, the Compliance, Safety and Internal Audit Director and the Internal Audit Director. This Committee provides a forum for regular updates on compliance and internal audit matters. The top priorities in terms of compliance are in particular the active participation of governing bodies, the assessment of third-party risk, the mapping of corruption and fraud risks, the gifts policy, the whistleblower procedure and follow-up, training on and the procedure governing the prevention and management of risks associated with international sanctions. As regards internal audit, the objective is to present action plans, with the main risks and areas identified as well as to track them and ensure that the audit plan is on track;

(iii) the Occupational Health and Safety/HR Committee, established in 2021, is comprised of the Chief Operating Officers as well as the "Industry", Insurance, Compliance, safety and internal audit, Legal and Human Resources and Occupational Health and Safety departments. Responsibility for preparing Committee meetings lies with the HR Department, Occupational Health and Safety and Fire and Emerging Industrial Risks. HR and Occupational Health and Safety and Emerging Industrial Risks performance indicators connected with the "Zero accident" objective are presented;

(iv) in 2023, the Cybersecurity/Digital Committee replaced the Cyber Committee, which had been set up in 2021. It is tasked with ramping up the sharing of information on cybersecurity and digital issues. It makes it possible: i) to raise awareness across all departments regarding these issues via presentations on major projects as they progress; ii) to assess the Group's maturity in terms of cybersecurity, and; iii) analyze incidents arising during the period. These actions are monitored through a series of indicators.

Viewing CSR as a unifying cross-company project, Vicat Group has created an international community of CSR representatives to coordinate and contribute to its sustainability approach.

3.1 VICAT GROUP'S CONTRIBUTIONS TO SUSTAINABILITY ISSUES

3.1.1 Climate and reducing the carbon footprint of operations

3.1.1.1 Vicat Group vision

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 at present to more than 10 billion by 2050.

Against this background, Vicat Group is developing and marketing products and solutions that meet local climate change adaptation needs alongside adapting its own production facilities.

The carbon footprint of Vicat Group's products and services can be reduced via the technological and financial options that are available depending on the country and that include:

- energy optimization;
- stopping the use of primary fossil fuels;
- reducing the proportion of clinker, the main active ingredient in cement concentrating the CO_2 content in the cement;
- use of CO_2 capture for the so-called process CO_2 or "hard-to-abate" CO_2 portion;
- the development of a solution to minimize concrete usage through 3D concrete printing thanks to its Lythosys offering; and
- the preservation of resources thanks to the circular economy.

All these actions mean that Vicat Group is continually reinventing the cement formulae of the future.

At present, Vicat Group operates in countries with differing maturity in terms of climate change regulations. In Europe (France, Italy, Switzerland) and in California in the United States, Vicat Group is preparing for a reduction in CO_2 emission allowances, without any assurance that it will be able to pass this on in its sale prices. In other regions (in Alabama in the United States, in Brazil, in Africa, Asia and the Mediterranean region), regulations are still unfolding. In the belief that regulations will converge, Vicat Group is keeping up with the pace of regulatory change to roll-out and market its low-carbon products and services.

That is why Europe is currently the Group's lab in terms of applied innovation and research and the industrialization of solutions designed in response to climate change.

In light of these climate risks, Vicat Group has put in place a climate plan designed to work towards carbon neutrality across its value chain. These objectives reflect those set by the European Union.

In 2023, Vicat Group continued its ambitious plan to reduce CO_2 emissions using existing means to achieve the target of 497 kg net CO_2 per metric ton of cement equivalent by 2030.

Furthermore, the Group sets itself Scopes 1 and 2 reduction targets associated with the production and purchase of electricity. To track its carbon footprint as closely as possible, the Group began calculating Scope 3 CO_2 emissions.

2030 decarbonization objectives across Scopes 1 and 2

Scope 1 objectives	Scope 2 objectives
To reduce its process and thermal emissions to 497kg **net CO_2** [1] per metric ton of cement equivalent at Group level To reduce its process and thermal emissions to 430kg **net CO_2** per metric ton of cement equivalent for the Europe region	Reduce its electricity emissions by 40% compared with 2020, including: ■ Half by favoring the use of renewable electricity offerings from operators (Scope 2); ■ and the other half by building renewable electricity production facilities (Scope 1).

(1) Definitions:

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.*

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

Gross CO_2: *direct emissions including the physicochemical transformation of raw materials at high temperatures and the use of extracted fossil fuels, as well as the fossil component of alternative fuels, excluding the biogenic component of alternative fuels.*

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

Vicat Group's climate plan is the result of an analysis of the climate risks and guides it towards its goal of working towards carbon neutrality across its value chain by 2050. It formalizes the Group's commitment to meet the challenge of climate change. The commitment to reduce CO_2 emissions has also been publicly reaffirmed through the signing of the French Business Climate Pledge (2017), through the ecological transition contracts signed on behalf of the French cement plants at Montalieu, Xeuilley and Peille, and through the submission of its carbon reporting to CDP's climate change questionnaire for the third year running for which the Group reinforced its A- rating despite the more stringent rating methodology.

Every country has its roadmap for the decarbonization of its operations that is aligned with the "climate plan". The Climate Action Oversight Department. within the Climate Strategy Department, works closely with all Country Managers to ensure the plan is properly implemented and to track actual performance.

This plan calls for mature technologies but also technologies that still require pilots or demonstrators before moving on to industrialization. This allows Vicat Group to put in place mitigation measures in response to physical risks, to upgrade its production facilities, particularly the cement operations, and to guide its market positioning and product innovations.

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 emissions in cement manufacturing come from a number of sources and in particular:

Direct emissions – Scope 1:

- burning fossil fuels for clinker production (high thermal energy kiln temperatures needed to fire the raw materials). This "fixed sources of combustion" item represents approximately 40% of Scope 1 emissions;
- the decarbonation of raw materials, especially limestone, during firing. This "non-energy processes" item represents approximately 60% of Scope 1 emissions;
- emissions from on-site self-produced electricity;
- emissions from transport by Vicat Group's fleet.

Indirect emissions related to energy – Scope 2:

- emissions from electricity purchased from the grid.

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 carbon footprint of purchased raw materials, products and services;
- emissions from the upstream transport of goods; and
- emissions from 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. Vicat Group primarily favors purchased materials with the lowest carbon footprint relative to the service provided, local supply chains and well as nearby markets in the same territories as the factories.

The Climate Plan focuses on the following key areas: 1) improvement in the thermal and electrical energy efficiency of operations, 2) production of renewable and low emissions energy, 3) decarbonization of mobility, 4) substitution of primary fossil fuels, 5) reduction in the clinker content in cement, 6) capture, storage or utilization of CO_2 (CCUS). The areas[1] are presented by increasing order of complexity, the easiest being energy optimization and the most complex being Carbon Capture Usage and Storage (CCUS).

Strategic investments connected with the reduction of the Group's carbon footprint amounted to approximately €40 million in 2023.

(1) The order in which they are presented in this chapter has been changed as a result.

This budget of approximately €40 million does not include the share of strategic growth investments on kiln 2 at Ragland (USA) and kiln 6 at Rufisque (Senegal), which have a significant impact on the Group's climate performance. In fact, these strategic growth investments will help to significantly increase the use of alternative fuels, reduce the clinker rate and improve the energy efficiency of these industrial facilities and thereby help secure the overall decarbonization objectives.

The Group remains committed to its 2030 decarbonization roadmap and its "climate" investment objective of €800 million over 10 years. The "climate" strategic investments in 2023 and 2024 should thus be under the annual average over 10 years as a result of the scale of the strategic growth investments over this period, with significant catch-up over the 2026-2030 period.

3.1.1.2.1 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. Vicat Group thus continues to invest in the best available technologies, with the commissioning in 2024 of a new kiln in Rufisque (Senegal) following on from the Ragland kiln (Alabama, USA) in 2022. Thanks to these facilities, the Group is able to increase the substitution rate while limiting the impact on the heat balance. Vicat Group has very modern plants, with 91% of its installed capacity consisting of dry-process precalciner kilns.

Electricity

Vicat Group's electricity consumption is concentrated in its cement operations for grinding upstream and downstream of the process in particular but also for crushing, sifting, mixing, conveyor transport, ventilation and drying. All new projects are studied through the prism of energy sobriety, the use of renewable energies and reducing the carbon footprint.

Vicat Group's commitment to the energy transition is also reflected in the application of an energy management system that is both rigorous and compliant with the ISO 50001 standard introduced at these cement plants: Grave-de-Peille, Montalieu-Vercieu, Xeuilley and Créchy in France and Bastas and Konya in Turkey.

Track record on electricity consumption by business

Change in electricity consumption by business

(GWh)	2023	2022	2021
Cement business	2,737	2,678	2,709
Aggregates business	79	81	79
Concrete business	29	30	31
Other Products & Services	38	38	47
TOTAL	**2,883**	**2,826**	**2,866**

Process electrification as well as the use of gas treatment and CO_2, capture technologies, not to mention on-site hydrogen production and the production of synthetic molecules will, over the coming years, increase the use of electricity per metric ton of cement produced.

Track record on specific electricity consumption by business

Change in specific electricity consumption by business

	2023	2022	2021
Cement business *(kWh/t)*	100	101	99
Aggregates business *(kWh/t)*	3.4	3.5	3.3
Concrete business *(kWh/m^3)*	3.2	3.3	3.2

3.1.1.2.2 Production of renewable and low-emissions energies

Wherever possible, Vicat Group encourages the transition towards renewable energies. In 2022, it set itself a target of reducing its emissions from electricity consumption by 40% by 2030 as compared with 2020, by favoring renewable energy or low-carbon electricity sources, alongside significantly increasing plans for self-production facilities. This new electricity target, combined with the Scope 1 target, will enable Vicat Group to more closely monitor its decarbonization performance.

Apart from buying low-carbon electricity (nuclear or hydro origins), Vicat Group meets its needs by self-producing a share of its electricity. Thanks to its land reserves, Vicat Group operates its own 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.

In India, Vicat Group fitted two of its plants with systems to recover residual heat that wasn't used in the cement manufacturing process ("Waste Heat Recovery System"). These systems make it possible to produce self-consumed electricity or supply an industrial or urban heat network. Similar equipment went operational in 2023 at the Bastas cement plant in Turkey.

In France, the Group operates a biomass-fired boiler and hydroelectric turbines for Papeteries de Vizille.

Consumption of renewable electricity (excluding grid electricity mix)(1)

Change in the renewable energy electricity mix (Group scope)

	2023	2022	2021
Total electricity consumption *(in GWh)*	2,883	2,826	2,866
o/w renewable electricity *(%)*	8.8%	8.5%	8.0%
- of which electricity that is certified from renewable sources (%)	*38.7%*	*41.2%*	*40.0%*
- of which self-produced renewable electricity (%)	*61.3%*	*58.8%*	*60.0%*
- of which solar (%)	*25.6%*	*26.9%*	*27.3%*
- of which hydraulic (%)	*2.7%*	*2.2%*	*2.7%*
- of which waste heat recovery (%)	*71.7%*	*70.8%*	*69.9%*

(1) These figures do not include the benefits of the electricity mix in some countries in which Vicat Group operates, which partly consists of non-carbon energy sources without having to buy guarantees of origin.

The increase in the proportion of electricity from renewable sources is mainly due to the commissioning of the waste heat recovery unit at the Bastas cement plant, which will be fully operational in 2024.

3.1.1.2.3 Substituting fossil fuels

Vicat Group has been committed for a number of years to a strategy of significantly reducing its fossil fuel usage.

A clear roadmap has been drawn up for the switch from fossil fuels to alternative fuels. Fossil fuels mean "primary fossil fuels" that are directly extracted from the ground and haven't been recycled. Alternative fuels mean energy 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's main actions are: (i) the development of voluntary sourcing of waste available in the countries in which it operates, primarily via its dedicated subsidiaries namely CIRCULère and ALTèreNative (whose plant will be commissioned in 2024) in France, ALTOLA in Switzerland and ÇOZUM in Turkey, (ii) the incorporation of its production facilities into circular economy loops in response to the needs of countries to find an outlet for their waste, (iii) the adaptation of its production facilities to use alternative fuels, (iv) the signing of partnerships with other players to undertake upstream preparation of the waste flowing into its processes.

For 2030, Vicat Group's goal is to completely eliminate the use of fossil fuels from its cement manufacturing process in Europe and achieve a rate of 50% alternative fuels across the Group's scope, up from 40% previously.

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

Change in the rate of alternative fuels (Cement business)

(%)	**2023**	2022	2021
Use of alternative fuels *(Group)*	32.0%	28.1%	26.2%
Use of alternative fuels *(Europe)*	72.7%	66.0%	62.9%

In 2023, the proportion of alternative fuels increased by close to 4 points compared with 2022. This significant increase, for the third year running, is helping further the Group's goal of reducing fossil fuel usage.

These efforts made it possible to prevent the use of the equivalent of around one million metric tons of coal. Already in 2022, the consumption of the equivalent of 860 thousand metric tons of coal had been avoided. While reducing its emissions, the Group also helps reduce the amount of natural resources used, the proportion of waste of countries put into landfills, create jobs, create value and improve the trade balance of countries.

3.1.1.2.4 Reduction of clinker content in cement

The carbon footprint of cement is highly correlated with its clinker content, the active ingredient in cement, 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, in 2022, to reduce the clinker content in its cement to 69% in 2030 from 75% previously, Vicat Group is demonstrating its desire to contribute to raising the existing barriers, in some countries, to the consumption of low-clinker products; this situation potentially arising from market rigidity, a lack of price support or restrictive standards that require high clinker content in cement.

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

- low-limestone cement;
- cement based on natural Pozzolans, with CO_2 content of 490 kg CO_2 equivalent per metric ton of cement compared with 765 kg CO_2 equivalent per metric ton for a CEM I 42.5 R cement (France average). It is marketed in France, Italy and Turkey;
- cement based on artificial Pozzolans (heat activated clays) marketed in Brazil since 2009. In France, the Argilor project that is scheduled to be commissioned in 2024 will enable the Xeuilley cement plant to reduce its emissions by 16% thanks to the LC3 (Limestone Calcinated Clay Cement) technology;
- "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 CO_2 equivalent per metric ton;
- cement based on blast kiln slag and fly ash the sustainability of which, as a low-carbon solution, depends on the carbon content allocated to the slag and the ash and on their availability, in light of the fact that the production of these products is falling in some regions of the world as a result of the decarbonization of the steel industry (for the slag) and the electricity production industry (for the fly ash).

As in 2021 and 2022, the clinker rate continued to fall in 2023 to 76.8%. This positive change is the result of the Group's efforts over the past number of years.

Change in clinker content rate of cement eq. (Cement business)

(%)	**2023**	2022	2021
Clinker content rate in cement equivalent (%) *(Group)*	76.8%	77.5%	78.9%
Clinker content rate in cement equivalent (%) *(Europe)*	79.5%	80.2%	80.2%

3.1.1.2.5 CO_2 capture, storage and utilization

Vicat Group is considering two large-scale Capture and permanent Storage projects involving around 1 million tons of CO_2 per annum (CCS), one at the Montalieu-Vercieu facility (38) in France and the other at the Lebec facility in the United States (in California). The cost optimization of CO_2 capture is key to the greenlighting of these projects.

Moreover, Vicat Group continues to work on assessing projects to utilize CO_2 (CCU) as part of the following 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. In this way, the gases produced by the combustion have a high concentration of CO_2, considerably facilitating its capture and thereby reducing the cost.
- The FastCarb Project, which is designed to store CO_2 through the carbonation of recycled concrete, is a French project launched in 2017, validated in 2021 with the results being presented in 2022. Vicat Group is involved in it, with a pilot named "CarbReCoGBR" installed at the Créchy plant. 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 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. Vicat installed a CO_2ntainer demonstrator at the Montalieu-Vercieu plant in France.
- 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 Biberist project has a new recycled aggregates recarbonation facility run by VACarbo, a subsidiary established in 2023 and 50% owned by Vigier in Switzerland. This facility makes possible the capture of 1 000 metric tons of CO_2 per annum.

Some CCU projects focus more specifically on the production of low-carbon synthetic e-fuels like e-methanol or e-kerosene. In fact, 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.

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

- Investment by Vicat Group in Genvia, which brings together other shareholders like the CEA (The French atomic energy and alternative energies commission), Schlumberger, Vinci Construction and the Occitanie regions 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 Group and Hynamics, a subsidiary of the EDF Group specialized in hydrogen production, to develop an integrated solution to capture CO_2 emissions and produce decarbonized methane. This project fits with the French government's targets in terms of industrial decarbonization 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 still being considered by the European Commission.

3.1.1.2.6 Low-carbon mobility

Vicat Group implemented actions to develop sustainable mobility on the back in particular of certain regulations in Europe and the expectations of its stakeholders. These actions are primarily focused on reducing fuel consumption, replacing fossil fuels with non-fossil fuels and developing hydrogen. These three priorities mean that Vicat Group is upgrading its fleets (heavy and light). In 2023, 87 quarry vehicles and 240 trucks belonging to the Group already used either 100% biogas, 100% biodiesel, electricity or hydrogen.

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 French subsidiary SATM was upgraded in 2018 to be able to use this fuel.

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

The use in particular of 2nd generation biodiesel for its truck fleet enabled its Swiss subsidiary Vigier to achieve a substitution rate of 33% in 2022. Since 2022, this subsidiary can offer very low carbon transport throughout the value chain – from quarry to delivery of concrete onsite. The acquisition in early 2023 of a fully electric mixer truck allows it to offer its customers 100% electric alternative logistics.

The whole truck fleet at the Vernon concrete batching plant in California in the United States runs on compressed biogas stemming from methanization of slag. Plans are in place to repeat this investment for the truck fleet at 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 Group'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.

The implementation of its mobility plan, in line with or more demanding in certain respects than French regulations, allows it to act in a number of ways:

- The installation of electric car charging stations on Vicat's sites as 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 that 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 2023

All the policies and actions implemented in 2023 will allow Vicat Group to continue reducing its CO_2 emissions, following on from already significant progress in 2022.

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

France & Europe	30
Americas	4
Mediterranean	13
Africa	2
Asia	12
NUMBER OF PROJECTS	**61**
INVESTMENTS(1) *(in millions of euros)*	**39.8**

(1) The investments shown in the table above are published by the Group each year under the heading "Materiality" in the section on the Statement of Extra-Financial Performance comprising figures. They represent environmental investments. They cover all steps taken by the Vicat Group to reduce the CO_2 footprint of its activities and products, whether or not they meet the Green Taxonomy alignment criteria, which are very strict and ambitious. They do not, however, include the growth investments made by Ragland (United States) and Rufisque (Senegal) which, through using the best technologies, also serve to significantly reduce the specific emissions from the cement manufactured by these new production units. See Chapter 6 of the URD.

The data presented below shows the ongoing reduction in specific CO_2 emissions. 2023 was an important year for Vicat Group, representing a significant reduction for the second straight year in its specific CO_2 emissions, dropping under 600 to 588 kg net CO_2 per metric ton of cement equivalent.

The Group's total Scope 1 and 2 emissions totaled 18.8 million metric tons of CO_2 in 2023 compared with 18.1 million metric tons in 2022, plus one million metric tons of CO_2 from the use of biomass alternative fuels. This change was mainly due to the higher volume of cement manufactured.

Gross Scope 2 and Scope 1 CO_2 emissions in 2023 (Group scope)

(in millions of metric tons)	2023	2022	2021
Cement business	18.6	18.0	18.5
Concrete & Aggregates business	0.1	0.1	0.2
Other Products & Services	0.02	0.01	0.02
TOTAL	**18.8**	**18.1**	**18.7**
o/w total Group Scope 1 emissions	*17.8*	*17.3*	*18.0*
o/w total Group Scope 2 emissions	*0.9*	*0.8*	*0.7*

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

	2023	2022	2021	2030 target
CO_2 emissions *(in kg net CO_2 per metric ton of cement equivalent*	588	608	624	497
CO_2 emissions *(in kg net CO_2 per metric ton of cementitious)*	589	606	619	

The 20 kg net CO_2 per metric ton of cement equivalent improvement between 2022 and 2023 is in line with the expected improvement for the year towards the target of 497 kg CO_2 per metric ton of cement equivalent in 2030.

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

	2023	2022	2021	2030 target
CO_2 emissions *(in kg net CO_2 per metric ton of cement equivalent)*	501	530	544	430
CO_2 emissions *(in kg net CO_2 per metric ton of cementitious)*	498	527	538	

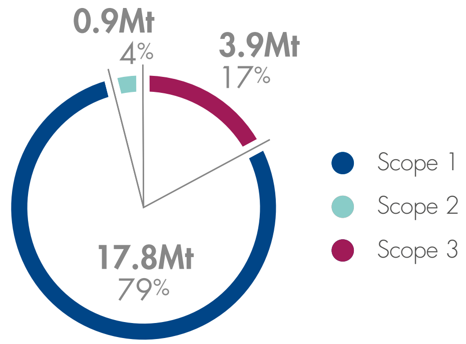
With a 29 kg net CO_2 per metric ton of cement equivalent reduction, Europe made a bigger contribution to reducing its specific emissions than the Group's other regions.

Estimated Scope 3 CO_2 emissions by category in 2023 (Group scope)

(in millions of metric tons)	2023	2022	2021
Purchases of materials and services	1.5	1.7	1.8
Fuel and energy (excluding Scope 1 and 2)	1.0	1.0	1.0
Upstream transport and distribution	0.4	0.4	0.5
Downstream transport and distribution	0.9	1.0	1.0
TOTAL	**3.9**	**4.1**	**4.2**

In 2023, Scope 3 emissions fell 200,000 metric tons of CO_2 eq., primarily as a result of the lower volumes of clinker and cement purchased in the Group's regions outside Europe. This reduction can nevertheless be linked in part to the increase in Scope 1 emissions, as certain Group units responded to the lack of capacity of other Group sites. 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 Vicat Group's CO_2 emissions in 2023 is set out in the chart opposite.

Vicat Group's CO_2 eq. emissions in 2023



3.1.2 Efficient resource management and management of environmental impact of operations

3.1.2.1 Vicat Group vision

In parallel with the decarbonization of its operations, Vicat Group is looking to reduce its other environmental impacts. Vicat Group's operational policy combines industrial performance with environmental performance by carefully managing the resources used as inputs in its processes and products, by controlling the impact of its operations on the physical environment and by developing circular economy loops. 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 (Sustainable Development Goals). Currently, around 20% of global water withdrawn is by industry. In this context, 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 water discharging to help safeguard water quality. 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 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, Vicat Group is promoting the utilization of secondary raw materials available in the countries in which it operates and the roll-out of 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. 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

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 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. These officers actively participate on working groups dedicated to monitoring regulatory developments within industry bodies and/or specialist associations (whether national bodies like SFIC, UNPG or SNBPE; European organizations like CEMBUREAU or international bodies). In addition, they track and ensure the achievement of the expected environmental performance, monitoring the proper functioning of the internal self-assessment systems, supporting the teams with voluntary certification processes of their management systems. 112 sites are ISO 9001 certified for quality management and 70 sites are ISO 14001 certified for their environmental management. Lastly, the environmental officers 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 and is embedded as a facility management and production parameter. 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, 2023, they totaled €68.6 million.

3.1.2.2.1 Sound efficient management of water resources and management of wastewater

As a responsible industrial operator, Vicat Group tailors the amount withdrawal 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 withdrawals and discharges, which helps facilitate the work of the oversight authorities. Moreover, it has the necessary permits for the withdrawal facilities it operates. Lastly, 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, Vicat Group has started thinking about a water management plan.

Various steps were taken in this respect in 2023:

- the monitoring of the "water" indicators updated in 2022 in line with the "GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing" dating from November 2018;
- the assessment of 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 withdrawn 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 withdrawn water is primarily used to rinse aggregates. 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. Steps have already been taken to mitigate their exposure to water stress risk;
- the implementation of water minimization plans as required under French regulations influenced thinking within the Group as regards the development of the water management plan, the making of recommendations and the setting of reduction targets for the most exposed sites as well as for those subject to a drought decree;
- encouraging the use of water used to rinse materials, recycled as an ingredient of concrete where so permitted by law. Discharged water likely to be released is subject to specific monitoring both in terms of quality and quantity and communicated to the oversight authorities. Where necessary, 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 management

Water management by business activity

	Cement	Aggregates and concrete	OPS
Total water withdrawal *(in millions m^3)*	10.3	7.0	0.8
Total water discharge *(in millions of m^3)*	5.9	2.3	0.7
Total water consumption *(in millions of m^3)*	4.4	4.7	0.1

Specific water consumption by business

	2023	2022	2021
Cement business *(l/metric ton)*	160	163	166
Aggregates business *(l/metric ton)*	117	129	115
Concrete business *(l/m^3)*	225	207	181

The change in the specific consumption in the aggregates and concrete businesses primarily reflects methodological improvements in their water usage calculations.

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.

Vicat Group is looking to encourage innovative resource management in the countries in which it operates through efforts to conserve resources as well as recycling and substitution. These actions 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 differ depending on the type of products manufactured by the Group. To manufacture clinker, 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

	2023	2022	2021
CLINKER			
Consumption of raw materials for clinker production *(millions of metric tons)*	36.5	33.6	34.1
o/w share of consumed materials stemming from substitution materials (%)	*5.5%*	*4.8%*	*4.2%*
CEMENT			
Consumption of raw materials for cement production *(millions of metric tons)*	6.2	5.9	5.8
o/w share of consumed materials stemming from substitution materials (%)	*27.6%*	*26.8%*	*23.8%*
AGGREGATES			
Consumption of raw materials for aggregates production *(millions of metric tons)*	25.2	25.2	25.5
o/w share of consumed materials stemming from substitution materials (%)	*3.2%*	*2.7%*	*3.2%*
TOTAL			
Consumption of raw materials for production *(millions of metric tons)*	**68.0**	**64.6**	**65.4**
o/w share of consumed materials stemming from substitution materials *(%)*	**6.6%**	**6.0%**	**5.5%**

In 2023, 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 in the process of manufacturing its products. 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, which are treated in dedicated streams.

With respect to the development of the circular economy, Vicat Group pays close attention to the end-of-life of its construction materials. That is why Vicat is a shareholder in ECOMINERO, an environmental body accredited as part of the extended responsibility of the 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 that is recovered in its production units. By using fossil fuels, Vicat Group avoided the incineration and/or landfill of 1.6 million metric tons of waste in the countries in 2023, namely substantially more than Vicat Group generated itself (as against 1.3 million metric tons of waste reused in 2022).

Conversely, the overburden material from quarrying is not considered waste. In fact, this material is stored near where it is extracted and used for site backfilling or rehabilitation or for some other future purpose.

3.1.2.2.4 Protecting air quality

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. 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 dirty buildings and monuments;
- sulfur dioxide. The rocks quarried to manufacture cement also contain sulfurous limestone compounds that may, when fired, lead to the formation of this air pollutant. Vicat Group has fitted the Montalieu-Vercieu, Xeuilley and La Pérelle cement plants in France with absorbent systems in line with the recommendations of 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

Change in specific dust, SO_2 and NO_X emissions (Cement business)

(gram per metric ton of clinker)	2023	2022	2021
Dust	71	62	64
SO_2	169	202	222
NO_x	940	1,156	1,240

The improvement is partly due to the greater stability of kiln operations, connected with the increased use of alternative fuels, use of which creates a reducing zone in the cement kilns that makes it possible to reduce a portion of the NO_X.

3.1.3 Preservation of biodiversity and ecosystems

3.1.3.1 Vicat Group vision

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, an accelerator for innovation (biomimicry and coral reefs) and a significant lever in the ecological transition challenge.

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 its 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), 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 its internal design office, whose expertise is now broadly recognized, 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, 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.

- Vicat Group works with local stakeholders (owner, neighbors, local environmental protection associations) to draw up rehabilitation plans for its quarries, which typically accompany the authorization request. It also promotes the fact that site rehabilitation can provide opportunities to create new diverse habitats for fauna and flora, ecological corridors or become a source of ecosystemic services (opening of new environments that tend to disappear in nature). Vicat Group supports voluntary projects contributing to the draft biodiversity management plan. Some sites that are more mature in terms of preserving biodiversity have established specific action plans to monitor biodiversity and begin to measure their level of dependency on ecosystemic services of biodiversity.
- In 2021, 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 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 Regulation and the French 2030 Biodiversity Strategy.
- In the main countries concerned, 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 this natural CO_2 storage capacity harbored in forests and their soils. Moreover, in France, Vicat Group has contracted simple management plans. The forest land concerned totaled slightly more than 1,200 hectares in 2023. This is a practical tool to better understand its forestland, define targets and facilitate choices and decisions to take in terms of management, scheduling felling programs and works to draw up a periodic review. These plans are approved by the regional center for forest ownership.

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 2023, 179 groups of visitors were able to explore biodiversity at the Group's sites.

Conservation initiatives

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 connection with France Nature Environnement (FNE), the French environmental and nature society, and Ligue de Protection des Oiseaux (LPO), the French bird protection society. In addition, 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, 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, which brings together the heads of state of the 11 countries in question, covers an area of 11.7 million hectares on which trees and all types of vegetation are planted and protected.

This respect for biodiversity is also reflected in the responsible purchasing roadmap put in place by the Group, 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 (in France) is FSC and PEFC certified.

Furthermore, the Group continued its tree planting policy by planting 28,400 trees (compared with 20,745 in 2022).

Research programs

The "Roselière" program. The Group takes part in the Roselière Program to monitor biodiversity based on standardized protocols, undertaken annually in the same way at a group of sites 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 the Group to make its employees and the public aware of biodiversity preservation initiatives. Vicat Group was thus active around the theme of the City of the future and climate change at the most recent French civil engineering conference. 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. This exciting research resulted this year in a paper being published in the October 2023 edition of the international scientific journal "Biodiversité et Conservation".

The "Bathyreef/Bathybot" project. Thanks to its expertise in 3D printing, the Group 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 printed by Lithosys for Seaboost and submerged by the latter off the town of Valras in France to mark a summer channel. In 2023, Vicat began a trial involving printed modules at the Underwater Museum of Marseille (France).

Vicat Group's track record on preserving biodiversity

	2023	2022	2021
Share of quarries with a rehabilitation plan *(%)*	73%	74%	81%
Share of quarries with a biodiversity management plan or taking positive steps to promote biodiversity *(%)*	61%	60%	
Surface area rehabilitated during the year *(m^2)*	673,573	468,668	575,233
No. of trees planted at the sites over the year *(units)*	28,400	20,745	25,920
No. of visitor groups welcomed at the sites over the year *(units)*	179	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, 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, 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

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.

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.

Vicat Group focuses especially on the quality of its products. The vast majority of the products it markets through its 29 brands comply with non-mandatory standards which define the quality levels to ensure the integrity and durability of works built with its products. 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, 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 2023, Vicat Group filed four 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.

Vicat Group is looking to improve the conditions of use and application of the products it manufactures, which meets the expectations of its customers who use them. Solutions may, for example, improve the energy efficiency of buildings, enable the ingress of runoff water with permeable concrete, refurbish built heritage with quick-setting cement, deliver projects in shorter timeframes, 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, 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), 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%, the carbon footprint by 30%, construction times as well as the arduous nature of the implementation. To this end, 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).

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, Institut Jean Lamour in Nancy, Université Claude Bernard in Lyon, 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, in France 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 IdeasLaboratory;
- 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.

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, 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 and in other Group countries 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 marketed in France 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, 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, incorporating an inclusion and diversity focus.

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 Compensation Committee and CSR Committee, which are part of the Board of Directors.

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 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 and to take action on events that are highly likely to be severe.

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

In 2023, 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 Emergency Committee and the Covid-19 officers in Group countries continued to oversee their action plans, switching to active monitoring.

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), vaccination campaigns, communication campaigns, etc. In France, close to 300,000 masks and over 2,000 self-tests are kept in a strategic reserve, ready to be distributed should the need arise.

During this period, from 2020 to 2023, the quality of relations with the 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 Group and country action plans and results are reviewed:

- monthly by the Group's Occupational Health and Safety Department and by each Country Management together with their teams;
- monthly by the Group Occupational Health and Safety Department;
- by the Health and Safety Committee/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 2023, as in 2022, and was reiterated for 2024. 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 65% 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 introduced a training program (Dupont-style) for their leadership teams on behavioral drivers and embedding the safety culture within the teams. This continued to be rolled out in 2023. This training was offered to all management in these countries in 2023. The Chairman and Chief Executive Officer has asked that this training be rolled out in other Group countries in 2024.

Significant efforts to raise awareness regarding major risks (lockout/tagout, confined spaces, working at heights, first aid, fire) were also undertaken with the teams and subcontractors. In 2023, over 1,800 actions were taken in this sphere 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 the languages in which the Group operates, allowing managers to raise team awareness of these vital issues. In 2023, four campaigns were run on these themes: equipment lockout/tagout, thinking before acting, preventing high heat and manual handling. In 2024, campaigns will be focused on machinery / pedestrian movement, electrical risk (same as for the global Occupational Health and Safety Day), confined spaces and the rules pertaining to major industrial risks. The training done in 2021 and 2022 continued in 2023 for the process teams, which participated in "firefighting" sessions, which were as close to actual conditions as possible. In parallel, work on improving fire expertise continued within the Occupational Health and Safety teams and onsite first responders.

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 to 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. For example, in light of increased road risk as a result of the growth of their operations, the US subsidiaries fitted cameras to 95% of their truck fleet to facilitate prevention and training on the basis of actual driver experience. 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. Outside France, the Aggregates business in Senegal obtained MASE certification in 2023. In Brazil, Ciplan uses the SICLOPE integrated system to manage its Occupational Health and Safety activities. This has allowed it to cut lost-time accidents involving outside staff by over 75% between 2021 and 2023.

- **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 right from project design.** 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. This process, based on the Machinery Directive (2006/42/EC) and upcoming changes thereto (2023/1230), incorporates these requirements at specification stage *via* supplier technical files. Compliance audits are done by outside bodies throughout the construction process up to final acceptance and commissioning of the facilities. The work on bringing existing facilities into compliance is done through internal audits, related action plans and site upskilling (e.g.: France Aggregates approach).
- **Climate risks.** Constant monitoring is in place to anticipate high intensity climate events: floods, heat waves or cold snaps. Recent events in California, India, Brazil or indeed in the Roya valley (Nice - France), made it possible to refine our systems, have discussions around best practice to safeguard employees and equipment: early alerting, securing sites (evacuating employees, machine lockout/tagout, securing machinery), survival kits, PPE for high heat / extreme cold, etc.
- **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, in 2023, over 60 internal cross safety audits were done in pairs, by a member of management and an Occupational Health and Safety expert. The approach makes it possible to ensure site compliance, the application of Occupational Health and Safety standards, the identification of non-compliant situations and sharing of best practice. In Brazil, close to 2200 site inspections (+50% on 2022) were done by the Ciplan 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. This approach is repeated by regional and country management when on site visits.
- **Sharing experience and best practice.** This happens through meetings and discussions between Group teams, overseen by the Occupational Health and Safety teams. The "analyze risks before acting" approach, the quick-fire information sheets for any accident, near accident and hazardous situation, accident reviews and feedback, audit reports, awareness-raising media, communications tools and all the prevention documentation shared in a networked database that is available to all staff. In May 2023, a group security challenge was organized around the theme of lockout/tagout. This made it possible to share all related site best practices and to reward team commitment. The first prize has become a Group operational standard. Since 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). Since 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. Staff at the Turkish subsidiaries thus reported over 5,000 risk situations in 2023, 75% of which had been addressed by end-October. This approach was enhanced in 2023 and will continue in 2024 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. A new communications campaign targeting employees and outside contractors was undertaken in May 2023.
- **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 2023, the Group's frequency rate hit a historic low. This reflects the commitment and ongoing efforts of Management, teams and employee representatives in each country to accomplish "zero accidents". The 2023 severity rate was slightly up on 2022 due to a number of long-term accidents in the France scope (some of which are in the process of being reclassified due to their excessive nature).

Health and safety indicators for Group employees(1)	2023	2022	Change
Number of lost-time accidents among Group employees	84	96	-12.5%
Number of fatal accidents in the workplace among Group employees	1	1	NA
Number of lost days for Group employees	4,976	4,442	+12.0%
Frequency rate	4.18	4.81	-13.1%
Severity rate	0.25	0.22	+13.6%

Health and safety indicators – Cement Business(1)	2023	2022	Change
Number of lost-time accidents among employees	22	27	-18.5%
Number of fatal accidents in the workplace among employees	0	1	NA
Frequency rate	2.13	3.11	-31.5%
Severity rate	0.08	0.06	+33.3%

Health and safety indicators – Concrete & Aggregates Business(1)	2023	2022	Change
Number of lost-time accidents among employees	62	69	-10.1%
Number of fatal accidents in the workplace among employees	1	0	NA
Frequency rate	6.33	6.11	+3.6%
Severity rate	0.42	0.35	+20.0%

(1) 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.

(i) The sharp fall in the frequency rate to 4.18 in 2023 (4.81 in 2022) was primarily due to the improved situation in Switzerland and Turkey. France achieved the lowest aggregate number of accidents with and without lost time, namely 57 accidents in 2023 compared with 74 in 2022, a 23% reduction. This country's frequency rate is improving (7.35 in 2023 versus 8.94 in 2022, a 17.8% reduction). The Group's frequency rate is generated in close to half of the instances by same-level falls (ankle sprains for example) that are not serious.

(ii) The severity rate was virtually unchanged at 0.25 in 2023 as against 0.22 in 2022. This result is explained by a few very long-term accidents, some without medical justification related to the accident, which occurred in 2022 and in 2023 in the France scope. The Group regrets a fatal road accident (a driver in the Ready-mixed concrete business in the United States) caused by a third party. Like every year, a significant number of Group sites didn't record any lost-time accident in 2023. Seven of the Group's cement plants recorded no lost-time accidents in 2023; 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 2023. Some countries reaffirmed their positive results with zero lost-time accidents: Italy, since 2013; Mauritania for nearly four years; and Mali and India for two years. In Senegal, staff at Sococim and outside staff working on the construction of Kiln 6 recorded 2 million hours without a work-related accident.

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, 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 also 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.

Furthermore, the policies of Vicat Group and those implemented in each subsidiary cover i) respect for the principles and fundamental labor rights enumerated in the Declaration related to freedom of association, ii) acknowledgement of the right to collective bargaining, iii) the elimination of all forms of forced or mandatory labor, iv) the abolition of child labor and v) the elimination of all forms of discrimination and all forms of human trafficking.

Discrimination means any distinction made between individuals based on their origin, gender, family circumstances, pregnancy, physical appearance, particular vulnerability resulting from their financial situation, apparent or known to the perpetrator, surname, place of residence, state of health, loss of autonomy, disability, genetic characteristics, morals, sexual orientation, gender identity, age, political opinions, trade union affiliation, status of whistleblower, go-between or person linked to a whistleblower, ability to express themselves in a language other than French, membership or otherwise, actual or assumed, of an ethnicity, nation, claimed race or particular religion.

Accordingly in 2023, the Senegalese subsidiary Gecamines arranged training for staff representatives with the Thiès Regional Labor Inspectorate. In keeping with this, the Group complies with the UN Sustainable Development Goals in the areas that concern it. Training sessions 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. 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 2023, 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 2023. 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. In the various Group companies, employees are systematically represented either by union representation or by employee representation. Built on respect, trust and transparency, active employee engagement enables positive social dialogue. 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 2023.

For 2023, the scope adopted for the "Review of collective bargaining agreements" indicator was limited to France. 55 agreements were signed, mainly involving the sharing of added value through profit-sharing agreements, improving health coverage, gender equality and co-opting. On top of these 55 agreements are 53 unilateral decisions taken following consultation with the labor partners. 48 unilateral decisions were taken to activate the "Value-Sharing Bonus" mechanism to safeguard the purchasing power of teams and mitigate the effects of inflation. 2023 thus saw a significant 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 pays particular attention to gender equality, without discrimination. It applies the "the same pay for the same work" rule for all employees. For several years now, like the compensation policy for executive Company officers, the variable portion includes specifically the performance of the Group's managers in terms of reducing greenhouse gas emissions, safeguarding 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 help employees better prepare for their retirement, since 2015 an agreement has allowed employees 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. Since 2022, virtually all Group companies in France have had a profit-sharing agreement.

In 2023, the Group's French companies, in consultation with the labor partners, paid four sums under the Value-Sharing Bonus mechanism representing a "net" average of €747 in reflection of the commitment of the teams and to help offset inflation. This mechanism benefitted employees earning up to €75,000 gross per annum, with Management deciding to go beyond the threshold of three times the gross annual minimum wage. This "best offer" decision by Management was made following discussions with the labor partners in the same spirit as in 2021 and 2022. 89% of French employees benefitted. These bonuses totaled close to €2 million in 2023. The Special Purchasing Power Bonuses amounted to close to €0.8 million in 2019, followed by close to €1.6 million in 2020. In 2021, these Special Purchasing Power Bonuses, combined with the additional mandatory and voluntary profit-sharing amounts negotiated with the labor partners, amounted to €2.3 million. In 2022, the Special Purchasing Power Bonuses amounted to close to €1.9 million. Between 2019 and 2023, these sums represented around €8.6 million for employees, on top of their usual compensation.

The overall increase in 2023, agreed following the mandatory annual negotiations with the labor partners, was 5% applied as from January 1, 2023. This means that, including the 3% overall increase in 2022, the Group gave employees in France an aggregate increase of 8% over 2 years, representing an additional 1 month's wage.

The impact of inflation on the teams was thus recognized and addressed by the various Group companies in France and abroad in 2023. The Malian subsidiary Ciment et Matériaux du Mali approved an overall increase of +5.36% in November 2023, backdated 2 years for the teams. In Egypt, employees received an overall increase of +20% and of +30% for those on the bottom wage grades. In Turkey, at constant exchange rates, salaries increased by on average 3.5 times between 2022 and 2023. In Kazakhstan, they rose +50% over the same period.

In all Group countries, its companies do not pay salaries lower than the local statutory minimum. Where no such legal threshold is in place, the salaries paid are at least greater than the minimum in the local market determined by comparing against benchmarks provided by independent local third parties: HR consulting firms, recruitment firms, etc.

Change in personnel costs as at December 31, 2023

(in thousands of euros)	2023	2022	Difference	Change
Wages and salaries	429,599	396,927	+32,672	+8.2%
Payroll taxes	131,618	125,794	+5,824	+4.6%
Employee profit-sharing	7,785	5,913	+1,872	+31.7%
PERSONNEL COSTS	**569,002**	**528,635**	**+40,367**	**+7.6%**
Average number of employees of the consolidated companies	9,903	9,745	+158	+1.6%

The Group's personnel costs increased by €40 million (i.e. +7,6%) to €569 million in 2023. This increase was the result of exchange rate impact of -€33 million and organic growth of +€73 million, driven by the higher headcount (+1.6% average headcount between 2022 and 2023), a reflection of the strong performance in certain countries, and the impact of inflation on gross payroll including employer's contributions.

The countries that saw a significant increase were as follows. Heavily hit by inflation and government measures on wages, Turkey saw an increase of close to €14 million (+78%) in its payroll between 2022 and 2023, after having seen a +87.5% increase in its payroll in local currency terms between 2021 and 2022. The payroll in France rose by close to +€12 million (i.e.+5.7%) between 2022 and 2023. This increase was mainly due to overall and individual increases and the "purchasing power" bonuses paid in 2023. Close to USD 7.4 million of this increase (+5.5%) was attributable to the United States, and was due to both inflation and the higher number of employees driven by business growth.

Efficient and trouble-free work organization

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 on working and resting time as well as health and safety, and with the Group's own standards and international rules. 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. Mindful of ensuring team cohesion, the number of remote working days is currently set at one day a week.

The Group pays close attention to the working conditions of its teams, in terms of occupational health and safety and also "working well together". The latter is built on the Group's culture and values, emphasizing respect, autonomy, empowerment and solidarity and encompasses the "quality of work life".

A mechanism allowing vacation days to be donated has been introduced at the Group's French companies to allow employees dealing with family problems to be gifted additional days' vacation by their colleagues. Work-life balance is carefully monitored.

100% of the teams in France are covered by a right to disconnect agreement.

In Kazakhstan, the Group continues to invest in Samal, a village built to enable employees at its Jambyl Cement subsidiary to live with their families close to its cement plant. This initial investment, costing multiple millions of dollars, prevents families from being separated for long numbers of weeks and provides them with agreeable living conditions.

Part-time work

The Group has little need for part-time jobs. In 2023, the proportion of part-time employees remained low. It stood at 1.6% of the workforce in 2023 (unchanged on 2022 and 2021). The following countries were the only ones to use part-time work, to varying degrees and generally at the employees' request: Switzerland (12.1%), Italy (4.3%) and France (2.2%). 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 2023, shift workers remained unchanged at 19% of the Group's total workforce.

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 constructive engagement by management and the labor partners, with support from the Group's HR department. VICARE aims to provide a higher level of protection than offered by 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 has developed the VIVA BEM program, which offers medical and social protection to its teams and their families, with best practices such as: medical consultation campaigns covering ophthalmology, dentistry, cardiology, vaccination, diabetes screening, psychological condition, etc.), sports activities, dieting, etc. 50 employees with chronic illnesses have access to a program that provides individual medical follow-up at their workplace. The free flu vaccination campaign covers 70% of staff (around 650 employees), helping collective immunity within and outside the company.

In India, the *Employee Welfare Initiative* program includes "Sanjeevani", supplementary coverage in the event the employee suffers from some form of accident intended for their family (to date, eight families have benefitted) and "Ashraya", supplementary coverage in the event of serious illness (to date, nine employees have benefitted).

In Senegal, Sococim reimburses 80% of staff medical expenses through its health insurance scheme. This practice is also offered by its subsidiary in Mali, Ciment et Matériaux du Mali.

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. In 2023, the MakeUsBetter engagement study done by the Indian subsidiaries reported an engagement rate of 78.9% amongst respondents as compared with an average of 71.4% for industrial operators in India.

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 or emergencies. Absenteeism is monitored in each country in order to identify the reasons and take appropriate action.

This situation is under control at Vicat Group and improving in terms of this indicator: 2.9% in 2023 (despite the health emergency: 3.2% in 2022, 2.9% in 2021).

India had the highest rate at 5.9% and Senegal the lowest at 0.7%. In France, absenteeism is falling with a rate of 4.7% in 2023 (5.1% in 2022, 4.6% in 2021).

Attrition

The Group's turnover rate rose slightly (16.3% in 2023, 15.4% in 2022, 19.4% in 2021). This trend is explained by staff exits due to new legislation on retirement and restructuring in France.

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 2023 was 13.7% compared with a national average of around 20%. The indicators capturing general changes to the workforce attest to the Group's attractiveness.

Group headcount as at December 31, 2023 and change

Workforce at December 31, N-1	**9,912**
Natural attrition	(751)
Redundancies	(889)
Changes in consolidation scope	/
Recruitment	1,721
WORKFORCE AT DECEMBER 31, N	**9,993**

Average age and length of service

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	
	2023	2022	**2023**	2022
GROUP	44.4	43.9	8.7	8.5
Of which France	42.7	41.9	9.5	9.3

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 stakeholders (Management, labor partners, 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. The upskilling plans are also designed with short, medium and long-term horizons so that the teams can effectively adapt to the changes in the business lines over time. Training is provided on a repeat and long-term basis.

Track record on training

	2023	2022	Change
Number of hours of training	283,906	209,940	+35.2%

The +35.2% increase in training hours between 2023 and 2022 reflects Management's desire to accelerate the development of the Group's human capital. Corollary: The number of training hours by employee continued to rise in 2023 to 28.4 hours (21.2 hours in 2022, 20.5 hours in 2021).

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 2023. 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 2023.

In 2023, the Group's training plan remains focused on the safety culture, the ecological and solidarity transition, the digital realm and the prevention of cyberattacks, managerial performance, industrial 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 rose to close to 7% in 2023 (6.5% in 2022), once again exceeding the 6% target, 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. The Group's online training platform, CAMPUS Vicat, launched in 2022, continues to be a great success. 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, eco-driving, etc.), compliance (duty of vigilance, combatting corruption) and ethics (competition best practice, etc.) as well as prevention of harassment or addictions. At the Group's annual seminar, its 100 managers did the Fresque du Climat training, reflecting the Group's commitment to the ecological and solidarity transition.

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.

Vicat Group continues to adopt an inclusive approach both in its policies for employees and those for local residents in the (typically rural) areas 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 since 2020). In France, nearly 94% 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

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 2023, the average number of training hours per female employee (40.7 hours) was markedly higher than per male employee (26.7 hours). In developing countries, the Group's subsidiaries heavily invested in training their female teams in 2023 in comparison with 2022. 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 accounted for 54.1% of the total workforce in 2023 (52.2% in 2022) but only 3.3% of them were women in 2023 (3.1% in 2022, 2.5% in 2021 and 2.3% in 2020). The result is the low proportion of women (12.1% in 2023, 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 result of a training policy for women, the ever-increasing recruitment and internal promotions of women, are concrete examples of the success of an 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 37, between 2021 and 2023. In 2023, Gécamines, another Senegalese subsidiary, hired 2022 heavy machinery drivers and one console operator following on from hiring 11 women between 2021 and 11, 3 of whom for industrial roles. Ciplan, the Brazilian subsidiary, launched a "forklift driver" training for vulnerable women living near the cement plant with a view to hiring one of them over time.

The Group's efforts also encompass girls in school. Given the lack of women in training courses for industrial professions (in mechanics for instance), the Group is developing apprenticeships for young women. In 2023, in France, Vicat also once again participated 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. Vicat takes part in "L dans la Ville", which is a program that runs across all of the programs of Sport dans la Ville. It gives young women the same opportunities for success by supporting their development and job-seeking. It allows the young women on the program to work on the barriers to considering industry, and to come up with concrete solutions to be put in place to build a positive vision for this sector and make industry more attractive. In India, the mentoring and internship program for young technicians and engineers made it possible to bring 10 women into the cement plant in Kalburgi. The Group is also working on workstation ergonomics and on adapting recreational spaces for women.

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, enable them to become aware of their specific qualities, style and roles as leaders (a strong leadership characteristic within Vicat Group). These approaches combine to lower external and internal obstacles to giving key Group positions to women. To effectively support the process towards more gender-balanced teams, the Group developed its own internal network (Vicat by Elles) and signed up to multiple networks in France ("Entreprises Réseau Égalité", for example) and abroad (African Business and Social Responsibility Forum, Women leader program in Brazil, etc.).

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 41% 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 (26 years of age in 2023). 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 Central Social and Economic Committee's method of appointment is such that it was only natural to have a woman fill this role.

The Group pays particular attention to the equal treatment of women and men.

As regards wages, the Compensation Committee notes that the continuity of Vicat's gender equality policy, driven by merit-based promotion, helped to keep the gaps low in 2023, as in 2022 and 2021. As expected, three women are in Vicat's top 10 salaried positions as of 2021. Internal promotion initiatives are continuing in order to achieve parity in 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 wage 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, Vicat Group has published the results of the gender equality index for its companies in France. Based on either 4 or 5 indicators depending on the size of the company, companies must score at least 75 out of 100 on this index. For instance, the Group's French companies with 250 plus employees all scored 85 or more in 2023. At the request of the Chairman and Chief Executive Officer, each company is implementing a gender equality action plan across different criteria, in France and abroad.

Year	2018	2019	2020	2021	2022	2023
VICAT	87/100	89/100	92/100	89/100	92/100	92/100

For the purposes of comparison, in 2022, the average score in France was 85/100 while the average score of French cement companies was 84/100.

Track record on gender equality

Workforce as at December 31, 2023 by gender, category, average age, and average years of service

(in number of employees)	Total	Including: Executives	Including: White-collar	Including: Blue-collar staff	Average age	Average years of service
Women	1,207	303	727	177	43.8	7.8
Men	8,786	1,334	2,221	5,231	43.0	9.1
TOTAL	**9,993**	**1,637**	**2,948**	**5,408**	**44.4**	**8.7**

Analysis of the workforce as at December 31, 2023 by gender

	2023	2022
Women	12.1%	11.8%
Men	87.9%	88.2%

Proportion of women as % of total workforce	2023	2022
Management	18.5%	16.6%
White-collar	24.7%	24.2%
Blue-collar staff	3.3%	3.1%
GROUP TOTAL	**12.1%**	**11.8%**

Of which France	2023	2022
Management	27.6%	26.5%
White-collar	29.5%	29.8%
Blue-collar staff	3.8%	3.9%
GROUP TOTAL	**19.9%**	**19.5%**

The proportion of women employed in the Group continues to grow, reaching 12.1% in 2023 (11.8% in 2022, 11.5% in 2021, 10.7% in 2020). In France, the level of female employees rose once again to 19.9% (19.5% in 2022; 19.6% in 2021; 18.5% in 2020). The Management category drove this female participation rate from 26.5% in 2022 to 27.6% in 2023; the other categories remain almost unchanged: White-collar category (from 29.8% in 2022 to 29.5% in 2023) and Blue-collar category (from 3.8% in 2022 to 3.9% in 2023). With a female workforce of 26.4% and 21.7%, respectively, Kazakhstan and Italy continue to come top alongside France (19.9%). The Ciplan subsidiary is the Brazilian cement company that proportionately employs the most women in this country (11.3%). Reflecting the actions taken by management in each country, the percentage of female executives has continued to increase to 18.5% in 2023 (16.6% in 2022, 16.4% in 2021 and 13.9% in 2020).

The countries in which the proportion of female managers is close to or over 30% are Italy (50%) and France (27.6%). Nearly 36% of executive hires in France were female in 2023 (30% in 2022). Three countries have close to 20% female executives: Kazakhstan (23.5%), Brazil (21.4%) and Senegal (16.7%).

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 2023 are a direct result of these policies.

Taking working conditions into account, the health and safety in the workplace policy backed by management supports the retention of employees over the course of their career. 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 and to ensure that there is no digital divide. 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. Accordingly, at the Gécamines subsidiary in Senegal, younger staff train older staff in using the on-board equipment on the new machinery.

In France, in order to bolster training courses in the materials industry, the objective in terms of apprenticeships was to reach 6% of the workforce in 2023. It was exceeded, hitting close to 7% of staff (6.5% in 2022) including over 20% from disadvantaged city neighborhoods and areas designated for rural development; the same level as VIE (International Internship Program) hires. The commitment to achieving parity in this group remained unbowed in 2023, yielding 40% females versus 60% males. 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.

Breakdown of workforce by age at December 31, 2023

Age pyramid	<20	20-25	25-30	30-35	35-40	40-45	45-50	50-55	55-60	60-65	>65
Percentage (%)	1.4%	4.8%	9.0%	12.1%	15.0%	15.0%	14.2%	13.1%	10.4%	3.8%	1.0%

In 2023 as in 2022, the Group had a balanced age pyramid. Nearly 71.6% of the workforce is under the age of 50 and nearly 28.4% is over the age of 50.

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

The Group has an active policy to recruit and train the long-term unemployed in the primarily rural areas in which it operates. This policy involves above all concrete measures like regular site visits by the long-term unemployed; work experience; and permanent contracts offered to young people with no qualifications given training (for example, at 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, École de la 2e 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. Mauricim, a subsidiary in Mauritania, outsources activities to a local company that only hires people from disadvantaged backgrounds, offering them fair compensation and quality working and living conditions.

In 2018, 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 *Écoles de la 2e 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. They accounted for 20% of new hires in 2023.

Site visits in France for the long-term unemployed or people from disadvantaged backgrounds continued, with a view to reducing barriers to returning to work as well as growing the appetite for working in industry in rural areas. In 2022 and in 2023, the target of having 1% of the workforce be mentors was achieved with some twenty young people from disadvantaged city neighborhoods and areas designated for rural development being offered mentoring. In 2023, when filling its apprenticeships, 20% of those hired were from disadvantaged city neighborhoods and areas designated for rural development. In 2023, 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. During industry week, the Industry Minister Roland Lescure, highlighted the efforts made by Vicat in its Plan for greater social diversity in industry, gaining recognition as a responsible employer, particularly in rural areas. 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*. These efforts enable Vicat and its subsidiaries to successfully satisfy social and inclusion criteria to win tenders; further proof of their effectiveness.

Measures to promote the employment of people with disabilities

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 departments (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 2.5% in 2023 (2.6% in 2022, 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 over 7% of the permanent workforce.

This policy is also reflected abroad, in particular in Egypt (7.7%), Italy (4.4%), Brazil (2.9%), Mauritania (2.9%) and Turkey (1.7%).

Despite the efforts of Group companies, the large disparity in national government policies in this field limited the proportion of Group employees with disabilities to 1.6% in 2023 (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 was 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 following 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 2023, 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 2023. *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, in particular through the participation of the teams 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 2023, the Group continued to expand 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 2023, 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 for healthcare and return to work in cases of serious illness (cancer primarily) involves coordination 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 outsourcing contracts with the protected and sheltered employment sectors (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 2023, 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.

All the Group's Purchasing teams did an Inclusive Purchasing training in 2023. The partnership with "Collectif des entreprises pour une économie plus inclusive", which brings together the largest French companies, makes it possible to obtain additional best practices in this realm.

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 particularly 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, Vicat Group has drawn up its "Compliance Policy" in the form of two major documents:

- a Code of Ethics containing the intrinsic and fundamental values of Vicat Group and the principles governing its actions;
- an Anti-Corruption Code of Conduct 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 form the basis of the ethics and compliance system and are translated into all the languages in which the Group operates. These documents constitute non-negligible 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 Group 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, Vicat Group voluntarily agreed to multiple independent audits by a specialized firm with an international footprint.

Vicat Group regularly reviews its risk map, the most recent version being from end-2021.

The Compliance Department 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 multiple e-learning training modules on compliance, in addition to occasional classroom trainings.

In 2023, Vicat Group also wanted to put the spotlight on the duty of vigilance, by offering an e-learning training module available to as many people as possible. The Group "Third-party evaluation" procedure rounds off the system. Third parties includes customers, suppliers, possible intermediaries and partners. It is about better understanding our third parties in terms of compliance in order to change behavior in response to risks by not entering into dealings with anyone who presents a compliance risk or by breaking off dealings if necessary. From a systems perspective, over the past two years the Group has also been progressively ramping up controls, thanks to more widespread use of third party screening tools, with 3 additional countries covered in 2023.

In 2023, the Group's anti-corruption system was also strengthened with the addition of a policy covering gifts and invitations. This was published at end-2022 and sets out the internal rules, how the control works and the associated reporting.

In line with regulations, the ethics framework also has a whistleblower system (ensuring anonymity, through all in-person and remote means) and a system of disciplinary sanctions including possible dismissal. The whistleblower system allows employees, suppliers and customers to safely report anything that might be considered questionable behavior under the Code of Ethics and the Code of Conduct. There are regular training, awareness and communication campaigns around this system. 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 light of the dealings between the Group and its management and the public authorities, 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 office.

Track record on compliance

In 2023, over 80% of audits contained compliance controls.

Vicat Group saw a significant improvement of around 23% in the proportion of third parties evaluated. The bulk of at-risk third parties are now assessed in France, the United States, Switzerland, Mauritania, Egypt and Italy. The Group has chosen a single third-party assessment tool for all its entities. Roll-out should be complete by end-2024 and will enable the group to continue working on this.

The other key indicator is that of compliance training. In light of team turnover, our target is to achieve a training rate of over three quarter of potential trainees. This target was exceeded in 2023. Moreover, with the roll-out of group training tools during the year across all countries, the Group also improved the quality of its trainings and consolidated the tracking data.

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, 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, 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**. 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. 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, Vicat Group is making every effort to secure its information systems and data in the appropriate ways and thereby protect itself as best possible from any cyberattack.

The Cybersecurity Director, 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 Security Operating Center, which operates 24/7, to monitor all the Group's office IT systems and detect cyber incidents. This system is also being rolled out to Group cement plants.

3.1.7 Supply chain management and responsible purchasing

3.1.7.1 Vicat Group vision

Due to the volume of annual purchases, totaling around €2.8 billion, Vicat Group is particularly mindful of the potential consequences of its dealings with its suppliers, subcontractors and service providers worldwide. A regulatory breach by one of its suppliers, particularly concerning human rights, health, safety or indeed the environment may have a lasting direct or indirect impact on the Group's financial performance and reputation.

The challenges for the Group in its dealings with its suppliers are as follows: secure its purchasing, reduce the overall footprint of its purchases and contribute through its purchasing to the socioeconomic development of the countries in which it operates.

3.1.7.2 Responsible purchasing policy

The Responsible Purchasing Policy was drawn up by the Group Purchasing Department in 2021. It aims to reconcile profitability and corporate social responsibility in terms of Vicat Group's overall strategy. This Policy can be found on Vicat's website. It is built around two major sets of actions: the promotion of local purchasing and streamlining the Group's supplier portfolio.

The Group's Purchasing Department also relies on the "Group Purchasing Directive", rolled out in 2022, which sets out the core rules of the purchasing process. Assessment of compliance with this Directive began in early 2022 and continued in 2023 across ten entities in six countries.

As part of a continuous improvement process, the Group Purchasing Department supports the purchasing units in the subsidiaries to facilitate the incorporation of corporate, societal and environmental factors into their decision-making processes.

In order to help achieve the targets the Group set itself, the Group Purchasing Department has drawn up a responsible purchasing roadmap in coordination with the Group's other strategic departments. It ensures that it is distributed to the buyer groups in all the countries in which the Group operates. It is against this background that the subsidiaries began to draw up their own roadmaps, in compliance with the Group's.

The Group's Purchasing Department continues its efforts to raise awareness by holding training sessions on CSR and the Sustainable Development Goals alongside discussions at the annual Group Purchasing Committee meetings. In 2022, 100% of buyers had received an initial training. A second wave of training is planned for 2024. The most recent Purchasing Committee meeting in October 2023 was an opportunity to prepare the next phases set out in the roadmap.

3.1.7.2.1 Promoting local purchasing

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 Group Purchasing Department also encourages all Group subsidiaries to give preference to "inclusive" suppliers, in particular those that choose to employ people with disabilities. In France, it published an "inclusive purchasing guide". As a member of the "*Collectif d'entreprises pour une économie plus inclusive*", Vicat is looking to add further inclusive suppliers.

3.1.7.2.2 Managing a group of responsible suppliers

Vicat Group seeks to work with suppliers that have implemented CSR approaches. Creating such a supplier group means working closely with its suppliers to identify and manage upstream value chain risks. The Group worked on creating an initial map that made it possible to select the key purchasing families. Three main criteria were used to guide it in its work:

- the volume of purchases;
- the impact of CO_2;
- the safety risk.

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

- get all its suppliers to sign up to its Code of Conduct. This code, which can be found on Vicat Group's website, defines the principles suppliers must respect when working with the Group. During 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) and working conditions (health and safety – ban on child labor);
- remove from the active supplier base those who may present risks. These may involve risks to the health and safety of the people under the responsibility of said supplier, human rights risks, environmental risks resulting from the supplier's operations and behavior and finally a risk from the supplier's particularly high level of CO_2 emissions. Each Purchasing Department does such an annual review of its supplier pool;
- committing to assess suppliers. In 2022, the Department did an initial assessment of the Group's major suppliers via an internal CSR questionnaire. In order to broaden this over time to all suppliers, the Group Purchasing Department undertook a study involving outside experts to identify the most appropriate solution. The corresponding contract will come into force in early 2024 to begin CSR assessments of key suppliers;
- identifying so-called "vulnerable" suppliers. Some countries have started tracking the level of dependence of their suppliers;
- continuing sourcing from the second-hand market, particularly for spare parts. Furthermore, some end-of-life products have continued to be recycled to extend their usage as long as possible (refractory bricks, IT equipment, etc.);
- encouraging the use of recycled products, for example IT equipment.

Track record on responsible purchasing

	2023	2022
Average percentage of national purchasing	65%	65%
Average proportion of revenue with SMEs	60%	60%
Number of Supplier Codes of Conduct signed	1,150 (9% of active suppliers)	600
Average proportion of Group purchasing contracts that contain a specific CSR clause	30%	20%
Proportion of Group buyers who received training on CSR and the UN SDGs	95%	90%
Average percentage of supplier invoices paid by the due date	80%	80%

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, Vicat Group actively contributes to the vitality of the countries where it works.

On top of its regulatory obligations regarding corporate social responsibility, Vicat Group undertakes voluntary actions through a philanthropy and donations policy. It thus contributes to the development of countries by giving priority to actions related 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, 2023, the Group had 9,993 employees, an increase of +0.8% (+81 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 fossil fuel usage, decarbonization, safeguarding biodiversity, conserving resources and the circular economy, in particular) and the digital transition. The workforces in Turkey and the United States rose for these reasons.

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 isn't concerning. The number of new hires is 5% higher than the number of departures, reflecting the Group's attractiveness in its various countries.

In 2023, the Group did not undertake any redundancy plan or any retirement plan involving age (early retirement, etc.).

Headcount as at December 31, 2023 by geographical area

	2023	2022	Difference	
France	3,272	3,321	(49)	(1.5%)
Europe (excluding France)	743	742	+1%	(0.1%)
Americas	2,326	2,254	+72%	+3.2%
Asia	1,169	1,230	(61)	-5.0%
Africa	971	963	+8	+0.8%
Mediterranean	1,512	1,402	+110	+7.8%
TOTAL	**9,993**	**9,912**	**+81%**	**+0.8%**

The Group's average workforce rose by +1.6% between 2022 and 2023. 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, 2023

	2023		2022		Change
France	3,279	33.1%	3,282	33.7%	(0.1%)
Europe (excluding France)	710	7.2%	711	7.3%	(0.1%)
Americas	2,293	23.2%	2,216	22.7%	+3.5%
Asia	1,202	12.1%	1,227	12.6%	-2.0%
Africa	971	9.8%	957	9.8%	+1.5%
Mediterranean	1,448	14.6%	1,352	13.9%	+7.1%
TOTAL	**9,903**	**100.0%**	**9,745**	**100.0%**	**+1.6%**

The breakdown in the workforce by business line reflects the changes in the Group's operations and was almost unchanged between 2022 and 2023. In 2023, the headcount of the Cement business stood out even more (45.6% in 2023, 45.3% in 2022 and 44.8% in 2021). The Concrete & Aggregates business stood at 39.1% in 2023 (39.6% in 2022 and 39.8% in 2021); and the Other Products & Services business stood at 15.3% in 2023 (15.1% in 2022 and 15.5% in 2021). In 2023, the proportion of Blue-collar staff rose slightly to 54.1% of the total workforce (52.2% in 2022, 50.1% in 2021). The proportion of White-collar staff stood at 29.5% (29.9% in 2022, 31.3% in 2021). Management accounted for 16.4% in 2023 (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, Vicat Group strives to help the development of the countries by sharing the value created over the long-term. Its actions can take the form of financial assistance, in-kind donations (construction materials), gifts of working time and skills sharing, which encourages employee involvement. Its strong regional roots, particularly in rural areas, ensure that 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 2023, these donations amounted to close to €5 million.

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

Vicat Group's actions target all levels of education, from primary school to university, and support local government policies. 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 thus now spreading to other African countries like Sierra Leone.

Improving physical teaching conditions

In Mali, the Ciment et Matériaux du Mali subsidiary supplies 200 school kits to the CIRA Charity NGO for 200 children from poor backgrounds at the Sirakao public school.

In Senegal, Sococim launched a program to supply materials to eliminate temporary structures in the department's school institutions, after having funded the restoration of the Gouye Mouride primary school in Rufisque and the Kipp primary school in Bargny. This subsidiary offers school donations to over 4,000 students. Gécamines, a Sococim subsidiary, provides financial support for staff for the return to school. In the Ngoundiane commune, it provides financial support for the secondary school and its teachers, school supplies for its residents and 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, Vicat Group has created three kindergartens in the state of Andhra Pradesh, just a few kilometers from its Kadapa plant. 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 600 students at the Kalburgi cement plant), which were built at the initiative of the Chief Executive Officer for Vicat Group's operations in India, Anoop Kumar Saxena. These school groups are recognized as being top notch by the Indian state and have had 12 new digital classrooms since 2023. 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 2023 the Jambyl Cement Company subsidiary continued its partnerships with South Kazakhstan State University and Taraz Polytechnic High College for training in industrial occupations (chemists, welders, plumbers, mechanics).

In Egypt, Sinai Cement Company developed a one-year internship and development program whereby student engineers at El-Harish Institue get a work placement.

Gecamines has entered into a partnership with the Institut Supérieur du Management in Dakar. This led to the hiring of a HSE coordinator on a permanent contract at the end of her internship. Sococim signed an agreement with CSFP-BTP (Centre Sectoriel de Formation Professionnelle aux Métiers du Bâtiment et des Travaux Publics) around: (i) periodic information and awareness sessions about its products for the center's students; (ii) support for CSFP-BTP with learning and job searching (work placements and jobs) for students and graduates; (iii) welcoming the center's students on educational visits according to a timetable; (iv) supporting CSFP-BTP in terms of providing the educational materials and equipment its needs day-to-day; (v) 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 expert are also involve 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 took part in the 12th Industry Week on the theme of "with industry, shape your future".

The Group's companies 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. It 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.

Since 2021, the Group has partnered 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 similarly supplied some of the materials required to host the 2023 French national finals, which took place in Lyon.

Mentorship and support for young people

Since 2021, like other leaders of major French groups, the Chairman and Chief Executive Officer has enlisted the French management teams to mentor a young person as part of the government's "*1 jeune, 1 mentor*" program. Vicat has worked with *Collectif Mentorat*. which won the "*2023 Grande cause nationale*" award. The goal is to have 1% of the workforce as mentors in 2023 and in 2022, with the assistance of the *Sport dans la ville, Institut télémaque* and *Article 1er* associations. This approach is also in line with the action plan of "*Collectif d'entreprises pour une économie plus inclusive*", which the Group joined two years ago.

With the support of the Louis Vicat Foundation, 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 2023. In Inde, 280 students received scholarships from Group subsidiaries.

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).

Providing emergency support

Standing side-by-side with its countries, the Group supports local populations and activities in the wake of natural disasters. The Indian subsidiaries provide food and basic necessities, as well as mechanical pumps to farmers during flooding.

In February 2023, Turkey was hit by two incredibly destructive earthquakes that affected 14 million Turks (close to 51,000 killed, 122 000 injured, property damage calculated at USD150 billion). When the disaster struck, the teams at the Turkish subsidiaries, all of which were safely away from the epicenters, immediately responded. Overall, in addition to staff who went to the region to help and support, 15 container homes, 75 metric tons of food, equipment, warm clothing and financial support were all provided.

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. The second medical center is based in Nallalingayapalli (close to the Bharathi cement plant). Since 2015, rural patients have access to specialist doctors at the "Apollo" hospital in Hyderabad by means of video-conferencing. Overall, since it was established, the centers have provided close to 80,000 consultations for residents of neighboring villages. These two centers also have laboratories. In addition, Country management opened a dialysis center near the cement plant at Kalburgi in 2019. Management also developed three "Anganwadi", private rural childcare centers, which are clean and provide a psychosocial developmental setting for children from highly disadvantaged backgrounds.

In 2023, Sinai Cement Company created a mobile medical facility to offer in-person consultations in the Sinai around the cement plant.

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

In Kazakhstan, the Jambyl Cement Company subsidiary has the same approach for those living in the rural areas around its cement plant.

Anti-cancer plans were put in place in various Group companies in France and abroad, covering prevention, screening, treatment and return to work of sufferers or of close family members.

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. In Mali, Ciment et Matériaux du Mali provided a well to the residents of the village of Soninkegny.

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 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 2023, over 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 Gecamines subsidiary recovers used oil and tires together with local service providers that then recycle them. 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 2023) in the ten villages surrounding the cement plants and for people suffering from AIDS (416 in 2023); 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 12,000 fruit trees have been planted in the Department of Sandiara, benefitting 140 families both to feed them and for use in their business activities. During Ramadam, the Ciment et Matériaux du Mali subsidiary provides free foodstuffs to several hundred villagers living close to the industrial facility.

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 2023 the Mauricim subsidiary in Mauritania helped with the construction of the *Foyer de l'Enfance* (the only facility for children suffering from mental disabilities in Nouakchott).

In Kazakhstan, the Jambyl Cement Company subsidiary 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 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 Bourgoin Jailleu, to raise awareness and collect money to fight cystic fibrosis. It also provides annual donations to *Charlotte au sucre* and the Boissel Foundation.

3.1.8.3.4 Making a difference in the cultural sphere

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. This foundation provides annual support for the training of 25 young people in Rufisque in script writing, directing, editing and graphic design in partnership with the Codou Samba Linguère Films association. Since this training started in 2013, over 500 young people have thus been trained, over 70% of whom currently have jobs (employed or self-employed). The Louis Vicat Foundation has provided financial support for the Berlioz Festival for the past number of years.

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. The Gécamines subsidiary 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 15km of roads and 6km 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 2023, in Senegal, the Sococim subsidiary renewed its partnership with *Agence Nationale de la Maison de l'Outil* for the training and placement of 127 young people from the Gouye Mouride district of Rufisque, where the cement plant is located. This built on the success of an initial partnership, which had benefitted 100 young people in 2022.

In Senegal, the ongoing construction of kiln 6 is funded by a syndicated loan from *Société Financière Internationale* (SFI), subject to a CSR approach and with a strong emphasis on dialog with stakeholders, employment and training. Sococim delivered point-by-point on SFI'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. The Sococim foundation was recognized at the 7th African Business and Social Responsibility Forum (September 2023), receiving the best foundation award for its wok on growing entrepreneurship and empowerment amongst young people in Senegal.

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.

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 2023, the scorecard showed a further 11 jobs during the year with a total of 124 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).

3.1.8.3.7 Promoting citizen engagement, the nation-army bond and support for signing up to the reserves

In all the countries in which the Group operates, the teams take steps to promote citizen engagement.

Accordingly, in France, Vicat has for many years supported *La Maison des Enfants d'Izieu* with efforts around citizen education and combatting discrimination, and will build on its partnership by funding scheduled events in 2024 including the commemoration of the April 6, 1944 round-up that saw 44 children and 7 teachers being sent to the death camps.

Furthermore, following recognition by the Minister for the Interior of Vicat's contribution to civil security and its support for the departmental fire and rescue services, it was awarded the title of "employer – national fire service partner". This title recognized Vicat's civic mindedness and civic spirit in the way it manages its employees who are volunteer firefighters. The Group participates directly in the continuity and quality of local emergency response. Being a volunteer firefighter and having a job is possible as evidenced by the 38 employees who made this choice. The commitment by the volunteer firefighters show on a daily basis that courage and dedication remain contemporary values. Management encourages this throughout its activities.

Vicat also supports membership of the network of *Conseillers du Commerce Extérieur* (CCE) by its expatriates in the countries in which they are working. This approach is supported by the Chair of the CCE, Sophie SIDOS, who is also Chair of the Louis Vicat Foundation.

Lastly, Vicat has maintained ties over the years between the company and the armed forces. This relationship is particularly evident through the position held by the Chair of Louis Vicat Foundation within the Association pour le Développement des Œuvres Sociales de la Marine (Entraide Marine-Adosm). This charity ("*association loi de 1901 reconnue d'utilité publique*") supports the spouses, families of civil and military members of the Navy when they face serious difficulties, along with their families or orphaned children. Since 2015, in partnership with CABAM (*Cellule d'aide aux blessés et d'assistance aux familles de la Marine*), the association funded rehabilitation programs for injured navy personnel. This is done in tandem with the Navy's military personnel department and the Minister for the Armed Forces. *Entraide Marine-Adosm* also aims to facilitate professional training for injured navy personnel and their spouses who have often been forced to give up on their career or indeed any form of employment, as a result of the need to move around or indeed that their partner is on deployment. Furthermore, Vicat provided additional support for the operational reserve policies in 2023 with the signing, in early 2024, of an agreement with the military authorities. With a view to facilitating the signing up and availability of reservists employed by Vicat, this arrangement will make it possible to value and spread the spirit of national defense throughout the Group. To this end, from January 2024 the company will be classed as a "national defense partner" as a "military reserve defense partner".

3.2 THE EU TAXONOMY

Results of the application of the EU Taxonomy regulation

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 classifying an activity as sustainable or not. The Taxonomy presents a list of economic activities that contribute substantially to at least one of the six environmental objectives 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. do 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 2023, Vicat Group therefore assessed the business activities that are referenced and governed by the EU Taxonomy to define the percentages of aligned revenue, CapEx and OpEx pertaining to these activities. The Group analyzed its activities in terms of alignment with one of the two objectives of the Taxonomy that have thus far been the subject of published delegated acts: "climate change mitigation " and "climate change adaptation", and in terms of eligibility for the other sustainability objectives of the Taxonomy.

Lastly, for the 2 climate objectives, 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

2023				Substantial contribution criteria						No significant harm criteria ("DNSH Criteria")									
Business activities	Code	Revenue	Share of revenue, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Share of revenue aligned with the Taxonomy (A.1.) or eligible under the Taxonomy (A.2.), year N-1	Enabling activity category	Transitional activity category
		(in thousands of euros)	*%*	*Yes; No; N/EL*	*Yes; No; N/EL*	*Yes; No; N/EL*	*Yes; No; N/EL*	*Yes; No; N/EL*	*Yes; No; N/EL*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*H*	*T*
A. ACTIVITIES ELIGIBLE UNDER THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																			
Cement manufacturing business	CCM 3.7	25,320	0.6%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.7%		T
Rail transport infrastructure business	CCM 6.14	41,317	1.0%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1.0%	H	T
Material recovery from non-hazardous waste business	CCM 5.9	20,645	0.5%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.2%		T
Revenue of environmentally sustainable activities (aligned with the Taxonomy) (A.1)		**87,282**	**2.2%**	**100%**						**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**1.9%**		
o/w enabling		41,317	1.0%	100%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	1.0%	H	
o/w transitional		45,965	1.2%	100%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.9%		T
A.2. Eligible activities under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Cement manufacturing business	CCM 3.7	2,006,400	51.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								50.3%		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	15,234	0.4%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Revenue of eligible activities under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		**2,021,634**	**51.3%**	**99%**	**0%**	**0%**	**0%**	**1%**	**0%**								**50.3%**		
A. REVENUE OF ACTIVITIES ELIGIBLE UNDER THE TAXONOMY (A.1 + A.2)		2,108,916	53.6%	99%	0%	0%	0%	1%	0%								52.2%		
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY																			
Revenue of activities not eligible under the Taxonomy		1,828,283	46.4%														47.7%		
TOTAL		**3,937,199**	**100%**														**100.0%**		

Eligible revenue stood at 53.6% in 2023 (compared with 52.2% in 2022) and includes the Group's activities related to:

- grey cement manufactured from clinker and other alternative 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.

The other non-eligible Group activities (46.4% in 2023) include concrete, aggregates and some parts of other Products & Services, which are not listed in the various documents making up the Taxonomy.

Note that the denominator is made up of consolidated revenue totaling €3,937 million (available in chapter 7.1 of this document, note 4). 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 was 2.2% in 2023, slightly up on 2022 (1.9%). It should be noted that the Group's intent is that the projects underway over the past years to reduce its carbon footprint as per its Climate strategy (see Chapter 1 of the Statement of Extra-Financial Performance "Climate and reducing the carbon footprint of operations" of this Document) will result in a significant increase in the proportion of aligned revenue within its operations.

The gap between the level of alignment (2.2%) and level of eligibility (53.6%) is due to the highly ambitious technical criteria in the taxonomy regarding cement manufacturing (469 kg of CO_2 equivalent per metric ton of cement or alternative binder), which, in particular, combines a low clinker emission factor (722kg of CO_2 equivalent per metric ton of clinker used for grey cement) with an equally low clinker rate (65%). The latter is typically dependent on construction standards, which vary significantly from one country to another, and are in some instances impossible in certain countries (in the United States for example).

Lastly, 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.

Revenue summary table

	Share of revenue/total revenue	
Objectives of the Taxonomy	Aligned with the Taxonomy by objective	Eligible under the Taxonomy by objective
Climate change mitigation	2.2%	53.6%
Climate change adaptation	0%	0.0%
Water	0%	0.0%
Circular economy	0%	0.4%
Pollution	0%	0.0%
Biodiversity	0%	0.0%

Aligned CapEx

2023				Substantial contribution criteria						No significant harm criteria ("DNSH Criteria")									
Business activities	Code	CapEx	Share of CapEx, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Share of CapEx aligned with the Taxonomy (A.1.) or eligible under the Taxonomy (A.2.), year N-1	Enabling activity category	Transitional activity category
		(in thousands of euros)	*%*	*Yes; No; N/EL*	*Yes; No; N/EL*	*Yes; No; N/EL*	*Yes; No; N/EL*	*Yes; No; N/EL*	*Yes; No; N/EL*	*Yes/ No*	*Yes/ No*	*Yes/ No*	*Yes/ No*	*Yes/ No*	*Yes/ No*	*Yes/ No*	*%*	*H*	*T*
A. ACTIVITIES ELIGIBLE UNDER THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																			
Cement manufacturing business	CCM 3.7	92,587	24.7%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	16.0%		T
Rail transport infrastructure business	CCM 6.14	1,929	0.5%	Yes	No	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0%	H	
CapEx of environmentally sustainable activities (aligned with the Taxonomy) (A.1)		**94,516**	**25.2%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**16.0%**		
o/w enabling		1,929	0.5%	100%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0%	H	
o/w transitional		92,587	24.7%	100%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	16.0%		T
A.2. Eligible activities under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Cement manufacturing business	CCM 3.7	170,177	45.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								52.8%		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	502	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
CapEx of eligible activities under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		**170,679**	**45.5%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**52.8%**		
A. CAPEX OF ACTIVITIES ELIGIBLE UNDER THE TAXONOMY (A.1 + A.2)		265,195	70.6%	100%	0%	0%	0%	0%	0%								68.9%		
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY																			
CapEx of activities not eligible under the Taxonomy		110,228	29.4%														31.1%		
TOTAL		**375,422**	**100%**														**100%**		

Eligible CapEx in 2023 stood at €265 million, up on 2022 (€247 million). This includes the Group's investments on 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 2023 (available in chapter 7.1 of this document in notes 10 and 18) and totaling €375 million (compared with €468 million in 2022). The proportion of aligned CapEx stood at 25% in 2023, up on 2022, with the Group's sustainability (and particularly climate) projects continuing to proceed in line with the Group's commitments over the past years.

The proportion of aligned CapEx mainly comprises investments on the Cement business for the proportion of cement production that is already aligned with the technical criteria, along with the investments resulting from a plan approved by Group Management designed to bring about alignment of future cement products by 2030. For example, this is the case of the new firing line in Senegal (Kiln 6), or indeed the activated clay production project (Argilor) in Xeuilley in France, which will both be commissioned in 2024. 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 "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, explaining the gap between alignment (25%) and eligibility (71%). This is true of the projects to reduce the carbon footprint of manufactured cement, as with the projects designed to reduce fossil fuel usage, reduce the proportion of clinker in cement or indeed to use renewable energy (see the Climate and reducing the carbon footprint of operations section of this Statement of Extra-Financial Performance), but which do not necessarily achieve the technical criteria of 469 kg of CO_2 per metric ton of cement defined by the Taxonomy.

Lastly, some CapEx (€110 million) is not eligible for the Taxonomy because the activities are not listed in the rules published to date by the European Directive, such as for example concrete or aggregates.

CapEx summary table:

	Share of CapEx/Total CapEx	
Objectives of the Taxonomy	Aligned with the Taxonomy by objective	Eligible under the Taxonomy by objective
Climate change mitigation	25.2%	45.3%
Climate change adaptation	0%	0%
Water	0%	0%
Circular economy	0%	0.1%
Pollution	0%	0%
Biodiversity	0%	0%

Aligned OpEx

2023				Substantial contribution criteria						No significant harm criteria									
Business activities	Code	OpEx	Share of OpEx, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Share of OpEx aligned with the Taxonomy (A.1.) or eligible under the Taxonomy (A.2.), year N-1	Enabling activity category	Transitional activity category
		(in thousands of euros)	*%*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*%*	*H*	*T*
A. ACTIVITIES ELIGIBLE UNDER THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																			
OpEx of environmentally sustainable activities (aligned with the Taxonomy) (A.1) o/w enabling o/w transitional																			
A.2. Eligible activities under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of eligible activities under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		**124,377**	**63.0%**	**%**	**%**	**%**	**%**	**%**	**%**								**%**		
A. OPEX OF ACTIVITIES ELIGIBLE UNDER THE TAXONOMY (A.1 + A.2)		124,377	63.0%	%	%	%	%	%	%										
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY																			
OpEx of activities not eligible under the Taxonomy		72,899	37.0%																
TOTAL		**197,276**	**100%**																

As indicated above, 2.2% 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 below) cannot be significantly different from this percentage. As a result, the Group feels that the aligned OpEx are not of significant importance for it, allowing it to apply the permitted exemption in this respect.

3.3 STATEMENT OF EXTRA-FINANCIAL PERFORMANCE IN FIGURES

Environmental topics

Theme & Indicators	Scope	2023	2022	2021
MATERIAL ISSUES				
Provisions and guarantees in respect of environmental risks *(in millions of euros)*	Group	68.6%	64.4	61.2
Environment-related investments *(in millions of euros)*	Group	39.8	85.0	74.5
MANAGEMENT OF RESOURCES AND THE CIRCULAR ECONOMY				
Total consumption of raw materials *(millions of metric tons)*	Group	68.0	64.6	65.4
o/w share of consumed materials stemming from natural gross raw material extracted (%)	*Group*	*93.4%*	*94.0%*	*94.5%*
o/w share of consumed materials stemming from substitution materials (%)	*Group*	*6.6%*	*6.0%*	*5.5%*
Consumption of raw materials for clinker production *(millions of metric tons)*	Cement	36.5	33.6	34.1
o/w share of consumed materials stemming from natural gross raw material extracted (%)	*Cement*	*94.5%*	*95.2%*	*95.8%*
o/w share of consumed materials stemming from substitution materials (%)	*Cement*	*5.5%*	*4.8%*	*4.2%*
Consumption of raw materials for cement production *(millions of metric tons)*	Cement	6.2	5.9	5.8
o/w share of consumed materials stemming from natural gross raw material extracted (%)	*Cement*	*72.4%*	*73.2%*	*76.2%*
o/w share of consumed materials stemming from substitution materials (%)	*Cement*	*27.6%*	*26.8%*	*23.8%*
Clinker content in cement equivalent *(%)*	Cement	76.8%	77.5%	78.9%
Consumption of raw materials for aggregates production *(millions of metric tons)*	Aggregates	25.2	25.2	25.5
o/w share of consumed materials stemming from natural gross raw material extracted (%)	*Aggregates*	*96.8%*	*97.3%*	*96.8%*
o/w share of consumed materials stemming from substitution materials (%)	*Aggregates*	*3.2%*	*2.7%*	*3.2%*
WATER MANAGEMENT				
Total water withdrawal *(millions of m^3)*	Group	18.2	18.9	18.0
Total water discharge *(millions of m^3)*	Group	9.0	9.8	8.8
Total water consumption *(millions of m^3)*	Group	9.2	9.2	9.2
Total water withdrawal *(millions of m^3)*	Cement	10.3	9.9	9.9
Total water discharge *(millions of m^3)*	Cement	5.9	5.6	5.4
Total water consumption *(millions of m^3)*	Cement	4.4	4.3	4.5
Specific water consumption *(liters/metric ton of cement)*	Cement	160	163	166
Total water withdrawal *(millions of m^3)*	Concrete & Aggregates	7.0	8.1	6.9
Total water discharge *(millions of m^3)*	Concrete & Aggregates	2.3	3.3	2.4
Total water consumption *(millions of m^3)*	Concrete & Aggregates	4.7	4.8	4.5
Specific water consumption *(liters/m^3 of concrete)*	Concrete	225	207	181
Specific water consumption *(liters/metric ton of aggregates)*	Aggregates	117	129	115
Total water withdrawal *(millions of m^3)*	Other Products and Services	0.8	0.9	1.1
Total water discharge *(millions of m^3)*	Other Products and Services	0.7	0.9	1.0
Total water consumption *(millions of m^3)*	Other Products and Services	0.1	0.0	0.1

Theme & Indicators	Scope	2023	2022	2021
CO_2 AND ENERGY				
Number of kilns - Clinker production *(units)*	Cement	24	24	24
CO_2 emissions				
CO_2 emissions – SCOPE 1 – Gross emissions *(millions of metric tons of CO_2)*	Group	17.8%	17.3	18.0
CO_2 emissions – SCOPE 2 *(millions of metric tons of CO_2)*	Group	0.9	0.8	0.7
CO_2 emissions – SCOPE 3 *(millions of metric tons of CO_2e)*	Group	3.9	4.1	4.2
o/w CO_2emissions - Purchase of goods and services (millions of metric tons of CO_2e)	*Group*	*1.5*	*1.7*	*1.8*
o/w CO_2 emissions – Upstream of energy (millions of metric tons of CO_2e)	*Group*	*1.0*	*1.0*	*1.0*
o/w CO_2 emissions – Transport upstream (millions of metric tons of CO_2e)	*Group*	*0.4*	*0.4*	*0.5*
o/w CO_2 emissions – Transport downstream (millions of metric tons of CO_2e)	*Group*	*0.9*	*1.0*	*1.0*
CO_2 emissions – SCOPE 1 *(millions of metric tons of CO_2e)*	Cement	17.7	17.2	17.8%
o/w gross emissions of CO_2 process (millions of metric tons of CO_2e)	*Cement*	*17.4*	*16.8*	*17.2*
CO_2 emissions – SCOPE 2 *(millions of metric tons of CO_2e)*	Cement	0.9	0.8	0.7
Gross specific CO_2 emissions *(kg/metric ton of clinker)*	Cement	822	828	835
Gross specific CO_2 emissions *(kg/metric ton of cementitious)*	Cement	634	642	653
Net specific CO_2 emissions *(kg/metric ton of cement equivalent)*	Cement	588	608	624
Net specific CO_2 emissions *(kg/metric ton of cementitious)*	Cement	589	606	619
Net specific CO_2 emissions *(kg/metric ton of cement equivalent)*	Cement Europe	501	530	544
Net specific CO_2 emissions *(kg/metric ton of cementitious)*	Cement Europe	498	527	538
CO_2 emissions – SCOPE 1 + SCOPE 2 *(millions of metric tons of CO_2e)*	Concrete & Aggregates	0.11	0.10	0.16
CO_2 emissions – SCOPE 1 + SCOPE 2 *(millions of metric tons of CO_2e)*	Other Products and Services	0.02	0.01	0.02
Heat consumption (fuel)				
Total heat consumption *(millions of GJ)*	Cement	76.9	73.6	74.1
Specific heat consumption *(MJ/metric ton of clinker)*	Cement	3,593	3,581	3,561
Proportion of fossil fuels in energy mix *(%)*	Cement	68.0%	72.0%	73.9%
o/w share of coal and lignite (%)	*Cement*	*39.1%*	*37.6%*	*46.4%*
o/w share of coke (%)	*Cement*	*22.8%*	*29.9%*	*24.1%*
o/w share of oil and gas (%)	*Cement*	*6.0%*	*4.5%*	*3.4%*
Proportion of alternative fuels in energy mix *(%)*	Cement	32.0%	28.1%	26.2%
o/w share of biomass (%)	*Cement*	*13.0%*	*11.9%*	*10.1%*
o/w share of other waste (%)	*Cement*	*19.0%*	*16.1%*	*16.1%*
Proportion of alternative fuels in energy mix *(%)*	Cement Europe	72.7%	66.0%	62.9%
Electricity consumption				
Total electricity consumption *(GWh)*	Group	2,883	2,826	2,866
o/w renewable electricity (%)	*Group*	*8.8%*	*8.5%*	*8.0%*
breakdown - electricity that is certified from renewable sources (%)	*Group*	*38.7%*	*41.2%*	*40.0%*
breakdown - self-produced renewable electricity (%)	*Group*	*61.3%*	*58.8%*	*60.0%*
breakdown - solar (%)	*Group*	*25.6%*	*26.9%*	*27.3%*
breakdown - hydro (%)	*Group*	*2.7%*	*2.2%*	*2.7%*
breakdown - waste heat recovery (%)	*Group*	*71.7%*	*70.8%*	*69.9%*
Total electricity consumption *(GWh)*	Cement	2,737	2,678	2,709
Specific electricity consumption *(kWh/metric ton of cement)*	Cement	100	101	99
Total electricity consumption *(GWh)*	Concrete & Aggregates	108	111	110
Specific electricity consumption *(kWh/m^3 of concrete)*	Concrete	3.2	3.3	3.2
Total electricity consumption *(kWh/metric ton of aggregates)*	Aggregates	3.4	3.5	3.3
Total electricity consumption *(GWh)*	Other Products and Services	38	38	47

Theme & Indicators	Scope	2023	2022	2021
OTHER EMISSIONS				
Absolute dust emissions *(in metric tons/year)*	Cement	1,515	1,261	1,320
Specific dust emissions *(in g/metric ton of Clinker)*	Cement	71	62	64
Absolute SO_2 emissions *(in metric tons/year)*	Cement	3,594	4,118	4,608
Specific SO_2 emissions *(in grams/metric ton of clinker)*	Cement	169	202	222
Absolute NOx emissions *(in metric tons/year)*	Cement	19,957	23,568	25,689
Specific NOx emissions *(in grams/metric ton of clinker)*	Cement	940	1,156	1,240
PRESERVING BIODIVERSITY				
Share of quarries with a rehabilitation plan *(%)*	Cement/ Aggregates	73%	74%	81%
Share of quarries with a biodiversity management plan or taking positive steps to promote biodiversity *(%)*	Cement/ Aggregates	61%	60%	
Surface area rehabilitated during the year *(m^2)*	Cement/ Aggregates	673,573	468,668	575,233
No. of trees planted at the sites over the year *(units)*	Cement/ Aggregates	28,400	20,745	25,920
No. of visitor groups welcomed at the sites over the year *(units)*	Cement/ Aggregates	179	174	105

HR challenges

Topic	Indicator	Scope	2023	2022
Employment	Workforce at December 31	Group	9,993	9,912
	Average workforce by geographical area	**Group**	**9,903**	**9,745**
		France	3,279	3,282
		Europe (excluding France)	710	711
		Americas	2,293	2,216
		Asia	1,202	1,227
		Africa and the Mediterranean	2,419	2,309
	Average number of employees by business	Cement	4,570	4,454
		Concrete & Aggregates	4,008	3,991
		Other products and services	1,325	1,300
Change in workforce by type of movement	Natural attrition	Group	751	660
	Redundancies	Group	889	867
	Changes in consolidation scope	Group	0	35
	Recruitment	Group	1,721	1,889
Change in personnel costs as at December 31	Salaries and wages *(in thousands of euros)*	Group	429,599	396,927
	Social security contributions *(in thousands of euros)*	Group	131,618	125,794
	Employee profit sharing *(in thousands of euros)*	French companies	7,785	5,913
	Personnel costs *(in thousands of euros)*	Group	569,002	528,635
Health and safety	Number of lost-time occupational accidents	Group	84	96
	Number of fatal accidents in the workplace	Group	1	1
	Frequency rate	Group	4.18	4.81
	Severity rate	Group	0.25	0.22
Training	Total number of training hours	Group	283,906	209,940
	Number of employees having attended at least one training course (during the year)	Group	14,209	12,737
Diversity and equal treatment	Female employees as a percentage of the workforce	Group	12.1%	11.8%
	Female employees as a percentage of the workforce	France	19.9%	19.5%
	Employees with disabilities	France	2.5%	2.6%

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 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, 2023.

The data shown in the Statement of Extra-Financial Performance have been gathered and consolidated on the basis of a common reference framework for all Vicat Group entities, entitled "Reporting Protocol for Social, Environmental and Societal Information" in its version V10. Each year, 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 2023, independently of its updating to reflect regulatory developments regarding extra-financial reporting, a number of relatively minor changes were made to the collection rules on the collection media specific to the following themes: "Business ethics and Compliance" and "Responsible purchasing". 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 and their calculation methodology. For the preparation of its reporting protocol, Vicat Group primarily relies on the sector guides drawn up by the Global Cement and Concrete Association (GCCA). The calculation of Scope 3 emissions is covered by a specific note on methodology. For the purposes of the presentation of the quantitative indicators in the Statement of Extra-Financial Performance, and when rounding is relevant, it was decided to use the rounding that best represented the measured performance. As a result, it is possible that the sum of the indicators will not always match the sum of the rounded numbers.

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 ("SURF project").

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. 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.

Since the 2022 consolidated financial statements, it has been 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 primarily 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 Vicat Group's guidelines and reporting procedures as part of its mission. In 2023, the verification work was done on site (in Switzerland and France) and remotely (in Brazil).

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 risk map compiled by the Finance Department and the Compliance, Safety and Internal Audit Department. These risks are presented in chapter 2 of the Universal Registration Document entitled "Risk factors". Risks which are significant to the Company and important for the success of 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[1] (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.

Vicat Group incorporates climate change risks into its ongoing analysis and management of its operational risks. It differentiates between physical risks and transition risks, the latter being some of the most critical for it.

Physical risks relate to the direct and tangible damage caused by acute and chronic climate hazards on the Group's operations; the frequency and intensity of storms, tornadoes, floods and droughts are trending up.

Transition risks, for their part, relate to the financial consequences for Vicat Group of an economic transformation to a low-carbon world involving regulatory, economic and technological changes, around which there is currently uncertainty.

3.4.3 Methodology used for the implementation of the EU Taxonomy Regulation

The indicators presented in the EU Taxonomy note cover the period from January 1 to December 31, 2023 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 all its activities and compared them with the activities referenced in the EU regulation, having recourse in particular to the Taxonomy Compass put online by the EU, which in particular allows companies to be guided by specific NACE codes. The denominator follows the accounting definition, making it possible to reconcile it with the financial statements.

Within the eligible activities, the production of gray 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 eligible activities, numbers that are 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 2023 (available in chapter 7.1 of this document, note 10), determines the proportion of investments pertaining to eligible activities. This figure is directly available in the Group's reporting tools.

(1) Climate change is a complex phenomenon encompassing deep and irreversible changes to the environment with global implications for human activities. This phenomenon is connected with the higher concentration of greenhouse gas in the atmosphere such as CO_2. A large proportion of global greenhouse gas emissions stems from the wholesale use of fossil fuels to produce the energy needed to manufacture materials and products like cement, iron, steel, plastics, textiles etc.

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. The Group made use of the permitted exemption when it calculated that the amount of aligned OpEx was immaterial.

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.

For the 3 ratios (revenue, CapEx, OpEx), double-counting risks were avoided because it was possible to allocate each eligible activity to a single sustainability objective, the criteria for allocation to the objective being clear for the Group's activities.

3.4.3.2 Analysis of alignment criteria

Analysis of substantial contribution technical criteria

With respect to the climate change mitigation objective, the Group makes sure its Cement business makes a substantial contribution having regard to the technical criteria, namely the cement manufactured with CO_2 emissions (Scope 1) 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. The Group's Scope 1 emissions are moreover audited by a third party.

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 aligned 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 the activities, 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 Taxonomy's five other sustainability objectives ("Do No Significant Harm"). The Group thus 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 verify that these sites are not harming the objectives of preserving biodiversity and fresh water resources as well as climate change mitigation objective 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. Compliance with these environmental issues is also discussed in the "Efficient resource management and management of environmental impact of operations" section and the "Preservation of biodiversity and ecosystems" section of this Statement of Extra-Financial Performance. It should be noted that for certain non-European jurisdictions, there were some difficulties transposing EU regulations and finding a local law equivalent.

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:

- respect human rights (including labor and consumer rights);
- combatting corruption;
- complying with tax rules;
- ethical business practices.

These issues are discussed in the "Human Resources, Ethical business practices" section and the "Supply chain management and responsible purchasing" section of the Statement of Extra-Financial Performance. Lastly, the Group also satisfied itself that no judgment had been handed down during the financial year with respect to any of these themes in order to guard against any violation of the minimum social safeguards.

3.5 REPORT BY THE INDEPENDENT THIRD-PARTY ORGANISATION ON THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE GROUP MANAGEMENT REPORT

For the year ended December 31, 2023

To the shareholders,

In our capacity as Statutory Auditors registered on the list provided for by Article L.822-1 of the French Commercial Code, and designated as an Independent Third-Party Body of Vicat, accredited by COFRAC (Cofrac Inspection accreditation no. 3-1080, scope available on the website www.cofrac.fr), we conducted our work in order to provide a limited assurance on the historical information (observed or extrapolated) of the extra-financial performance statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter the "Information" and the "Statement" respectively), presented in the management report in accordance with the provisions of Articles L. 225-105-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and on information we obtained, nothing has come to our attention that causes us to believe that the non-financial performance statement is not in compliance with the applicable regulatory requirements and that the information, taken as a whole, is presented fairly in accordance with the Guidelines.

Preparation of the non-financial statement

The absence of a generally accepted and commonly used framework or established practice on which to base the evaluation and measurement of Information allows for the use of different, but acceptable, measurement techniques that may affect comparability across entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement (or available on the website or upon request from the entity).

Limitations inherent in the preparation of Information

As indicated in the Declaration, the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- preparing the Statement in accordance with the entity's reporting framework referred to above;
- implementing the internal control that it deems necessary for the preparation of information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's procedures (hereinafter the "Guidelines"), the significant elements of which are set out in the Statement.

Responsibility of the independent third-party body

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions, relating to the main risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not authorized to be involved in the preparation of this Information, as this could compromise our independence.

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the Vigilance plan and the fight against corruption and tax evasion);
- the truthfulness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional doctrine

Our 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 guidance issued by the *Compagnie Nationale des Commissaires aux Comptes* (CNCC) relating to this type of engagement, in particular the technical notice issued by the CNCC, *Intervention du Commissaires aux Comptes - Intervention de l'OTI - Déclaration de performance extra-financière*, with our audit program used for the mission, and with the International Standard on the Evaluation of Financial Information (ISAE) No. 3000 (Revised).

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the Code of Ethics of the Statutory Auditors. In addition, we have implemented a quality control system that includes documented policies and procedures designed to ensure compliance with applicable laws and regulations, ethical rules and professional guidance issued by the French Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this engagement.

Means and resources

Our work was carried out by a team of four people between October 2023 and February 2024, for a duration of approximately five weeks.

We called upon our specialists in sustainable development and social responsibility to assist us in our work. We conducted about 10 interviews with the people responsible for the preparation of the Declaration, representing among Executive Management, Human Resources, Health & Safety, Environment and Purchasing departments.

Nature and scope of work

We planned and performed our work considering the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a moderate level of assurance. In this respect:

- we analyzed the activities of all the companies included in the scope of consolidation and the main social and environmental risks associated with these activities;
- we assessed the appropriateness of the Guidelines in terms of its relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices in the sector;

- we verified that the Statement presents the information required by II of Article R. 225-105 when relevant to the principal risks and that the Statement includes, where applicable, an explanation of the reasons for the absence of the information required by the second paragraph of III of Article L. 225-102-1;
- we verified that the Statement presents the business model and principal risks of all entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as policies, actions and results, including key performance indicators;
- we consulted documentary sources and conducted interviews to :
  - assess the process for selecting and validating the main risks and the consistency of the results, including the key performance indicators selected, with the main risks and policies presented;
  - corroborate[1] the qualitative information (actions and results) that we considered most important;
- we verified that the Statement covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with Article L. 233-16 ;
- we analyzed the internal control and risk management procedures implemented by the entity and have assessed the collection process aimed at ensuring the completeness and fairness of the information;
- for the key performance indicators and other quantitative results that we considered most important[2], we performed:
  - analytical procedures to verify the correct consolidation of the data collected and the consistency of changes in the data;
  - detailed tests on a test basis, consisting of verifying the correct application of definitions and procedures and reconciling the data with supporting documents. This work was carried out on a selection of contributing entities[3] and covered between 20% and 65% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement with our knowledge of all the entities included in the scope of consolidation.

We believe that the work we performed in the exercise of our professional judgment enables us to provide a limited level of assurance; a higher level of assurance would have required more extensive audit work.

Neuilly-sur-Seine, le 12th February 2024

The independent third-party organisation

Grant Thornton

French member of Grant Thornton International

Françoise Méchin	Bertille Crichton
Partner, Finance	Partner, Sustainability

(1) Qualitative information: "Climate change - Decarbonization of activities"; "Rational management of resources and control of the impact of activities on the environment"; "Preservation of biodiversity and ecosystems"; "Human resources"; "Ethical business conduct and corporate culture"; "Supply chain management and responsible purchasing".

*(2) **Quantitative information:***

***Social data:** number of employees and breakdown by gender, age and geographical area; percentage of women in workforce; new hires and departures; absenteeism rate; number of hours of training; gender equality index (France); number of lost-time accidents among Group employees; number of fatal occupational accidents among Group employees; number of days lost for Group employees; frequency rate; severity rate.*

***Environmental data:** change in rate of fuel substitution (Cement business); change in rate of material substitution in the manufacture of clinker, cement and aggregates (Group scope); table of renewable energy mix; direct and indirect CO_2 emissions (Scope 1 & 2); Scope 1 CO_2 emissions excluding on-site power generation and finished product transport (Group cement scope); Scope 3 CO_2 emissions; change in emissions of dust, SOx, NOx; water consumption by activity.*

(3) Vicat France (environmental data (Cement and Aggregates) + Human Resources and Health & Safety data (France)); Vicat Suisse (environmental data (Cement) + Human Resources and Health & Safety data (Switzerland); Vicat Brésil (environmental data (Cement)).

3.6 REPORT ON THE COMPANY'S POLICY ON PROFESSIONAL AND WAGE EQUALITY (ARTICLE 3.6-225-37-1-1 OF THE FRENCH COMMERCIAL CODE)

As in previous years, Vicat implemented a proactive policy in 2023 in terms of professional equality, equal pay and gender diversity 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 ensure 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 15 years. This action continues with high-level external consultants (an example being Anne Cullerre, Rear-Admiral and currently the woman who has held the highest military rank, who supports a number of female and male employees in the France and Corporate Departments).

The Company is a member of several networks that promote professional and pay equality, including Entreprises Réseau Egalité, a network supported by the Minister Delegate to the Prime Minister, in charge of gender equality and the fight against discrimination. The «Vicat by Elles» internal network is a source of ideas for identifying and removing obstacles to women's career paths, uncovering prejudices and biases, and boosting the attractiveness and promotion of female talent.

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 41% 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 (26 years of age in 2023). 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 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	W/M deviation 2023	W/M deviation 2022	W/M deviation 2021
S1 (€80K<SB<€100K)	+0.90%	+1.60%	-0.50%
S2 (€100K<SB<€165K)	+2.60%	+3.50%	-5.30%
S3 (€165K<SB<€300K)	+6.60%	+12.40%	-1.60%
H.C. (SB>€300K)	N/A	N/A	N/A

In 2023, as in previous years, the Compensation Committee noted that for equal qualifications, the average pay gap for male and female managers is not significant. These results illustrate Vicat's pay parity policy driven by promotion on merit.

Vicat scored 92/100 in the Gender Equality Index in 2023 (92 in 2022, 89 in 2021, 92 in 2020, 89 in 2019, 87 in 2018). This score is above the French national average (85/100 in 2022) and the average for French cement companies (84/100 in 2022). Vicat's pay parity policy helped keep pay gaps small between 2022 and 2023. In line with the aggressive plan put in place by Management, three women are in the Company's top 10 salaried positions. Internal promotion and external hiring initiatives are continuing in order to achieve parity in the top 10 salaried positions. The action plan thus continues with a view to achieving a score of 100 in the medium term.

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: 176 out of a total of 959 (excluding Company officers and apprentices).

	TOTAL	Executives	Female white-collar staff	Female blue-collar staff
Percentage of women in the workforce at December 31, 2023	18.4%	30.5%	15.5%	2.9%

Despite these constraints, technical, scientific or industrial management positions are often filled by women. The same applies to engineering and middle management positions (assistant instrumentation engineer, new works assistant, R&D, laboratory, product quality, environmental engineer, security, etc.). In 2023, nearly 28% of new hires (including apprentices) were filled by women: 28% for managerial positions, 36% for employees, technicians, designers and first-line supervisors and 12% for blue collar positions.

In addition, close to 98% of female staff (excluding apprentices) were on permanent contracts in 2023, 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 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

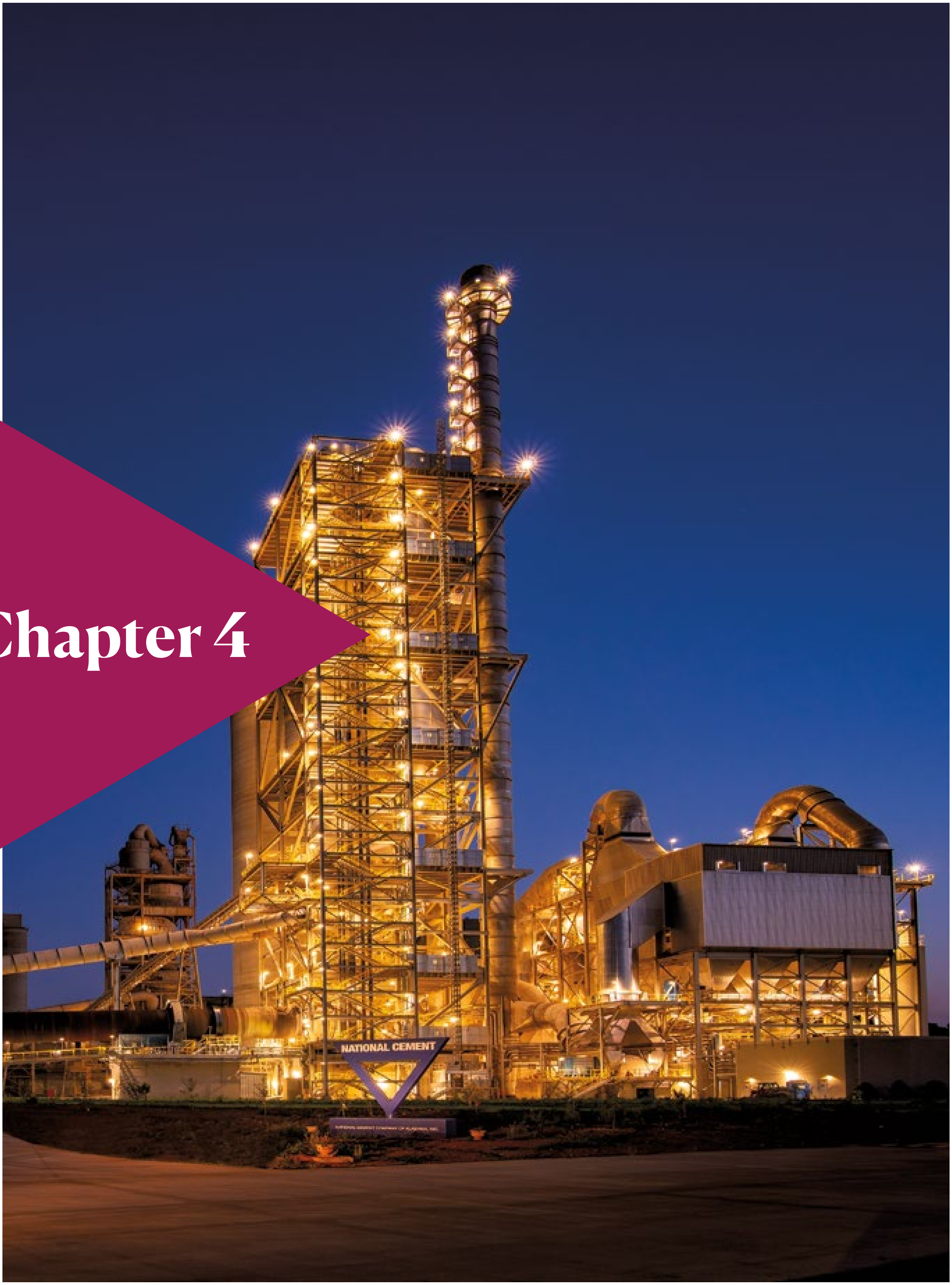
These results are also owing to the joint efforts undertaken over many years by management, managers and labor partners. In accordance with agreements on equality at work, ambitious targets have been set to ensure a growing proportion of women in recruitment, training and promotions, and to ensure equal 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. This agreement, which also includes ambitious targets, was renewed in 2023. Between 2019 and 2023, the average female recruitment rate was almost 32%, compared with a high target of 35%.

Three-year agreement	"Agreement May 2019 April 2023"	2019 results	2020 results	2021 results	2022 results	2023 results
Percentage of women in the workforce	Targets:					
Management	33.0%	30.4%	30.8%	33.1%	29.9%	30.3%
"Employees, Technicians, Designers and First-Line Supervisors "	25.0%	19.3%	18.6%	21%	19.2%	19.4%
Blue-collar staff	5.5%	2.7%	2.4%	3.5%	3.5%	3.2%
TOTAL	**22.0%**	**18.7%**	**19%**	**20.7%**	**19.3%**	**19.8%**
Average percentage of women in new hires	Targets:					
Management	33.0%	34.0%	40.4%	45.6%	19%	28.1%
"Employees, Technicians, Designers and First-Line Supervisors "	50.0%	44.7%	54.5%	45.8%	37%	36.2%
Blue-collar staff	20.0%	25.7%	0%	14.5%	17.5%	11.8%
TOTAL	**35%**	**35.6%**	**35.9%**	**36.1%**	**25.9%**	**28.1%**

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 26% of elected representatives (versus 21% 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 recruitment policy: of the 47 apprenticeships available in 2023 close to 43% were filled by women.



Chapter 4

4 Capital and shareholding

4.1 COMPANY INFORMATION

4.1.1 General information on the Company

Corporate name

The Company's name is Vicat.

Place of registration and registration number

The Company is registered in the Trade and Companies Register of Vienne under number 057 505 539.

LEI number: 9695009YI1863TOVDP79.

Date of incorporation and duration of the Company

The Company was incorporated in 1853 and registered in the Trade and Companies Register on January 1, 1919 for a term of 99 years, which was subsequently extended by a further 80 years to December 31, 2098 by the Combined General Meeting of May 15, 2009.

Registered office

The Company's registered office is located 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 société anonyme (French Public Company) with a Board of Directors, governed by the provisions of Book II and articles R. 210-1 et seq. of the French Commercial Code.

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, 2023 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, 2023, a total of 4,814,922 Company shares, whose registration is managed by the Company, were pledged in financial instruments accounts; representing 10.72% 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 2023 financial year, after distributing 96,694 shares to employees, the Company held 483,595.90 of its own shares, or 1.08% of the share capital.

4.2.7.1 Description of the 2023 share buy-back program

Pursuant to the authorization given by the Ordinary General Meeting of April 7, 2023, in 2023 the Company purchased 742 of its own shares (i.e. 267 shares and 4,750 tenth parts of shares) on the stock exchange (excluding liquidity agreements) at a nominal value of €4 per share and a mean price of €31.06 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: 742 shares, representing an acquisition price of €23,043.24.

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 64,013 shares at December 31, 2022, acquisition of 573,096 shares and sale of 602,992 shares during the financial year, with a balance of 34,117 shares at December 31, 2023.

4.2.7.3 Volume of shares used by objectives

Shares allocated to personnel under employee share ownership and profit-sharing: 103,349.90 shares.

Liquid trading of the shares and their liquidity through a liquidity agreement in line with the market practice permitted by the AMF: 34,117 shares (see also note 14 to the consolidated financial statements and note 4.2 to the individual financial statements).

No shares repurchased have been allocated to other purposes and the Company did not use derivatives to achieve its share buy-back program.

4.2.7.4 Description of the 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 12, 2024, 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, 2024, the 10% limit corresponds to a maximum number of 3,972,287.10 shares with a nominal value of €4 each, representing a maximum amount of €397,228,710.

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 7, 2023.

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, 2023 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, 2023		At December 31, 2022		At December 31, 2021	
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	14,342,687	31.94	14,341,987	31.94	13,734,688	30.59
Soparfi[1]	12,065,102	26.87	12,065,102	26.87	11,939,452	26.59
Family	2,023,120	4.51	2,008,965	4.47	1,966,047	4.38
Employees	604,336	1.35	603,823	1.34	572,408	1.27
Public	15,347,043	34.18	15,236,563	33.95	15,963,900	35.55
Treasury shares	517,712	1.15	643,560	1.43	723,505	1.61
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, 2023 appears below:

- employee profit-sharing (Vicat + Subsidiaries): 604,336 shares, i.e. 1.35% of the share capital;
- employees of the Company and related companies under the employee savings plan (PEE): 565,997.10 shares, i.e. 1.26% 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, 2023		At December 31, 2022		At December 31, 2021	
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	27,751,542	37.56	27,742,947	37.65	27,125,498	36.89
Soparfi(1)	23,939,611	32.40	23,939,611	32.49	23,809,595	32.38
Family	3,943,033	5.34	3,910,412	5.31	3,846,300	5.23
Employees and Public(2)	18,249,028	24.70	18,095,960	24.55	18,747,693	25.50
Treasury shares(3)	-	-	-	-	-	-
TOTAL(4)	**73,883,215**	**100.00**	**73,688,930**	**100.00**	**73,529,086**	**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 74,881,193 at December 31, 2023. 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 report, lead to a change of control.

4.3.5 Crossing thresholds

4.3.5.1 Crossing thresholds set under the by-laws

In addition to the legal and regulatory provisions in force with respect to the crossing of shareholding thresholds, article 7. III of Vicat's by-laws provides that any natural or legal person acting alone or in concert, who directly or indirectly holds or ceases to hold a fraction – of the capital, of voting rights or securities giving future access to the capital of the Company – equal to or greater than 1.5% or a multiple of this fraction, must notify the Company by registered letter with acknowledgment of receipt within a fifteen-day period from the date this threshold is exceeded, specifying their identity as well as that of the persons acting in concert with them, and the total number of shares, voting rights and securities giving 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 30, 2023, Citigroup Inc. declared that it had crossed over the threshold of 1.5% of the share capital.

On March 31, 2023, Citigroup Inc. declared that it had crossed below the threshold of 1.5% of the share capital.

On April 4, 2023, Citigroup Inc. declared that it had crossed above the threshold of 1.5% of the share capital.

On April 5, 2023, Citigroup Inc. declared that it had crossed below the threshold of 1.5% of the share capital.

On April 20, 2023, Citigroup Inc. declared that it had crossed above the threshold of 1.5% 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 the 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 up to the date of this report, 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 and/or voting rights
July 25, 2005	2 years starting on 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 Éléonore 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 Éléonore 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

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 and/or voting rights
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
June 17, 2019	2 years starting on June 17, 2019	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
February 1, 2021	2 years starting on February 1, 2021	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
August 25, 2022	2 years starting on September 20, 2022	Extension for periods lasting 3 months	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:

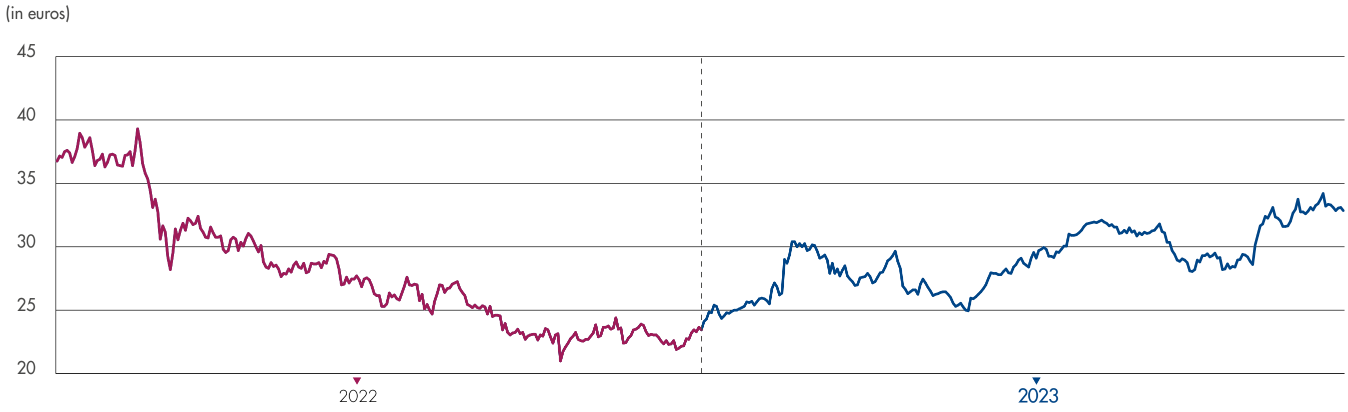
Year	2022	2021	2020
Dividend per share *(in euros)*	1.65	1.65	1.50
Consolidated earnings per share *(in euros)*	3.48	4.55	3.47
Rate of distribution	47%	36%	43%

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 settlement (SRD: *service de règlement différé*) since February 2008. The graph below shows the change in Vicat's share price from January 1, 2022 to December 31, 2023.



The table below shows the change in the Company's share price in 2022 and 2023 (on the basis of the closing price):

(in euros)	2023	2022
Average price over the year	28.97	27.91
Annual high	34.20	39.30
Annual low	24.10	21.00
Price as at December 31	32.85	23.45

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 15 days before the quarterly publications and one month before the publication of full-year and half-year results. During these periods the Company refrains from making contact with analysts and investors and in particular refuses to provide financial analysts and investors with new information on its business and results. The Company has also introduced an automated procedure to monitor permanent and occasional insiders.

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 Meetings

In 2023, the Company maintained its commitment to communication with its financial stakeholders, investors, shareholders and financial and ESG analysts.

In the 2023 financial year, the Company continued to participate in conferences and roadshows organized by banking institutions specialized in intermediation using a combination of "remote" and "in-person" options. The Company also responded to a variety of questions from investors.

4.5.2 Documents available to the public

All of the Company's latest financial news, including the 2023 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

Pierre PEDROSA

Director of Financial Communication and Investor Relations

Tel: (+33) 1 58 86 86 05

Email: relations.investisseurs@vicat.fr

Chapter 5

5 Report on corporate governance

5.1 FRAME OF REFERENCE FOR CORPORATE GOVERNANCE

The Board of Directors decided at the meeting on August 2, 2012 to adopt the Chairman's proposal to implement the Middlenext Corporate Governance Code, available at www.middlenext.com.

5.2 GOVERNANCE BODIES

5.2.1 Composition of the Board of Directors, Chairman and General Management

5.2.1.1 Board of Directors

The Company is managed by a Board of Directors composed of at least five and no more than twelve members and appointed by the Ordinary General Meeting for a term of 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 term of office. A director having completed his 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 hereof, 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 Chief Executive Officer.

No limitation has been set concerning the powers of the Chairman and Chief Executive Officer or Chief Operating Officers.

5.2.1.3 Members of the Board of Directors

List of tenures and functions exercised in all companies during the financial year ended December 31, 2023:

Summary of the membership of the Board of Directors and of its committees

Members of the Board of Directors	Independent members	Year of first appointment	Expiry of term of office	Audit Committee	Compensation Committee	CSR Committee	Experience and expertise offered
Jacques Merceron-Vicat Honorary Chairman Board Member	No	February 3, 1968	2026				
Guy Sidos Chairman and Chief Executive Officer	No	June 11, 1999	2027				
Bruno Salmon Board Member	Yes	May 15, 2009	2024		Member	Member	
Louis Merceron-Vicat Board Member	No	June 11, 1999	2027				
Sophie Sidos Board Member	No	August 29, 2007	2027			Chair	
Rémy Weber Board Member	Yes	April 9, 2021	2027	Chairman	Member		
Xavier Chalandon Board Member	Yes	April 28, 2010	2025	Member	Chairman		
Sophie Fégueux Board Member	Yes	May 6, 2014	2027			Member	
Éléonore Sidos Board Member	No	February 24, 2017	2024	Member			
Emmanuelle Salles Board Member	-	May 12, 2016	2026				Director representing employees
Hugues Metz Board Member	-	April 8, 2020	2026				Director representing employees
Caroline Ginon(1) Board Member	Yes	November 3, 2022	2024				

(1) The Ordinary General Meeting of April 7, 2023 ratified Caroline Ginon's appointment as director, succeeding Delphine André, for the remainder of her term of office.

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: 86 years of age — Nationality: French

Date of first appointment: February 3, 1968

Start date of current appointment:

- April 29, 2016 as director
- May 6, 2014 as Honorary Chairman

Term of office expires:

- As director, at the close of the General Meeting called to approve the financial statements for the year 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 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)]:

- Chair of Hoparvi SAS*

(1) Current appointments are marked with an asterisk.

GUY SIDOS

Chairman and Chief Executive Officer

Graduate of the Ecole navale. He served in the French Navy before joining the Group in 1999.
Age: 60 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]:

- Chief Executive Officer and director of Béton Travaux*
- Chair of NORAMCO*
- Chair of Papeteries de Vizille*
- Chairman of Parficim*
- Chair of the Board of Directors of Vigier Holding AG*
- Director 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*
- Chairman 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 Corporate 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]:

- Director of CCI France*
- Joint Chair of the Ecological and Economic Transition Commission (CTEE) of Medef
- Director of Medef International*
- Member of the National Council for Ecological Transition (CNTE)
- Member of the National Hydrogen Council*
- Director of GENVIA*
- President for the French part of the Franco-Kazakh Affairs Council*

(1) Current appointments are marked with an asterisk.

BRUNO SALMON

Director

Graduate of the Ecole Supérieure de Commerce de Paris. At Cetelem, he served as Head of the French Network, Deputy Chief Executive Officer, and Chief Operating Officer. After holding the position of Chief Operating Officer and director of BNP Paribas Personal Finance, he served as its Chairman from late 2008 to September 2013.

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

Age: 74 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: 54 years of age — Nationality: French

Date of first appointment: June 11, 1999

Start date of current appointment: April 7, 2023

Term of office expires:

- General Meeting called to approve the financial statements for the financial year ended December 31, 2026

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 Cementi Centro Sud S.p.A.*
- Director of 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 Ltd*

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 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 Corporate 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 Fondation Clément Fayat*
- Director of MC2 Grenoble*
- Director of GL Events*
- Director of Fondation d'entreprise Polygone*
- Director of Fondation Edmus*
- Director of ADOSM Entraide Marine*
- Director of Alpexpo*
- Honorary Consul of the Republic of Kazakhstan in the Auvergne-Rhône-Alpes region
- Chair of Conseillers du Commerce Extérieur de la France*
- Director of Business France*
- Director of Fonds de dotation Co construire (CESE)*

(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: 66 years of age — Nationality: French

Date of first appointment: April 9, 2021

Start date of current appointment: April 7, 2023

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:
Not applicable.

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years[1]:

- Chair of the Board of Directors of Opéra de Lyon
- Deputy CEO – Head of Financial Services at La Poste SA
- Chair of the Board of Directors of Banque Postale
- Chair of the Supervisory Board of La Banque Postale Asset Management
- Permanent representative of La Banque Postale, manager of CRSF METROPOLE
- Permanent representative of La Banque Postale, manager of CRSF DOM
- Permanent representative of La Banque Postale, manager of SCI Tertiaire Saint Romain
- Director of CNP Assurances SA
- Director of L'envol, the Campus of La Banque Postale
- Director of La Banque Postale Assurance Sante
- Chair of the Board of Directors of SF2 SA
- Director of Poste Immo SA
- Member of the Supervisory Board of La Banque Postale Leasing & Factoring SA
- Chair of the Board of Directors of KISSKISSBANKBANK & CO SAS
- Vice-Chair of Association Française de Banques
- Member of the Executive Committee of the French Banking Federation (FBF)
- Member of the Board of Paris Europlace
- Director and Member of the Compensation Committee of La Banque Postale Assurances IARD
- Chair of the Board of Directors of Ma French Bank SA
- Director of SFIL SA
- Chair and Chief Executive Officer of SOPASSURE SA
- Chair of the Board of Directors of La Banque Postale Prevoyance SA
- Chair of the Supervisory Board of La Banque Postale 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*
- Director of Bernard 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: 74 years of age — Nationality: French

Date of first appointment: April 28, 2010
Start date of current appointment: April 11, 2019
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[(1)]:

- Permanent representative of Banque Martin Maurel at SI Participations

(1) Current appointments are marked with an asterisk.

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: 64 years of age — Nationality: French

Date of first appointment: May 6, 2014
Start date of current appointment: April 7, 2023
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:
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. She has been Accounting Manager at Vigier Holding SA since July 3, 2023.
Age: 26 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.

CAROLINE GINON

Director

Graduate from the Paris École Spéciale d'Architecture (ESA).
She is a founder of the Fazenda Architecture agency in Lyon.
Age: 37 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[1]:
Not applicable.

Other appointments currently or previously held by the director, or where applicable his or her permanent representative, outside the Group in the last five years:
Not applicable.

(1) The Ordinary General Meeting of April 7, 2023 ratified Caroline Ginon's appointment as director, succeeding Delphine André, for the remainder of her term of office.

EMMANUELLE SALLES

Director representing employees

Graduate with a DEA in environmental law from the University of Jean Moulin (Lyon III) and a DESS in Legal Risk Management from the University of Nice-Sophia Antipolis. Since 2006, she has been working as an environmental lawyer in the Legal Department of Vicat.
Age: 49 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 Corporate 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

Director representing employees

Graduate with a BTS in electrical engineering and a Badge from the École des Mines de Saint-Étienne. Since 1987, he has held various positions at the Vicat de Xeuilley cement plant, where he is currently operations manager.
Age: 58 years of age — Nationality: French

Date of appointment by the Works Council: April 8, 2020
Start date of current appointment: April 8, 2020
Term of office expires:

- General Meeting approving the financial statements for the year ended December 31, 2025

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

The Board of Directors, at its meeting of February 12, 2024, decided to ask the General Meeting to reappoint Éléonore Sidos, Caroline Ginon and Bruno Salmon as directors for four-year terms, expiring following the Ordinary General Meeting held in 2028 to approve the financial statements for 2027.

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 hereof, 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 hereof, 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: Sophie Fégueux, Bruno Salmon, Xavier Chalandon, Caroline Ginon and Rémy Weber.

As at the date hereof, Sophie Sidos, Sophie Fégueux, Caroline Ginon and Éléonore Sidos are members of the Board of Directors, thus bringing the composition of the Board into 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 bodies and General Management

To the best of the Company's knowledge, there are not, as of the date hereof, 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.

The Board of Directors is only quorate when at least half of its members are present, it being noted, for the purposes of calculating the quorum and the majority, that any directors attending Board meetings by video-conference or any other appropriate telecommunication method in accordance with applicable laws and regulations are deemed to be present. 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 2021, four times in 2022, and four times in 2023.

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

Meeting of February 10, 2023

- Presentation of the business report.
- Closing of the individual financial statements at December 31, 2022.
- Closing of the consolidated financial statements at December 31, 2022.
- Review of the reports to the Board of Directors by its committees (Audit, Compensation and CSR Committees).
- Presentation of 2023 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 three 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.
- Convening of the Ordinary 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 Ordinary General Meeting.
- Powers.
- Miscellaneous questions.

All the members of the Board attended this meeting, as well as the Company's statutory auditors and the two Works Council representatives.

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

Meeting of April 7, 2023

- Business update for Q1 2023.
- Review of potential conflicts of interest.
- Audit Committee report.
- Reappointment of Rémy Weber as a member and Chair of the Audit Committee and as a member of the Compensation Committee.
- Reappointment of Sophie Fégueux as a member of the CSR Committee.
- 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 by the members present.

Meeting of July 25, 2023

- Business report.
- Analysis and approval of the individual and consolidated financial statements as at the end of June 2023.
- Review of projected financial statements.
- Audit Committee report.
- Appointments, promotions, organization.
- Climate action.
- Cybersecurity update.
- 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 by the members present.

Meeting of November 10, 2023

- Presentation of the operations and of the consolidated financial statements as of September 30, 2023.
- Presentation of the work of the Audit Committee.
- Presentation of the work of the CSR Committee.
- Presentation of the requirements of the EU CSRD Directive and exploration of the differences as compared with the Statement of Extra-Financial Performance.
- Climate action update.
- 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.com applicable to all current or future directors, the purpose of which is to complement legal, regulatory and by-law 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, the members of which are appointed by the Board of Directors at the behest of the Chairman and chosen on the back of their expertise. They fulfill their duties under the supervision of the Board of Directors. The Audit Committee consists of three members, two of which are chosen from the independent directors. The Compensation Committee consists of three independent directors. The CSR Committee consists of three members, two of which are independent directors.

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 report, the committees are made up of the following members:

- **Audit Committee:**
  - Rémy Weber, Chair of the committee, independent director,
  - Xavier Chalandon, independent director,
  - Éléonore Sidos, director;
- **Compensation Committee:**
  - Xavier Chalandon, Chair of the committee, independent director,
  - Bruno Salmon, independent director,
  - Rémy Weber, independent director;
- **CSR Committee:**
  - Sophie Sidos, Chair of the Committee, director,
  - Sophie Fégueux, independent director,
  - Bruno Salmon, independent director.

5.2.3.2 Role of committees

Audit Committee

The missions of the Audit Committee as defined in its Internal Rules approved by the Board of Directors on July 27, 2020 are as follows:

- it monitors the process of preparing financial and non-financial information and, where applicable, makes recommendations to ensure its integrity;
- it monitors the effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit, with regard to:
  - the procedures relating to the preparation and processing of accounting and financial information, without compromising its independence,
  - the procedures relating to the preparation of extra-financial reporting,
  - where applicable: the anti-corruption system and its deployment, the Vigilance Act, the General Data Protection Regulation (GDPR),
  - any other specific provision with which the Company must comply (depending on the laws and regulations in force);
- it issues a recommendation on the statutory auditors proposed for appointment by the General Meeting. This recommendation to the Board is prepared in accordance with regulations; it also issues a recommendation to the Board when the renewal of the term of office of the statutory auditor is planned under the conditions defined by the regulations;
- it monitors the performance by the statutory auditors of their duties and takes into account the findings and conclusions of the High Council of 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.

Corporate Social Responsability Committee

The CSR Committee is tasked with considering matters of corporate social and environmental responsibility within Vicat Group. It provides the Board with its views, suggestions and recommendations regarding the implementation of CSR commitments within Vicat Group.

5.2.3.3 Operating details of the committees

- Audit Committee: three times a year and more often at the request of the Board of Directors.
- Compensation Committee: once a year and more often at the request of the Board of Directors.
- CSR Committee: once a year and more often at the request of the Board of Directors.

Committees proposals are adopted by simple majority of the members present, each member having one vote. The members may not be represented by proxies at committee meetings.

The deliberations of the committees are recorded in minutes entered in a special register. Each committee reports to the Board of Directors on its work. The Board of Directors may allocate compensation to the members of the committees.

5.2.3.4 Committee meetings

The Audit Committee met four times in 2023 and examined the following points:

Meeting of February 2, 2023

- Review of conflicts of interests.
- Approval of the most recent minutes of the Audit Committee.
- 2022 consolidated annual financial statements.
- Significant events and highlights.
- Vicat SA individual financial statements at December 31, 2022.
- Draft 2022 Universal Registration Document.
- Statutory auditors.
- Accounting developments.
- Tax update.
- Work of the statutory auditors.
- Financial calendar and financial communications.

All members of the Audit Committee attended this meeting.

Meeting of April 6, 2023

- Review of conflicts of interests.
- Approval of the most recent minutes of the Audit Committee.
- Call for tenders for statutory auditors.
- ERP/data platform roadmap.
- Risk mapping.
- Annual review and internal audit plan.
- Compliance update.

All members of the Audit Committee attended this meeting.

Meeting of July 21, 2023

- Approval of the most recent minutes of the Audit Committee.
- Review of conflicts of interests.
- Consolidated financial statements and June 2023 half-year individual financial statements.
- Significant events and highlights.
- Financing update.
- Individual financial statements of Vicat SA.
- Non-audit work done by the statutory auditors.
- Call for tenders for statutory auditors: progress report
- 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 October 26 & 27, 2023

- Approval of the most recent minutes of the Audit Committee.
- Review of conflicts of interests.
- Compliance update.
- Group Treasury Procedure.
- Legal update.
- Sanctions questionnaire procedure.
- Group financing.
- Internal audit (Fraud in Switzerland).
- Country risks.
- Meeting to prepare for the statutory auditor tender bidder presentations.
- Meetings with statutory auditors who have submitted a bid, and assessment of bids.

All members of the Audit Committee attended this meeting.

The Compensation Committee met once in 2023 and considered the following issues:

Meeting of February 3, 2023

- Change in 2022 compensation (including the impact of the "Macron Bonus").
- Compensation of the main senior executives in 2022.

- Breakdown of compensation in 2022.
- Gender equality at work: Gender Equality Index, update on the Rixain law & mapping of female talent.
- Senior management benchmark.
- Free Share Plan: progress update.
- Sapin II law: Compensation policy for executive Company officers:
  - Including Equity Ratio.
- Update on reforms: unemployment insurance, retirement, etc.

All members of the Compensation Committee attended this meeting.

The CSR Committee met twice in 2023 and considered the following items:

Meeting of February 3, 2023

- Compliance, third party assessment, ethical business practices (anti-corruption plan).
- Mapping of CSR issues (presentation of the materiality analysis) and related governance.
- Revised climate plan (decarbonation, operations, products, mobility), action plan covering biodiversity and environmental impact.
- Health and safety, attracting and retaining talent, increasing female representation, compensation policy, social dialogue.
- Responsible purchasing.
- Sponsorship and philanthropy.
- Business model.
- Visit to the Lithosys plant.

All members of the CSR Committee attended this meeting.

Meeting of November 9, 2023

- Presentation of the requirements of the EU CSRD Directive and exploration of the differences as compared with the Statement of Extra-Financial Performance.
- Partial projection of the Group's environmental and social performance at December 31, 2023:
  - On environmental matters;
  - On HR matters with a focus on Egypt and Turkey.
- Miscellaneous questions.
- Visit to the recycled aggregates platform in Villeurbanne - Granulats Vicat.

All members of the CSR Committee attended this meeting.

5.2.4 Operation of the management bodies

The Chairman and Chief Executive Officer 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 hereof, the Chairman and Chief Executive Officer is assisted by two Chief Operating Officers and by six 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:

- Chairman of Béton Vicat.
- Chair of Granulats Vicat.
- Chair of SATMA.
- Chairman of Vicat France Service Support.
- Chairman 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 the 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 Beton SA, Geneva.
- Chair of the Board of Directors of Ciments Vigier SA, Péry-La Heutte.
- Member of the Board of Directors of Hydroelectra SA, St. Gallen.
- Member of the Board of Directors of Gravière de La Claie-aux-Moines SA, Savigny.

Deputy Chief Executive Officers:

- United States: **Eric Holard**.
- Advisor to the Chairman: **Philippe Chiorra**.
- Innovation and Industry Department: **Éric Bourdon**.
- Finance Department: **Hugues Chomel**.
- Human Resources, Occupational Health and Safety and Inclusion Department: **Christophe Bérenger**.
- Asia Mediterranean Region Department: **Gianfranco Tantardini**.

Name	Age	Brief biography
Didier Petetin	57	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	59	Mr. Epple is a graduate from the University of St. Gall (Switzerland) and Alumnus of Harvard Business School (Boston, United States). He joined the Group in 2013 after having worked for Holcim.
Éric Holard	63	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	67	Mr. Chiorra holds a graduate degree (DESS) in legal advisory services. He joined the Group in 2000 after working for Chauvin Arnoux.
Éric Bourdon	56	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	62	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	53	Mr. Bérenger holds a DESS in Human Resources. He joined the Group in 2008 after having worked for CMA CGM.
Gianfranco Tantardini	66	Mr. Tantardini is a graduate from Ecole Navale and from Ecole d'Application de l'Energie Atomique. He joined the Group in 2017, following a career as a naval officer and a manager in a number of French companies.

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 Statutory provisions concerning members of the Company's administrative and management bodies

5.2.6.1 Composition of the Board of Directors (article 15 of by-laws)

The Company is administered by a Board of Directors with at least five and no more than twelve members, appointed by the General Meeting, except where this number is exceeded for legal reasons.

5.2.6.2 Term of office of directors - Age limit - Reappointments - Co-option - Employee director (article 16 of by-laws)

1) Directors are appointed for a term of 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 financial 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 whether the number of Board members appointed by the General Meeting shall or shall not exceed the legal threshold.

The Company's Central Economic and Social Committee appoints the employee director(s) for a renewable term of 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 2024 was approved by the Board of Directors at its meeting of February 12, 2024 based on recommendations by the Compensation Committee, which met on January 31, 2024, and in accordance with the provisions of article L. 22-10-8 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 (reducing fossil fuel usage, decarbonation 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 fossil fuel usage, 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 12, 2024 will be asked to approve the compensation policy for Company officers. This compensation policy will apply during 2024 to any person who is a Company officer in that financial year.

5.3.2 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 compensated by the Company 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** (hereinafter "variable") comprises:
  - variable gross annual compensation based on performance (hereinafter "performance variable"): determined based on the results of the financial, commercial and industrial criteria (% defined annually) and the CSR/ESG criteria (Environment section (reducing fossil fuel usage, 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;
  - special variable gross annual compensation (hereinafter "special variable"): 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 magnitude of the situation.

      NB: The cumulative maximum amount of the performance variable and of the special variable 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 5.4.2.

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 5.4.1.6, 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.

5.3.2.1 Compensation policy applicable to Guy Sidos, Chairman and Chief Executive Officer

At the request of the Compensation Committee, the 2023 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 2022) involving two panels of companies of a similar size to the Company: Panel 1, CAC Mid60 and Panel 2, 10 industrial firms with revenue of between €1.9 and €8.4 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 2023, the fixed compensation of the Chairman and Chief Executive Officer (€954,450) is close to the 3rd quartile of Panel 1 (€900,000) and of Panel 2 (€827,000) in a comparison with those in the Deloitte benchmark.

His (performance) variable compensation of €700,000 paid in 2023 in respect of 2022 is close to the median of Panel 1 (€750,000) and of Panel 2 (€767,000).

The annual gross compensation (annual fixed + variable) of the Chairman and Chief Executive Officer (€1,654,450) is between the median (€1,500,000) and the 3rd quartile (€1,800,000) of Panel 1 and between the median (€1,535,000) and the 3rd quartile (€1,766,000) of Panel 2 of the target monetary compensation (comprising annual fixed + variable) in the Deloitte benchmark.

The compensation of the Chairman and Chief Executive Officer for 2024 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 2024, the fixed compensation is €954,450 in 2024, 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: €910,022;** resulting from the overall increase (+5% at January 1, 2023) applied to the base of €866,688,
  - **fixed compensation in respect of his position as Chief Operating Officer of Parfininco and paid by the latter: €44,428;** resulting from the overall increase (+5% at January 1, 2023) applied to the base of €42,312.

  With respect to 2024: the overall increase in salaries at the Company and at Parfininco is +3.6% at January 1, 2024.
- **Performance variable**

  For 2024, this performance variable will be calculated on the basis of 100% of the fixed compensation assuming 100% of the objectives are achieved (100% of the fixed compensation previously). This increase is aligned 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 consequently =)	Maximum (objective exceeded consequently maximum threshold =)	Result: weighting of indicator obtained	Gross amount *(in euros)*
Financial, commercial and industrial performance (quantitative indicators)	0%	70%	85%		
CSR/ESG performance Environmental section: reduction in CO_2 and greenhouse gas emissions, reduced fossil fuel usage, biodiversity protection, conservation 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 by the Board of Directors 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 2025 and deliberating on the compensation paid or allotted to the Chairman and Chief Executive Officer for 2024.

- **Special variable**

  For 2024, the amount of the special variable that may be awarded may not exceed **20%** of the fixed compensation (20% for the previous financial year).

  By law, the payment of this variable is subject to approval by the Ordinary General Meeting to be held in 2025 and deliberating on the compensation paid or allotted to the Chairman and Chief Executive Officer for 2024.

  NB: 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 2024.
- **Supplementary pension plan:** NA.
- **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.

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

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

Lukas Epple, appointed Chief Operating Officer at the Company as from October 30, 2020 does not receive compensation for his position.

Should it be decided to award him compensation in respect of his position as Chief Operating Officer of the Company (or in the event of the appointment of a new Chief Operating Officer), the compensation policy applicable to Chief Operating Officers described in paragraph 5.3.2.2 would apply.

At the request of the Compensation Committee, the 2023 compensation of 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 2022) 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 2023, the fixed compensation of this Chief Operating Officer (€400,000) is close to the 1st quartile of Panel 1 (€433,000) in the Deloitte benchmark.

His performance variable paid in 2023 in respect of 2022 (€150,000) is below the 1st quartile of Panel 1 (€252,000).

The annual gross compensation (annual fixed + variable) of this Chief Operating Officer (€550,000) is under the 1st quartile of the median of Panel 1 (€613,000) of the target monetary compensation (comprising annual fixed + variable) in the Deloitte benchmark.

The compensation of Didier Petetin, Chief Operating Officer, for 2024 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 2024, the fixed compensation is €400,000 resulting from overall increase (+5% at January 1, 2023) and an individual increase (+6.4% at January 1, 2023) applied in 2023 to the base of €358,026.

  In respect of 2024:

  - the overall increase in Company salaries is +3.6% on January 1, 2024;
  - 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 8.6% at January 1, 2024, on top of the aforementioned overall increase.
- **Performance variable**

  For 2024, the amount of this variable will be calculated on the basis of 65% 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 consequently =)	Maximum (objective exceeded consequently maximum threshold =)	Result: weighting of indicator obtained	Gross amount *(in euros)*
Financial, commercial and industrial performance (quantitative indicators)	0%	70%	85%		
CSR/ESG performance Environmental section: reduction in CO_2 and greenhouse gas emissions, reduced fossil fuel usage, biodiversity protection, conservation 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 performance variable are specified in detail by the Board of Directors 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 2025 and deliberating on the compensation paid or allotted to Didier Petetin for 2024.
- **Special variable**

  For 2024, the amount of this special bonus may not exceed 20% of the annual fixed gross 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 2025 and deliberating on the compensation paid or allotted to Didier Petetin for 2024.

  NB: The cumulative maximum amount of the performance variable and of the special variable cannot exceed 104.5% of the fixed compensation.
- **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 2024.
- **Supplementary pension plan:** NA.
- **Compensation in shares or other financial instruments:** not applicable.
- **Directors' compensation:** NA.

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 9, 2021 meeting, the General Meeting, at the behest of the Board of Directors, resolved to set the overall amount of directors' compensation at €446,000 to give scope for the establishment, should it be desired, of any new committee.

The rules for the allocation of this compensation amongst the members of the Board of Directors and of its committees were established by the Board of Directors, on the recommendation of the Compensation Committee, as follows:

	Annual fixed portion	Additional fixed portion for the Chairman
Member of the Board of Directors	€30,000	€30,000
Member of the Audit Committee	€8,000	-
Member of any other Committee	€4,000	-

The Board of Directors may also allocate special 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 2023 ("EX POST")

5.4.1 Elements of compensation paid or allocated to executive company officers

(in euros)	2023	2022
Guy Sidos - Chairman and Chief Executive Officer		
Compensation paid during the year	1,743,350	1,695,625
Valuation of options granted during the year	N/A	N/A
Valuation of performance shares granted during the year	N/A	N/A
Didier Petetin – Chief Operating Officer		
Compensation paid during the year	570,874	527,455
Valuation of options granted during the year	N/A	N/A
Valuation of performance shares granted during the year (4.8.3.4)	N/A	N/A
Lukas Epple – Chief Operating Officer - Group Strategy Director(1)		
Compensation paid during the year	689,699	661,838
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
2023 average exchange rate: €1 = CHF 0.9717
2022 average exchange rate: €1 = CHF 1.0052

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

The details of elements of compensation paid or allocated during 2023 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 7, 2023 (Eleventh resolution).

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

	2023			2022		
Gross annual amounts *(in euros)*	Amounts allocated	Amounts paid	% of total paid	Amounts allocated	Amounts paid	% of total paid
Fixed compensation(1)	954,450	954,450	54.7%	907,616	907,616	53.5%
Variable compensation	1,000,000	700,000	40.2%	700,000	429,210	25.3%
Special compensation	0	0	0%	0	270,790	16.0%
Directors' compensation(1)	80,000	80,000	4.6%	80,000	80,000	4.7%
Benefits in kind	8,900	8,900	0.5%	8,010	8,010	0.5%
TOTAL	**2,043,350**	**1,743,350**	**100%**	**1,695,625**	**1,695,625**	**100%**

(1) Including directors' compensation as a member of the Board of Directors of Parfininco.

<table>
<tr><th>Elements of compensation allocated or paid in respect of the financial year ended December 31, 2023</th><th>Amounts paid or allocated (gross)</th><th>Comments</th></tr>
<tr><td>Fixed compensation (gross annual)</td><td>€954,450</td><td>Paid over 13 months of which:
€910,022 in respect of his Company office as Chairman and Chief Executive Officer of the Company, paid by the latter;
€44,428 in respect of his position as Chief Operating Officer of Parfininco, paid by the latter.</td></tr>
<tr><td>Variable compensation (gross)</td><td>€1,000,000</td><td>The annual variable gross compensation was determined in accordance with the compensation policy approved by the General Meeting of April 7, 2023 and the individual performance criteria set for 2023, 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>75.9%</td><td>€724,164</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>9.8%</td><td>€93,536</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>9.1%</td><td>€86,855</td></tr>
<tr><td>Management assessment (qualitative indicator)</td><td>0%</td><td>10%</td><td>15%</td><td>10.0%</td><td>€95,445</td></tr>
<tr><td>TOTAL</td><td>0%</td><td>100%</td><td>130%</td><td>104.8%</td><td>€1,000,000</td></tr>
</table>
This bonus represents 104.8% of the fixed annual gross compensation for 2023.
Subject to the approval of the General Meeting of April 12, 2024 of all elements of his compensation (Twelfth resolution), it will be paid to him at end-April 2024.</td></tr>
<tr><td>Special variable compensation (gross)</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 2023.</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, Guy Sidos receives compensation in the form of an annual fixed sum in respect of his position as director and as Chairman of the Board of Directors, determined by the Board of Directors in line with the compensation policy approved by the General Meeting of April 9, 2021.</td></tr>
<tr><td>€20,000</td><td>As member of the Board of Directors of Parfininco, Guy Sidos receives compensation in the form of a fixed annual sum, for directors' fees, freely determined by the Board of Directors.</td></tr>
<tr><td>Benefits in kind</td><td>€8,900</td><td>Company car and club memberships.</td></tr>
</table>

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 Guy Sidos to partly make up for the termination of the supplementary defined-benefit pension plan (article 39) (explanations in 5.4.1.6).

Free shares awarded to Guy Sidos in 2023: none.

Free shares awarded to Guy Sidos in 2021 and vesting in 2023:

Plan No.	Plan date	Number of shares vesting during the financial year	Vesting conditions
2021 free shares	April 9, 2021	13,078	Availability as from April 9, 2028 (end of the holding period 5.4.1.6)

It should be noted that the Board of Directors, deliberating in accordance with the provisions of article L. 225-197-1 of the French Commercial Code, resolved that Guy Sidos should retain in registered form at least fifty (50) percent of the 2021 Free Shares that vest and become available at the end of each holding period until such time as he leaves his post.

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

The details of elements of compensation paid or allocated during 2023 to Didier Petetin are given in the tables presented below. These various elements of compensation were established in accordance with the compensation policy for Company officers, approved by the shareholders at the General Meeting of April 7, 2023 (Eleventh resolution).

Summary table of compensation for Didier Petetin

	2023			2022		
Gross annual amounts *(in euros)*	Amounts allocated	Amounts paid	% of total paid	Amounts allocated	Amounts paid	% of total paid
Fixed compensation	400,000	400,000	70.1%	357,480	357,480	67.8%
Variable compensation	260,000	150,000	26.3%	150,000	135,000	25.6%
Special compensation	80,000	0	0%	0	15,000	2.8%
Directors' compensation	Not applicable	Not applicable		Not applicable	Not applicable	
Benefits in kind	20,874	20,874	3.7%	19,975	19,975	3.8%
TOTAL	**760,874**	**570,874**	**100.0%**	**527,455**	**527,455**	**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 colspan="6">Comments</th></tr>
<tr><td>Fixed compensation (gross annual)</td><td>€400,000</td><td colspan="6">Paid over 13 months</td></tr>
<tr><td rowspan="9">Variable compensation (gross)</td><td rowspan="9">€260,000</td><td colspan="6">The annual variable gross compensation was determined in accordance with the compensation policy approved by the General Meeting of April 7, 2023 and the individual performance criteria set for 2023, namely for a calculation base = 50% of the annual gross fixed compensation:</td></tr>
<tr><td>Relative weighting of each performance indicator (quantitative and qualitative)
France scope excluding Paper</td><td>Minimum</td><td>Target (objective 100% achieved consequently Weighting of indicator =)</td><td>Maximum (objective exceeded consequently maximum Weighting of indicator =)</td><td>Result: weighting of indicator obtained</td><td>Gross amount (in euros)</td></tr>
<tr><td>Financial, commercial and industrial performance (quantitative indicators)</td><td>0%</td><td>70%</td><td>85%</td><td>85%</td><td>€170,000</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>15%</td><td>€30,000</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>15%</td><td>€30,000</td></tr>
<tr><td>Management assessment (qualitative indicator)</td><td>0%</td><td>10%</td><td>15%</td><td>15%</td><td>€30,000</td></tr>
<tr><td>TOTAL</td><td>0%</td><td>100%</td><td>130%</td><td>130%</td><td>€260,000</td></tr>
<tr><td colspan="6">This bonus represents 65% of the fixed annual gross compensation for 2023.</td></tr>
<tr><td colspan="6">Subject to the approval of the General Meeting of April 12, 2024 of all elements of his compensation (Thirteenth resolution), it will be paid to him at end-April 2024.</td></tr>
<tr><td>Special variable compensation (gross)</td><td>€80,000</td><td colspan="6">This bonus is the result of the winning in 2023 of exceptional contracts in connection with the Lyon Turin Tunnel (TELT) project, which run for a number of years.</td></tr>
<tr><td>Supplementary pension plan</td><td>Not applicable</td><td colspan="6"></td></tr>
<tr><td>Retirement indemnities</td><td>Not applicable</td><td colspan="6">No retirement in 2023.</td></tr>
<tr><td>Directors' compensation</td><td>Not applicable</td><td colspan="6"></td></tr>
<tr><td>Benefits in kind</td><td>€19,975</td><td colspan="6">Company car and insurance against job loss.</td></tr>
</table>

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 Didier Petetin in 2021 to partly make up for the termination of the supplementary defined-benefit pension plan (article 39) (see 5.4.7 for details).

Free shares awarded to Didier Petetin in 2023: none.

Free shares awarded to Didier Petetin in 2021 and vesting in 2023:

Plan No.	Plan date	Number of shares vesting during the financial year	Vesting conditions
2021 free shares	April 9, 2021	823	Availability as from April 9, 2028 (end of the holding period 5.4.1.6)

It should be noted that the Board of Directors, deliberating in accordance with the provisions of article L. 225-197-1 of the French Commercial Code, resolved that Didier Petetin should retain in registered form at least fifty (50) percent of the 2021 Free Shares that vest and become available at the end of each holding period until such time as he leaves his post.

5.4.1.3 Elements of compensation paid or allocated to Lukas Epple, Chief Operating Officer ("ex post")

Summary table of the compensation of Lukas Epple

For reference, Lukas Epple does not receive any benefits in kind in respect of his position as Chief Operating Officer of the Company. The following elements are solely associated with his status of employee as Group Strategy Director for 2023, which was supplemented by the role of Switzerland Country Manager as from November 1er, 2022, at Vigier Management AG.

Gross annual amounts *(in euros)*	2023			2022		
	Amounts allocated	**Amounts paid**	**% of total paid**	Amounts allocated	Amounts paid	% of total paid
Fixed compensation(1)	522,795	522,795	74.2%	505,372	505,372	76.5%
Variable compensation(1)	154,369	154,369	21.9%	149,224	149,224	22.6%
Special compensation(2)	5,043	5,043	0.7%	Not applicable	Not applicable	
Directors' compensation	Not applicable	Not applicable		Not applicable	Not applicable	
Benefits in kind	7,492	7,492	3.2%	7,242	7,242	1.0%
TOTAL	**689,699**	**689,699**	**100%**	**661,838**	**661,838**	**100%**

(1) Swiss contract with Vigier Management AG

(2) 10-year long-service award (one-shot) under the arrangements at Vigier Management AG

2023 average exchange rate: €1 = CHF 0.9717

2022 average exchange rate: €1 = CHF 1.0052

5.4.1.4 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 2023:

Executives and Company officers	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	
	Yes	No	Yes	No	Yes	No	Yes	No
Guy Sidos Chairman and Chief Executive Officer								
Didier Petetin Chief Operating Officer								
Lukas Epple(1) Chief Operating Officer								

For Guy Sidos and Didier Petetin: with respect to indemnities or benefits they may receive upon termination, these constitute retirement indemnities; see paragraph 5.3.2 for details.

(1) Lukas Epple has a non-compete clause in his Swiss employment contract:

"The employee undertakes to refrain from competing in any way during the period of this contract and for 12 months following its termination, (…):

- The non-compete clause covers all economic sectors in which Vigier operates and covers the whole of Switzerland.

- In consideration for this non-compete clause, the employee receives a non-compete indemnity equal to 3% included in his annual gross salary. (…)"

5.4.1.5 Equity ratio between the level of compensation of the executive Company officers and the average and median compensation of employees of Vicat SA

This presentation shows the ratio between the compensation of executive Company officers (Guy Sidos and Didier Petetin) and the average and median compensation on a full-time equivalent basis of employees at the Company other than Company officers.

The ratios below were calculated based on the fixed and variable compensation of the executive Company officers and Company employees, 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 with revenue close to that of Vicat. The average equity ratio for the SBF 120 is 65.5, with a median of 54.4, benchmark: Mercer, data for 2022 reported in 2023.

(in euros)	2023	Year 2022	Year 2021	Year 2020	Year 2019
Chairman and Chief Executive Officer (Guy Sidos)	**1,654,450**	**1,607,616**	**1,358,420**	**1,152,526**	**1,039,077**
% change in the compensation of the Chairman and Chief Executive Officer	*2.9%*	*18.3%*	*17.9%*	*10.9%*	*26.0%*
R1 ratio to average compensation	28.2	29.7	25.1	21.6	20.2
R1 change in % year N vs. year N-1	*-0.9%*	*18.3%*	*16.1%*	*7.1%*	*25.2%*
R2 ratio to median compensation	35.3	37.4	31.6	26.8	24.9
R2 change in % year N vs. year N-1	*-1.9%*	*18.3%*	*17.8%*	*7.7%*	*25.2%*
R3 annual minimum wage ratio	78.9	78.4	71.2	62.4	56.9
R3 change in % year N vs. year N-1	*-1.1%*	*10.0%*	*14.1%*	*9.7%*	*24.0%*
Chief Operating Officer (Didier Petetin)	**550,000**	**507,480**	**452,211**	**430,527**	**383,534**
% change in the compensation of the Chief Operating Officer	*8.4%*	*12.2%*	*5.0%*	*12.3%*	*15.1%*
R1 ratio to average compensation	9.4	9.4	8.3	8.1	7.4
R1 change in % year N vs. year N-1	*4.4%*	*12.2%*	*3.5%*	*8.4%*	*14.4%*
R2 ratio to median compensation	11.7	11.8	10.5	10.0	9.2
R2 change in % year N vs. year N-1	*3.3%*	*12.2%*	*5.0%*	*9.0%*	*14.4%*
R3 annual minimum wage ratio	26.2	24.7	23.7	23.3	21.0
R3 change in % year N vs. year N-1	*4.1%*	*4.4%*	*1.8%*	*11.0%*	*13.5%*
Financial criteria	**2023**	**2022**	**2021**	**2020**	**2019**
Revenue *(consolidated in millions of euros)*	3,937	3,642	3,123	2,805	2,739
% change vs. previous year	*8.1%*	*16.6%*	*11.3%*	*2.4%*	*6.1%*
EBITDA *(consolidated in millions of euros)*	739	570	619	557	526
% change vs. previous year	*29.6%*	*-7.9%*	*11.1%*	*5.9%*	*6.9%*
Net Income *(consolidated in millions euros)*	295	175	222	172	160
% change vs. previous year	*68.6%*	*-21.2%*	*29.1%*	*7.5%*	*0.6%*

5.4.1.6 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 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 vesting 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).

Guy Sidos and Didier Petetin, who benefitted from this "article 39" plan, will thus be awarded free Company shares in line with the conditions set out in articles L. 225-197-1 et seq. and L. 22-10-59 et seq. of the French Commercial Code.

The termination of the "article 39" supplementary pension plan combined with the establishment of the "2021 Free Share" plan (to provide partial compensation), generated savings of close to €10 million for the Company. The beneficiaries of this plan contributed different amounts to these savings.

Guy Sidos was the main contributor to these savings: the shares awarded to him are valued at close to 33% less than the valuation of the "article 39" plan, representing a reduction of close to €3 million.

The savings of close to €10 million were primarily invested in reducing the carbon intensity of industrial facilities, the reminder being distributed in the form of employee savings to the Group's teams in France.

Information on free share awards

		Maximum vesting period	Maximum holding period	Number of shares that can vest in respect of each vesting period (rounded)
Date of Meeting	April 9, 2021			
Date of the meeting of the Board of Directors	April 9, 2021			
Total number of shares awarded free	271,497	17	17	
Total number of shares awarded to Company officers	128,397			
▪ Guy Sidos	117,697	9	9	13,077
▪ Didier Petetin	10,700	13	13	823
Number of shares vesting at December 31, 2023 (most recent date)	34,876			
Aggregate number of shares that have lapsed or been cancelled	0			
Remaining free shares at December 31, 2023	201,743			

5.4.2 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 2023, the nominal total of directors' compensation was €390,000 distributed equally among the directors (i.e. €30,000) with the exception of the Chairman and Chief Executive Officer, who for 2023 received twice the compensation received by the other members of the Board of Directors (i.e. €60,000).

In addition, for 2023, 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 2022 and 2023 were the following:

(in euros)	**Amounts paid during 2023**	Amounts paid during 2022
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	8,000
Sophie Sidos		
Director		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	4,000	4,000
Rémy Weber		
Director		
Directors' compensation	30,000	30,000
Compensation for functions exercised on committees of the Board of Directors	12,000	12,000
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	4,000
Caroline Ginon		
Director		
Directors' compensation	30,000	-
Compensation for functions exercised on committees of the Board of Directors	-	-
Delphine André		
Director		
Directors' compensation	-	30,000
Compensation for functions exercised on committees of the Board of Directors	-	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	**378,000**	**386,000**
Directors' compensation	*330,000*	*330,000*
Compensation for functions exercised on committees of the Board of Directors	*48,000*	*56,000*

5.5 DRAFT RESOLUTIONS ON COMPENSATION SUBMITTED TO THE ORDINARY GENERAL MEETING OF APRIL 12, 2024

Tenth resolution

(Approval of the compensation policy for the Company officers – "ex ante" vote)

The Ordinary General Meeting, acting in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance, approves the compensation policy for the Company's officers in this report.

Eleventh resolution

(Approval of the information given in the corporate governance report, pursuant to article L. 22-10-9 of the French Commercial Code – "ex post" vote)

The Ordinary General Meeting, acting in accordance with the provisions of 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.

Twelfth resolution

("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2023 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, 2023 to Guy Sidos, Chairman and Chief Executive Officer;
- consequently, notes that the elements of variable and special compensation allocated to Guy Sidos, Chairman and Chief Executive Officer in respect of the financial year ended December 31, 2023, will be paid to him.

Thirteenth resolution

("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2023 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, 2023 to Didier Petetin, Chief Operating Officer;
- consequently, notes that the elements of variable and special compensation allocated to Didier Petetin, Chief Operating Officer, in respect of the financial year ended December 31, 2023, 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, 2023 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, 2023 to Lukas Epple, Chief Operating Officer;
- records that Lukas Epple is not compensated for his office as Chief Operating Officer.

5.6 COMPENSATION POLICY FOR NON-EXECUTIVE COMPANY DIRECTORS

The Chairman and Chief Executive Officer ensures compliance with the following principles:

A) Definition

Like the principles applied with respect to the compensation of Company officers, the current compensation policy for non-executive Company officers is in the company's best interests. It is adapted to the strategy of the Company and the context in which it operates, and it takes account of the ecological transition (reducing fossil fuel usage, decarbonation and biodiversity, in particular) and shows solidarity (occupational health and safety, inclusion and sharing of profits, in particular). In the context of these issues, the Chairman and Chief Executive Officer makes sure that it helps to promote its performance (financial, industrial, commercial and CSR/ESG), its viability and its competitiveness in the short, medium and long terms.

B) Completeness

The compensation of non-executive Company directors was determined and evaluated overall for each of them. Depending on the situations, it includes:

- fixed gross compensation;
- variable gross compensation;
- directors' compensation;
- share-based compensation;
- benefits in kind.

There is a rationale for each element of compensation and it is in the company's best interests.

For the record, no non-executive Company officer receives share options, a new free share plan, or severance payments qualifying as golden parachutes.

C) Benchmarking/business

At the meeting of the Compensation Committee on January 31, 2024, the compensation of non-executive Company directors was compared to the compensation indicated in the benchmarking study conducted by an independent consulting company (Deloitte, 2023 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, 2023

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	32.40
Parfininco (Company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	14,342,687	31.94	27,751,542	37.56
Hoparvi (Company of which Jacques Merceron-Vicat is Chairman)	33,743	0.08	60,385	0.08
Guy Sidos	36,185	0.08	40,124	0.05
Louis Merceron-Vicat	9,648	0.02	15,743	0.02
Xavier Chalandon	100	-	200	-
Caroline Ginon	25	-	25	-
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	1,655	-	1,663	-
Emmanuelle Salles	394	-	696	-
Hugues Metz	4,924	0.01	9,096	0.01
Rémi Weber	10	-	10	-
Lukas Epple	100	-	100	-

5.7.2 Trading by members of the Board of Directors in company securities in 2022 and 2023

Shares purchased	Transactions in 2023	Transactions in 2022
Jacques Merceron-Vicat	0	11,750
Soparfi (Company of which Jacques Merceron-Vicat is Chairman)	0	125,650
Parfininco (Company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	700	607,299

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 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.

5.10 OPERATIONS WITH RELATED PARTIES

5.10.1 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, 2023				December 31, 2022			
(in thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Associates	7,612	4,960	8,981	1,392	4,251	2,689	5,518	972
Other related parties	20	1,238	3	336	-	1,224	-	120
TOTAL	**7,632**	**6,198**	**8,984**	**1,728**	**4,251**	**3,913**	**5,518**	**1,092**

5.10.2 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 2023, intra-group cement sales amounted to €519 million, sales of aggregates to €105 million, and transport services to €86 million. For the same period, intra-group financial income amounted to €40 million.

5.10.3 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 2024, the Audit Committee reviewed the list of ordinary agreements and did not record any regulated agreements.

5.10.4 Statutory auditors' report on regulated agreements

General Meeting to approve the financial statements for the year ended December 31, 2023

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 16, 2024
KPMG S.A.
Philippe Massonnat
Partner

Chamalières, February 16, 2024
Wolff et Associés S.A.S.
Grégory Wolff
Partner

Chapter 6

6 Comments over the year

6.1 KEY FIGURES

Balance sheet items

(in millions of euros)	2023	2022	2021
Total assets	6,364	6,395	5,714
Shareholders' equity	3,018	2,863	2,606
Net financial debt (excluding put options)	1,422	1,567	1,318

Income statement items

(in millions of euros, unless otherwise indicated)	2023	2022	2021
Consolidated revenue	3,937	3,642	3,123
EBITDA[1]	740	570	619
Recurring EBIT[2]	433	284	360
Financial income	(72)	(50)	(30)
Consolidated net income	295	175	222
Group share of net income	258	156	204
Net earnings per share *(in euros)*	5.76	3.48	4.55
Dividend per share *(in euros)*	2.00	1.65	1.65

(1) EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): is calculated by adjusting revenue for the cost of goods sold, employee expenses, tax and duties and other ordinary income and expenses. EBITDA has no standard definition under GAAP. Since EBITDA is calculated differently from one company to another, the data provided in this 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 has no standard definition under GAAP. 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)	2023	2022	2021
Net industrial investments	300	408	376
Financial investments[1]	13	70	67

(1) Including changes in consolidation scope.

Cash flows

(in millions of euros)	2023	2022	2021
Cash flow from operations	589	461	488
Cash flows from operating activities	608	357	439
Cash flows from investing activities	(313)	(478)	(443)
Cash flows from financing activities	(301)	185	66
Free cash flow	295	(121)	(4)

Consolidated financial ratios

	2023	2022	2021
Net debt/total shareholders' equity *(%) (gearing)*	47.1	54.7	50.6
Net debt/EBITDA *(leverage)*	1.92	2.75	2.12
Coverage of net financial expenses			
■ by EBITDA	14.6	18.3	21.8
■ by Recurring EBIT	8.5	9.1	12.7

Non-financial indicators

	2023	2022	2021
Sales volumes			
Cement *(in millions of metric tons)*	28.8	27.1	28.1
Concrete *(in millions of m^3)*	10.0	10.0	10.5
Aggregates *(in millions of metric tons)*	24.3	25.3	24.0
Use of alternative fuels (Cement business)	32.1%	28.2%	26.3%
Clinker content	76.8%	77.5%	78.9%
Net CO_2 *(in kg/metric ton of cement equivalent)*	588	608	624
Workforce as at December 31	9,993	9,912	9,515

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 2023 results and comparison with 2022

(in millions of euros)	2023	2022	Change reported	Change lfl*
Consolidated revenue	**3,937**	**3,642**	**+8.1%**	**+19.6%**
EBITDA[(1)]	**740**	**570**	**+29.8%**	**+41.0%**
Margin (%)	*18.8%*	*15.7%*		
Recurring EBIT[(2)]	**433**	**284**	**+52.1%**	**+68.0%**
Margin (%)	*11.0%*	*7.8%*		
Consolidated net income	**295**	**175**	**+68.3%**	**+88.1%**
Margin (%)	*7.5%*	*4.8%*		
Group share of net income	**258**	**156**	**+65.6%**	**+84.8%**
Cash flow from operations	**589**	**461**	**+27.7%**	**+35.5%**

* *Like-for-like, i.e. at constant scope and exchange rates.*

(1) *EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) is calculated by adjusting revenue for the cost of goods sold, employee expenses, tax and duties and 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 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's 2023 sales** rose +8.1% on a reported basis to €3,937 million. Organic growth in sales was +19.6% at constant scope and exchange rates, with all the Group's regions making a positive contribution.

This performance was achieved as a result of:

- **+6.3% growth in Cement volumes over the year, with trends varying from one Group market to another, including:**
  - a slowdown in European markets (France and Switzerland) attributable to weakness in the residential sector;
  - dynamic trends in the Mediterranean and Asia regions;
  - the ramp-up in the Ragland plant's new kiln in the United States, which made a strong contribution to volume growth over the year.
- **Higher selling prices** across almost all Vicat's markets amid strong cumulative inflation in production costs.

The Group's sales were impacted by an unfavourable currency effect of -€417 million (-9.6%) chiefly arising from depreciation in the Turkish lira and Egyptian pound against the euro over the year. There were no changes in the scope of consolidation during the year.

The Group's EBITDA increased sharply in 2023 with the ramp-up in the Ragland plant's kiln in the United States, the improvement in production performance across all countries and the effectiveness of the Group's commercial policy. Selling price increases offset the cumulative increase in production costs, without restoring the Group's margins to their previous levels. The 2023 EBITDA margin was

100 basis points below the level of 19.8% recorded in 2021. The trend in reported EBITDA reflects a negative currency effect of -€64 million.

At constant scope and exchange rates, the EBITDA increase reflects:

- the performance improvement in the United States, with the ramp-up in the Ragland plant's new kiln. Its start-up in June 2022 had weighed on last year's results;
- the impact of price increases introduced across almost all the Group's markets, which offset the cumulative increase in variable costs linked to inflation;
- in 2023, energy costs totalled €596 million, down from €664 million in 2022 on a constant volume basis, but well above the 2021 level of €398 million.

  Core inflation (staff and maintenance costs) was close to 10% in 2023;
- the improved production performance of the Cement business, with greater use of alternatives to fossil fuels, which rose +3.9 points relative to 2022.

Recurring EBIT recorded a significant increase, with margins up +320 basis points year-on-year after higher depreciation and amortisation linked notably to the commissioning of the Ragland plant's new kiln.

Net financial income/(expense) fell by -€22 million relative to 2022. This reflected the increase in the net cost of debt, chiefly as a result of a change in the method used to account for hedging derivatives introduced in July 2022.

Tax expense declined €7 million compared with 2022. The effective tax rate was 16.8%, well below the 2022 rate of 28.6%. This reduction in tax expense was the product of non-recurring items (adoption in Turkey of hyperinflationary rules by the local tax authorities and the cancellation of a deferred tax liability following a merger between subsidiaries in Brazil), which gave rise to a deferred tax benefit. Adjusted for these non-recurring items, the effective tax rate was comparable to the 2022 rate.

Consolidated net income totalled €295 million, up +88.1% at constant scope and exchange rates and up +68.3% on a reported basis relative to 2022, which lifted the net margin to 7.5% of sales.

Net income, Group share rose +84.8% at constant scope and exchange rates and +65.6% on a reported basis to €258 million.

6.2.2 Income statement analyzed by geographical region

France

			Change	
(in millions of euros)	**2023**	2022	reported	lfl*
Consolidated sales	1,211	1,177	+2.8%	+2.8%
EBITDA	212	172	+23.3%	+23.3%
Recurring EBIT	111	75	+47.2%	+47.2%

* *Like-for-like, i.e. at constant scope and exchange rates.*

In 2023, the Group's business trends **in France** were mixed. Cement volumes contracted slightly, and concrete and aggregates volumes declined more significantly, whereas selling prices rose, offsetting the cumulative rise in energy costs and inflation (staff and maintenance costs). EBITDA in France recovered over the period, benefiting from a favourable base of comparison effect relative to 2022. This effect derived from the sudden and substantial increase in energy costs recorded in the second half and from the costs arising from the operational upgrade of the Montalieu plant in the first quarter of that same year.

- Cement volumes, which had remained resilient in the first half of the year when volumes declined only slightly, fell more significantly in the second half by comparison with the same period of 2022. *The Cement business* was affected by the slowdown in residential construction in France. Non-residential construction also experienced a slowdown, while public works projects held up.

  The price hikes introduced at the beginning of the year helped offset the cumulative increase in energy prices in France, especially electricity (more than double historic costs) and other expense items (staff and maintenance expenses). As a result, the operational sales recorded by *the Cement business* rose +11.2% at constant scope in 2023 and EBITDA posted a significant improvement.
- *Concrete & Aggregates* sales were affected in 2023 by a contraction in volumes triggered by the slowdown in residential construction and by the low level of public roadbuilding projects, which consume large volumes of aggregates. Price hikes were introduced during the year in both concrete and aggregates to cover the substantial rise in costs since 2022. *Concrete & Aggregates* operational sales declined -1.9% at constant scope in 2023, and EBITDA increased slightly.
- *Other Products & Services* sales and EBITDA posted a small decline.

Europe (excluding France)

(in millions of euros)	2023	2022	Change reported	Change lfl*
Consolidated sales	407	388	+4.9%	+1.7%
EBITDA	101	85	+19.1%	+15.3%
Recurring EBIT	66	51	+29.0%	+25.0%

* *Like-for-like, i.e. at constant scope and exchange rates.*

Cement volumes continued to contract during the second half **in Switzerland**. This trend mirrored the decline in the first six months of 2023 caused by the weakness in residential markets and public works. Prices moved higher following the hikes introduced at the beginning of the year to offset the effects of the cumulative inflation in costs, especially energy.

- *Cement* operational sales rose +4.4% at constant scope and exchange rates in 2023 and EBITDA posted a large increase, which was supported by an encouraging production performance.
- *Concrete & Aggregates* operational sales in Switzerland edged -1.6% lower at constant scope and exchange rates in 2023. The volume weakness was only partially offset by the hikes in concrete & aggregates prices. EBITDA moved lower over the year as a whole.
- *Other Products & Services* sales and EBITDA were stable in Switzerland.

In Italy, consolidated sales rose +12.3% at constant scope in 2023 amid stable volumes and a hike in selling prices relative to the previous year. Overall, EBITDA also moved higher, despite being held back by higher intrants and energy costs.

Americas

(in millions of euros)	2023	2022	Change reported	Change lfl*
Consolidated sales	979	860	+13.9%	+15.8%
EBITDA	216	135	+59.9%	+62.5%
Recurring EBIT	139	72	+92.4%	+95.3%

* *Like-for-like, i.e. at constant scope and exchange rates.*

In 2023, the Group's sales **in the Americas region** posted a very significant increase. They were supported by favourable pricing conditions and by the strong volume growth generated by the ramp-up in the Ragland plant's new kiln (US). In the United States, EBITDA totalled €151 million during 2023, representing an increase of +76.4% at constant scope and exchange rates relative to 2022.

In the United States, Cement volumes achieved further growth in the second half as the Ragland plant's new kiln continued to ramp up. It reached its full nominal capacity in the fourth quarter. Demand in the South-East US held up at a high level thanks to the boost provided by the local infrastructure programmes launched in 2021 (IIJA[1]) and by the IRA[2], which champions reindustrialisation across the United States. The new rail terminals that have opened in Georgia and Tennessee expanded the Ragland plant's catchment area and supported the ramp-up in its output. This strong volume increase in the South-East US largely offset the fall in volumes in California caused by unfavourable meteorological conditions in the first half of the year. Prices remained firm in both regions, with further hikes introduced at the end of the summer to offset the cumulative effects of inflation over the past two years.

- *Cement* operational sales rose +27.5% in the United States at constant scope and exchange rates in 2023. EBITDA increased sharply at constant scope and exchange rates.
- The *Concrete business* in the United States also delivered growth in 2023. Dynamic market conditions in the South-East more than offset the volume contraction in California against the backdrop of more sluggish local market conditions than in 2022. Selling prices again moved higher in both regions. Concrete operational sales rose +18.9% in the United States at constant scope and exchange rates in 2023. EBITDA surged higher on a year-on-year basis.

(1) Infrastructure Investment and Jobs Act.

(2) Inflation Reduction Act.

Amid broadly resilient macroeconomic conditions in 2023, *the Cement business* **in Brazil** recorded a volume contraction as a result of slower demand. Prices remained stable in the second half by comparison with 2022, but were higher on a year-on-year basis. Cement operational sales in Brazil fell -1.0% at constant scope and exchange rates. EBITDA hit a record high in 2023. The substantial increase was driven by a tight grip on production costs, strong acceleration in the use of alternative fuels and the addition of activated clays to cement, which helped lower CO_2 emissions per tonne produced.

The Concrete & Aggregates business showed resilience, with aggregates and concrete volumes stable over the year. Concrete prices moved higher, while aggregates prices held stable in 2023. *Concrete & Aggregates* operational sales rose +9.8% in Brazil at constant scope and exchange rates in 2023, and EBITDA posted a smaller increase.

Asia (India and Kazakhstan)

(in millions of euros)	2023	2022	Change reported	Change lfl*
Consolidated sales	492	500	-1.6%	+5.4%
EBITDA	88	98	-10.2%	-4.1%
Recurring EBIT	56	64	-12.5%	-6.7%

* *Like-for-like, i.e. at constant scope and exchange rates.*

The Group's business **in Asia** recorded growth at constant scope and exchange rates in 2023 thanks to a positive performance in India and Kazakhstan in the second half of the year.

After a tough first six months, *the Cement business* **in India** powered ahead in the second half, with volumes moving higher over the year as a whole. The fall in cash costs helped restore its competitiveness from the second half. Market conditions remained dynamic amid pre-electoral conditions favourable for the construction sector and were supported by a continuing drive to develop infrastructure. In a competitive environment, selling prices moved slightly lower over the year as a whole. *Cement* operational sales in India moved up +5.6% at constant scope and exchange rates in 2023. EBITDA also increased in local currency terms.

After the tension seen across the rail logistics supply chain in the first half of the year, *the Cement business* **in Kazakhstan** recovered in the second six months of the year. Volumes recorded strong growth in the second half of the year as an additional fleet of wagons was secured. Prices fell back slightly over the period amid fiercer competition. As a result, Cement operational sales grew +5.2% in Kazakhstan at constant scope and exchange rates. EBITDA fell significantly in 2023 as a result of the downturn in selling prices, additional logistics costs and higher electricity costs.

Mediterranean (Egypt and Turkey)

(in millions of euros)	2023	2022	Change reported	Change lfl*
Consolidated sales	464	374	+24.1%	+125.1%
EBITDA	68	44	+54.9%	+186.6%
Recurring EBIT	48	20	+142.3%	+350.0%

* *Like-for-like, i.e. at constant scope and exchange rates.*

In 2023, the Group's business **in the Mediterranean region** was boosted by a volume recovery in Turkey and significantly higher selling prices in local currency terms amid a hyperinflationary environment. The business was affected by the strong fall in the value of the Turkish lira and Egyptian pound against the euro.

Despite a hyperinflationary macroeconomic environment, *the Cement business* **in Turkey** posted solid volume growth throughout the year. The support provided by the government to the construction sector and the direct and indirect effects of the earthquake that struck south-east Turkey injected momentum into the business. Selling prices were strongly hiked to offset the effects of inflation on production costs. A waste heat recovery system[(1)] commissioned at Bastas during the fourth quarter will help to lower cash costs significantly. As a result, *Cement* operational sales in Turkey grew +25.2% in 2023 (up +135.1% at constant scope and exchange rates). EBITDA posted a significant increase thanks to a tighter grip on costs, especially maintenance costs, during the year and greater use of alternative fuels.

The Concrete & Aggregates business **in Turkey** expanded in 2023 as a result of strong growth in concrete volumes and higher selling prices. As a result, operational sales grew +38.7% in 2023 (up +160.5% at constant scope and exchange rates). EBITDA rose significantly.

The Cement business **in Egypt** experienced sluggish domestic market conditions, with volumes declining slightly over the year. In a competitive environment governed by the market regulation agreement introduced by the authorities in 2021 and renewed annually since, prices moved sharply higher in 2023. The Group grasped opportunities to export clinker to the Mediterranean and Africa regions, benefiting from export incentives introduced by the government. Cement operational sales in Egypt rose +11.1% in 2023 (up +82.9% at constant scope and exchange rates). EBITDA moved into positive territory in 2023 after a breakeven performance in 2022.

Africa (Senegal, Mali, Mauritania)

(in millions of euros)	2023	2022	Change reported	Change lfl*
Consolidated sales	384	343	+11.9%	+12.0%
EBITDA	54	36	+51.5%	+51.9%
Recurring EBIT	13	2	+540.8%	+545.9%

* *Like-for-like, i.e. at constant scope and exchange rates.*

The Group's sales **in Africa** rose in 2023 with the return of volumes to normal in Mali and the full-year impact of the price hike introduced in September 2022 in Senegal.

- *The Cement business* **in Senegal** recorded a small volume contraction in 2023. Production is expected to remain constrained until the new kiln enters service, which is scheduled for late 2024. Conditions remain dynamic in the domestic market, which is supported by strong residential demand and various infrastructure projects. Prices also rose throughout the year following the most recent hike in regulated prices in September 2022. Cement operational sales rose +3.7% in Senegal at constant scope in 2023. EBITDA recovered sharply over the year as a whole.

  The Aggregates business in Senegal posted growth in 2023 as a result of positive price and volume effects. It again received a boost as major public works projects went ahead. Operational sales grew +15.6% at constant scope in 2023. EBITDA was stable given the increase in maintenance costs.
- *The Cement business* **in Mali** benefited from the strong market recovery after the political crisis that significantly reduced deliveries in 2022. In 2023, operational sales grew +58.8% at constant scope. EBITDA rose significantly.
- *Cement* operational sales rose +15.3% **in Mauritania** at constant scope and exchange rates as a result of dynamic volume and pricing trends. EBITDA rose significantly.

(1) System harnessing the hot gases produced to generate electricity.

6.2.3 Group income statement broken down by business segment

Cement business

(in millions of euros)	2023	2022	Change reported	Change at constant scope and exchange rates
Volume *(in thousands of metric tons)*	28,839	27 140	+6.3%	-
Operating revenue	2,526	2,296	+10.0%	+24.4%
Consolidated revenue	2,153	1,964	+9.6%	+23.9%
EBITDA	544	411	+32.2%	+44.9%
Recurring EBIT	346	233	+48.8%	+64.7%

Concrete & Aggregates business

(in millions of euros)	2023	2022	Change reported	Change at constant scope and exchange rates
Concrete volumes *(in thousands of m^3)*	10,020	10,023	0.0%	-
Aggregates volume *(in thousands of metric tons)*	24,273	25,310	-4.1%	-
Operating revenue	1,510	1,398	+8.0%	+18.6%
Consolidated revenue	1,470	1,363	+7.8%	+17.9%
EBITDA	169	132	+28.6%	+37.3%
Recurring EBIT	76	42	+83.4%	+103.2%

Other Products and Services

(in millions of euros)	2023	2022	Change reported	Change at constant scope and exchange rates
Operating revenue	453	454	-0.3%	+4.2%
Consolidated revenue	314	315	-0.2%	-0.7%
EBITDA	27	27	-1.5%	+0.3%
Recurring EBIT	10	10	+0.2%	-0.5%

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.

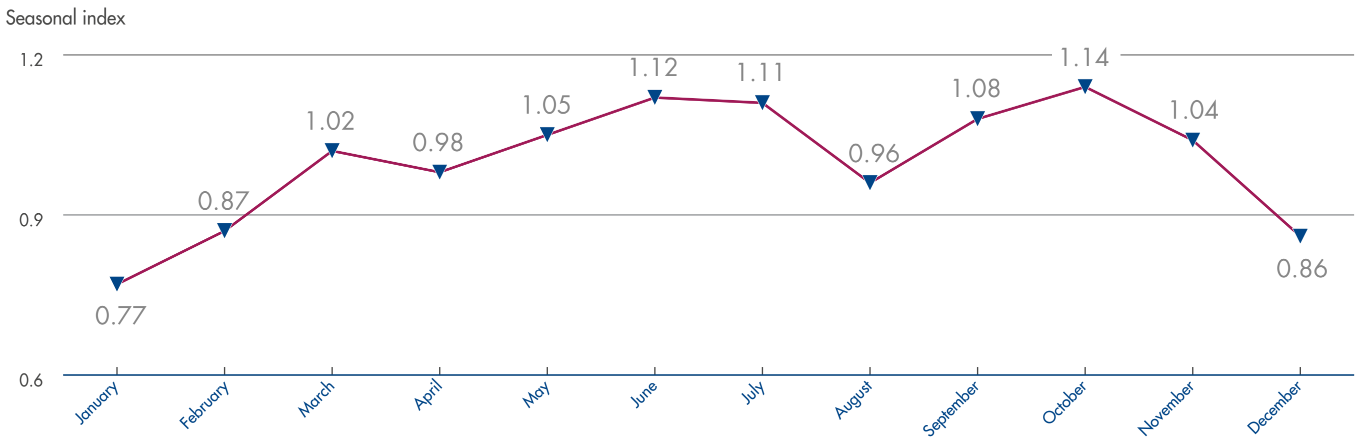
Demand for these products depends on the economic conditions specific to each country and market that are in turn determined by the rate of demographic growth, the level of economic growth and the level of urbanization. These factors influence the level of local public and private sector investment in 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 0.77 on average in January to almost 1.14 on average in October.



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

No material changes to the scope in 2023.

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, 2023 revenue restated at constant scope and exchange rates compared to 2022. 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.

6.2.6 Comparison of earnings for 2021 and 2022

The comparative analysis of the earnings for 2021 and 2022 is presented in the 2022 Universal Registration Document in sections 6.2.1 and 6.2.2, pages 159-163 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, 2023**	December 31, 2022
Share capital	180	180
Additional paid in capital	11	11
Translation reserves	(646)	(559)
Consolidated reserves	3,230	3,003
Treasury shares	(42)	(47)
Shareholders' equity – Group share	**2,733**	**2,588**
Minority interests	285	275
Consolidated shareholders' equity	**3,018**	**2,863**

Consolidated shareholders' equity at December 31, 2023 rose €155 million compared to December 31, 2022. It includes a Group share of €2,733 million and minority interests' share of €285 million.

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 2023 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 activity) 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)	2023	2022	2021
Cash flow from operations	589	461	488
Change in WCR (1)	19	(104)	(49)
"Maintenance" industrial investments net of disposals	(122)	(147)	(144)
Strategic industrial investments	(178)	(261)	(232)
Financial investments and changes in scope	(13)	(70)	(67)
Free cash flow	**295**	**(121)**	**(4)**
Net financing cash flows	(301)	185	66
Impact of exchange rate fluctuations on cash resources	(26)	(23)	9
CHANGE IN CASH POSITION	**(32)**	**41**	**71**

(1) Working capital requirement.

Net cash flows generated from operating activities

Net cash flows from operating activities conducted by the Group in 2023 totaled €608 million, compared with €357 million in 2022.

This increase in cash flows generated by operating activities is mainly due to cash flow from operations, up €128 million, and stable working capital requirements.

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

(in millions of euros)	WCR at December 31, 2021	Change in WCR 2022	Other Changes (1)	WCR at December 31, 2022	Change in WCR 2023	Other Changes (1)	WCR at December 31, 2023
Inventories	429	138	(6)	561	29	(21)	569
Trade and other accounts	643	70	16	729	26	(55)	699
Trade and other accounts payable	(730)	(104)	17	(817)	(75)	58	(833)
WORKING CAPITAL	**342**	**104**	**26**	**472**	**(19)**	**(19)**	**434**

(1) Consolidation scope, exchange and miscellaneous.

Industrial investments and free cash flows 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.

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 2023 and in 2022, to investments made in Senegal, France and the United States.

For further details, see section 6.4. "Investments" of this document.

In 2023, 76% of these investments were made in the *Cement business* (66% in 2022), 21% in the *Concrete & Aggregates business* (29% in 2022) and the remaining 4% in the *Other Products and Services business* (5% in 2022).

Disposals of property, plant and equipment and intangible assets generated total cash inflows of €29 million in 2023 and €14 million in 2022.

(in millions of euros)	2023	2022	2021
"Maintenance" industrial investments	151	161	155
"Strategic" industrial investments	178	261	232
■ *o/w "industrial investments to reduce the carbon footprint"*	*40*	*85*	*75*
■ *o/w "growth" industrial investments*	*138*	*176*	*156*
TOTAL INDUSTRIAL INVESTMENTS DISBURSED	**329**	**422**	**387**
TOTAL INDUSTRIAL INVESTMENTS NET OF DISPOSALS	**300**	**408**	**376**

"Growth" strategic investments amounted to €138 million in 2023 (compared with €176 million in 2022) and partially comprise the expenses associated with the continued construction of the new kiln in Senegal. The return on capital employed on this project, which creates significant value, is expected to be 18% and should start to pay off in 2025.

Strategic investments to reduce the Group's carbon footprint were committed to pursue the Climate strategy outlined at the Capital Markets Day on November 16, 2021. They amounted to €40 million in 2023, reflecting progress on the projects undertaken as part of the Climate strategy. This budget does not include the share of strategic growth investments on kiln 2 at Ragland (US) and kiln 6 in Senegal, which have significantly helped the Group's climate performance. In fact, these strategic growth investments will help to significantly increase the use of alternative fuels, reduce the clinker rate and improve the energy efficiency of these industrial facilities and thereby help secure the overall decarbonation objectives. The Group remains committed to its 2030 decarbonation roadmap and its "climate" investment objective of €800 million over 10 years. The "climate" strategic investments in 2023 are under the annual average over 10 years as result of the scale of the strategic growth investments over this period.

Net investments in shares of consolidated companies

Acquisitions of consolidated companies carried out in 2023 resulted in a total outflow of €1 million (€45 million in 2022).

Other net financial investments

Other net financial investments resulted in a net cash outflow of €12 million in 2023 compared with €25 million in 2022.

Net cash flows from financing activities

Net cash flows from financing activities conducted by the Group in 2023 were €(301) million, compared with €185 million in 2022.

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 of €(94) million in 2023 compared with €(82) million in 2022;
- repayments (net of draw downs) on the credit lines or borrowings taken out by the Group amounting to €210 million in 2023 (compared to a net drawdown of €138 million in 2022), including the 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 2023 and 2022.

6.3.3 Financial debt

At December 31, 2023, the Group had a solid financial structure, with:

- significant shareholders' equity (of €3 billion), up €155 million over the year;
- a net indebtedness of €1,422 million at December 31, 2023, a fall of €145 million over the financial year.

Group financial policy

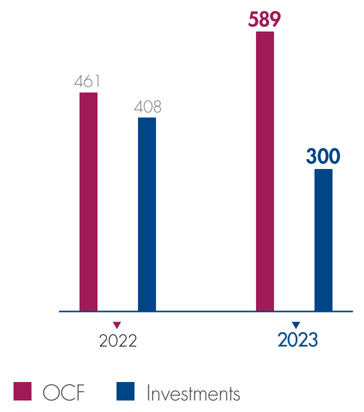
The Group's financial policy is set by the General Management. This policy aims at maintaining a balanced financial structure characterized by the following:

- 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 through operating cash flows, available surplus financial resources being used by the Group to reduce its indebtedness, and financing acquisitions in whole or in part.

Change in the Group's operating cash flow and net industrial investments disbursed between 2022 and 2023

(in millions of euros)



To secure resources in excess of its operating cash flow, the Group has set up confirmed medium-term lines of financing 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, 2023, the Group had a total of €683 million in the following unused confirmed lines of financing:

Lines as at December 31, 2023	Borrower	Starting year	Currency	Authorization *(in millions)* Currencies	Authorization *(in millions)* Euros	Used *(in millions of euros)*	Not drawn	Maturity	Type of rate
US private placements	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 / 10 years	Vicat SA	2019	EUR	290	290	290	-	2024/26/29	FR/VR
Total private placement lines					**715**	**715**	**-**		
Syndicated loan	Vicat SA	2023	EUR	600	600	406	494	2028	VR
Bank bilateral lines	Vicat SA	2022/2023	EUR	300	300			2025/2028	VR
Total bank lines[(1)]					**900**	**406**	**494**		
TOTAL CORPORATE FINANCING LINES					**1,615**	**1,121**	**494**		
Syndicated loan	Switzerland	2020	CHF	200	216	170	46	2025	VR
Bank bilateral lines	Switzerland	2020	EUR	50	50	0	50	2025	VR
Bank loan	Switzerland	2020	CHF	10	10	10	-	2024/2025	FR
Bank bilateral lines	Egypt	2019	Egyptian pound (EGP)	700	20	20	-	2024	VR
Bank bilateral lines	Senegal	2023	CFAF	80,000	122	92	30	2029	FR
Bank bilateral lines	Senegal	2022	EUR	120	120	90	30	2032	VR
Bank bilateral lines	Senegal	2019	CFAF	66,550	101	81	21	2024	VR
Other lines	Africa	2018	CFAF	5,000	8	8	-	2024	FR
Bank loan	Brazil	2018	Brazilian real (BRL)	232	43	43	-	2033	FR
Bank bilateral lines	United States		USD	12	11	-	11		VR
TOTAL FINANCING LINES OF FOREIGN SUBSIDIARIES					**701**	**513**	**188**		
Other liabilities					80	80			
TOTAL FINANCIAL LIABILITIES EXCLUDING IFRS 16					**2,396**	**1,714**	**683**		
Lease liabilities					201	201			
TOTAL GROSS INDEBTEDNESS[(2)]					**2,597**	**1,915**	**683**		

(1) This line corresponds to all confirmed credit lines which benefit the Company and of which the authorized amount is €900 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 (€14.9 million).

Private placements of Vicat SA

US private placement

In November 2020, a US private placement (USPP), denominated in euros, was arranged for a total 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

In October 2023, the Company completed the early refinancing of its liquidity facilities that were set to mature at the end of 2024 and the start of 2025. In particular, the Company refinanced:

- its syndicated loan and increased the amount of the loan from €550 million to €600 million;
- its bilateral bank facilities from €240 million to €280 million.

All these facilities have a term of five years and may be renewed twice for a term of one year.

These new facilities, which are in the "*Sustainability-Linked Loan*" format, are aligned with the Vicat Group's 2030 decarbonation targets.

At the same time, the group has an additional €20 million two-year liquidity facility in place, which is not covered by this renewal.

The interest on these lines is payable at the Euribor rate for the drawdown period plus a spread. At December 31, 2023, these lines were not used. An amount of €406 million was allocated to the hedging of liquidity risk on NEU CP.

Short-term marketable securities (NEU CP)

The Company has a NEU CP issuance program totaling €550 million, €406 million of which had been drawn down as of December 31, 2023. These securities, which constitute short-term credit instruments are backed by the lines of financing confirmed for the issued amount and are treated as such in medium-term financial debts in the consolidated balance sheet.

Assignment of receivables

In 2023, the Group assigned without recourse receivables amounting to €70 million. This assignment relates to receivables held by French Group companies.

Subsidiaries' bank debt

This indebtedness breaks down as follows:

Senegal

Sococim Industries has lines of credit totaling CFAF 50 billion, all originally having 12 month maturities. As at December 31, 2023, they were drawn down for a total amount of CFAF 36.5 billion.

To fund the construction of the new kiln for Sococim Industries (kiln 6) and to refinance an existing medium-term loan, the following financing was arranged at the end of 2022 and the start of 2023:

- a 10-year long-term loan was arranged for €120 million. €90.3 million of this loan had been drawn down as at December 31, 2023;
- a six-year long-term syndicated loan for CFAF 80 billion, CFAF 60.2 billion of which had been drawn down as at December 31, 2023.

The Aggregates subsidiaries in Senegal have CFAF 16.5 billion in bank lines that were fully drawn down at December 31, 2023. 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 SARON and Euribor rates, respectively, for the drawdown period plus a spread.

At December 31, 2023, €170 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 231.6 million Brazilian real at December 31, 2023 was assumed by Vicat Group.

Egypt

SCC has 700 million Egyptian pounds of bank loans renewable annually at variable rate. At December 31, 2023, 689 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, 2023, 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 lines of financing available to the subsidiaries contain 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 2023 consolidated financial statements in this document).

Gross indebtedness

As at December 31, 2023, gross indebtedness of the Group, excluding put options, was €1,915 million compared with €2,070 million at December 31, 2022. It is broken down by type as follows:

(in millions of euros)	December 31, 2023	December 31, 2022	Change
Private placement lines	715	715	-
Bank borrowings	899	1,068	-16%
Debt on lease liabilities	201	208	-3.3%
Other borrowings and financial debts	21	26	-19%
Current bank facilities and bank overdrafts	79	53	+49%
GROSS INDEBTEDNESS	**1,915**	**2,070**	**-7.5%**
of which more than one year	*1,542*	*1,782*	*-13.5%*
of which less than one year	*373*	*288*	*+29.5%*

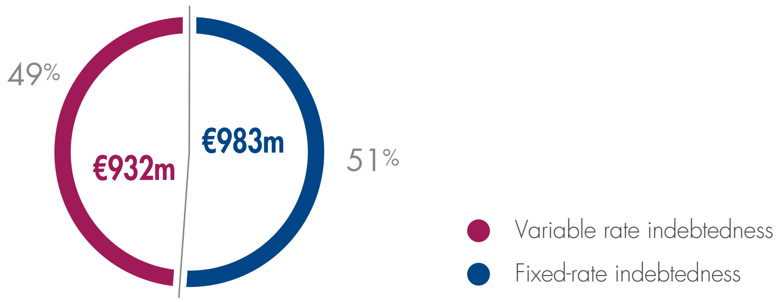
The structure of the Group's gross indebtedness as at December 31, 2023, by type of rate and maturity is as follows:

- **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, 2023, €932 million, or 49% 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.

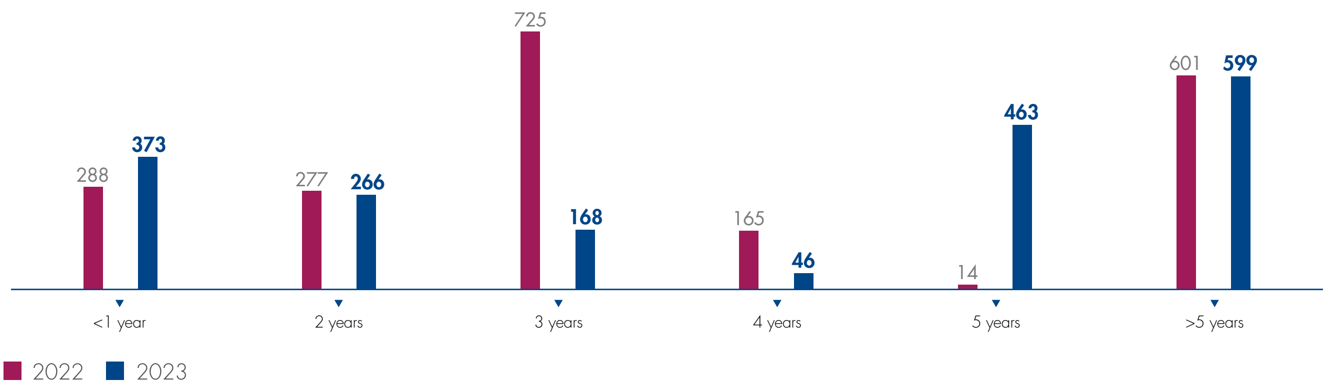
The interest rate risk on variable rate liability was limited by the purchase of caps in the amount of €715 million expiring in 2024 to 2029.

Fixed rate / variable rate indebtedness at December 31, 2023



The average maturity of the Group's debt rose from 4.9 years in 2022 to 5.4 years in 2023 (see maturities schedule in note 16.1.1 to the consolidated financial statements).

Maturities schedule for gross indebtedness *(in millions of euros)*



Cash surplus

Cash and cash equivalents include cash at bank (€100 million as at December 31, 2023) and short-term investments maturing in less than three months and with no risk of a change in the value of the principal (€393 million as at December 31, 2023).

Cash is managed country-by-country, under the control of the Group's Finance Department, with cash pooling systems in some countries. The cash surplus is either invested locally when it is intended to be used within a limited period to meet the needs of the country concerned, or invested with the Group.

Net indebtedness (excluding put options)

The Group's net indebtedness is broken down as follows:

(in millions of euros)	December 31, 2023	December 31, 2022	Change
Gross indebtedness	1,915	2,070	-7.5%
Cash and cash equivalents	493	503	-2.0%
NET INDEBTEDNESS	**1,422**	**1,567**	**-9.2%**

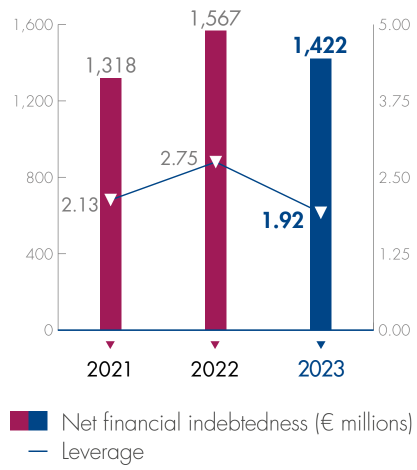
Overall, the Group has a total of €1,176 million in available cash, corresponding to unused lines of financing (€683 million) and available cash (€493 million).

The main multiples monitored by the Group are:

- gearing: corresponds to the ratio of net financial indebtedness/ shareholders' equity and stood at 47.1% at the end of 2023 compared to 54.7% at the end of 2022;
- leverage: corresponds to the ratio of net financial indebtedness/ EBITDA and stood at 1.92 at the end of 2023 compared to 2.75 at the end of 2022.

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 2021 and 2023



6.3.4 Analysis of off-balance sheet liabilities

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, 2023 and 2022:

(in millions of euros)	2023	2022
Contractual commitments for the acquisition of fixed assets	128	243

At December 31, 2023, 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 as described in section 6.4.2. "Main investments in progress and planned" of this document.

6.4 INVESTMENTS

Cement manufacturing is a highly capital-intensive industry, requiring significant investments. The construction of a cement factory requires capital expenditure of between €200 and €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 efficiency 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)	**2023**	2022	2021
Cement	273	345	323
Concrete & Aggregates	97	139	116
Other products and services	22	26	50
TOTAL INVESTMENTS RECORDED(1)	**392**	**511**	**489**
Of which financial investments	*17*	*29*	*34*
Including net industrial investments paid out	*300*	*408*	*376*

(1) Including assets relating to rights of use (IFRS 16).

Main investments made in 2023

The total amount of recorded industrial investments made in 2023 was €375 million. These are shown below for each of the Group's main businesses. Financial investments amounted to €17 million in 2023. They principally reflect investments in companies with technology that could help speed up the reduction in the cement industry's carbon footprint.

Cement: €263 million in industrial investments

- **France:** the main expenses concerned the promotion of alternative fuels and materials and the maintenance of facilities; The "Argilor" project continued at the Xeuilley plant. Its objective is to reduce clinker content in cement through activating clay. The construction of a new clinker silo at the Montalieu cement plant is also underway;
- **United States:** the construction of a new kiln in Ragland (Alabama) was completed in 2022. It is accompanied by logistics investments (railcars and terminals) to extend the plant's marketing zone;
- **Turkey:** completion of 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 Brazil,** the construction of a sand production unit has increased installed mortar capacity.

Concrete & Aggregates: €97 million in industrial investments

- **France:** the investments related to the replacement of rolling stock and plant maintenance. The Courbaisse quarry, near Nice, is also continuing its expansion program to increase its discharge capacity;
- **United States:** aside from maintenance investments, of note also are the purchase of a mobile plant, the upgrading of rolling stock in California as well as the installation and modernization of a plant in the South East;
- **Senegal:** In 2023, Gécamines acquired a trommel, enabling it to produce riprap;
- **Switzerland:** aside from maintenance investments and fleet replacement, the installation of an aggregates processing facility at the Flumenthal plant continued.

Other Products and Services: €16 million in industrial investments

The majority of investments were made in France to maintain the transport fleet.

Main investments made in 2022

The total amount of recorded industrial investments made in 2022 was €482 million. These are shown below for each of the Group's main businesses. Financial investments amounted to €29 million in 2022, mainly reflecting 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 continued;
- **In India,** a new cement terminal was opened in the South, expanding the marketing zone 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: €138 million in industrial investments

- **France:** the investments related to the replacement of rolling stock and plant maintenance. The Courbaisse quarry, near Nice, underwent an ambitious 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, the construction of a new aggregates processing facility in Flumenthal was commenced.

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.

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 2023, the construction of this new facility continued in line with the Group's expectations. This new industrial base is expected to be commissioned at the end of 2024.

6.5 OUTLOOK FOR 2024

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 Overall outlook

In 2024, the Group expects a **continued increase in its sales**, supported by growth in the United States and the resilience of emerging markets, even taking into account the residential sector's weakness in Europe. **EBITDA generated by the Group in 2024 should be higher than the 2023 level**.

This objective takes into account further operational savings at the Ragland plant and an easing in energy cost inflation over the period, with a favourable base of comparison effect in the first half of the year.

In 2024, the Group's capex is likely to total around €325 million following delays to investments in a new kiln in Senegal, which will now take place in 2024. The cumulative investment budget for 2023 and 2024 remains unchanged.

The increase in EBITDA, tight grip on the working capital requirement and disciplined investment approach will pave the way for a further decrease in the Group's net debt.

As a result, the Group has set a target of lowering its leverage to below 1.3x by year-end 2025.

6.5.2 Outlook by country

- In **France**, business trends are expected to be held back by the marked slowdown in residential construction, offset partially by demand from the infrastructure segment. The progressive start-up in a large rail infrastructure project in the South-East region should support the business in the future.
- In **Switzerland**, stable business trends are expected, with volumes holding steady at a low level amid a resilient pricing environment.
- In the **United States**, the growth in sales in the South-East US should continue with the operation of kiln 2 at the Ragland plant at full capacity over a full year. In addition, business trends in California should benefit from a favourable base of comparison effect relative to the first half of 2023. The increased use of alternative fuels and more widespread uptake of "1L"-type cement, which consumes less clinker, should support margin improvement.
- In stabilising market conditions in **Brazil**, sales and earnings are expected to be close to the levels seen in 2023. Production performance improvements should provide a further boost.
- In **India**, the market should continue to grow, especially in the first half thanks to a favourable base of comparison and the full-year impact of cost reductions amid a fiercely competitive environment.
- In **Kazakhstan**, the more competitive environment and saturation of the production facilities are expected to curb the growth in volumes and prices in a country less exposed than others to energy cost inflation.
- In **Turkey**, the macroeconomic environment is likely to remain dominated by inflation and the weakness of the Turkish lira. Business trends are expected to draw strength from the reconstruction drive after the February 2023 earthquake and the pre-electoral environment in the first six months of the year. The Group will continue to pursue a pricing policy intended to at least cover the strong inflation in costs.
- In **Egypt**, domestic market conditions are expected to remain sluggish in a competitive environment still regulated by the authorities. As in 2023, the Group plans to pursue opportunities to export clinker and cement.
- In **West Africa**, visibility is declining following mounting political instability in the region (postponement of the presidential elections in Senegal, Mali's exit from Ecowas), the impact of which is hard to gauge as things stand. In **Senegal**, the Cement business will remain hampered until kiln 6 starts up in a pricing environment regulated by the government.

Chapter 7

7 Financial information

7.1 CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2023

7.1.1 Consolidated financial statements at December 31, 2023

Consolidated income statement

(in thousands of euros)	Notes	2023	2022
Revenue	*4*	**3,937,195**	**3,642,063**
Raw materials and consumables used		(2,598,496)	(2,509,400)
Employees expenses	*5*	(569,002)	(528,635)
Taxes		(60,688)	(60,982)
Other ordinary income (expenses)	*6*	30,740	27,074
EBITDA		**739,749**	**570,120**
Operating depreciation, amortization and provisions	*6*	(306,995)	(285,655)
Recurring EBIT		**432,754**	**284,465**
Non-ordinary income (expenses)	*7*	4,870	6,270
Non-operating depreciation, amortization and provisions	*7*	(22,243)	(13,007)
Operating income (expense)		**415,381**	**277,728**
Cost of net financial debt		(50,817)	(31,155)
Other financial income		37,773	31,900
Other financial expenses		(59,367)	(50,666)
Financial income (expenses)	*8*	**(72,411)**	**(49,921)**
Share of profit (loss) of associates	*11.1*	10,129	12,697
Profit (loss) before tax		**353,099**	**240,504**
Income tax	*9*	(57,771)	(65,060)
CONSOLIDATED NET INCOME		**295,328**	**175,444**
Portion attributable to minority interests		36,903	19,357
Portion attributable to the Group		**258,425**	**156,086**
Basic and diluted Group share of net earnings per share *(in euros)*		5.76	3.48

Consolidated statement of comprehensive income

(in thousands of euros)	2023	2022
Consolidated net income	**295,328**	**175,444**
Items not recycled to profit or loss:		
Remeasurement of defined benefit obligation	(4,958)	30,649
Items not recycled to profit or loss:	(1,991)	(9,744)
Tax on non-recycled items	1,339	(6,617)
Other items recycled to profit or loss		
Changes in currency translation adjustments	(120,911)	(20,849)
Cash flow hedge instruments	(1,659)	7,914
Tax on recycled items	4,012	(2,053)
Other comprehensive income (after tax)	**(124,168)**	**(700)**
TOTAL COMPREHENSIVE INCOME	**171,160**	**174,744**
Portion attributable to minority interests	23,542	11,403
Portion attributable to the Group	**147,618**	**163,341**

Consolidated statement of financial position

(in thousands of euros)	Notes	December 31, 2023	December 31, 2022
ASSETS			
Goodwill	*10.1*	1,185,026	1,204,814
Other intangible assets	*10.2*	174,173	183,066
Property, plant and equipment	*10.3*	2,582,394	2,504,926
Rights of use relating to leases	*10.4*	185,416	193,122
Investment properties	*10.5*	30,706	32,124
Investments in associated companies	*11.1*	84,861	80,804
Deferred tax assets	*9*	112,229	126,212
Receivables and other non-current financial assets	*11.2*	241,811	269,651
Total non-current assets		**4,596,617**	**4,594,719**
Inventories and work-in-progress	*12.1*	568,705	560,795
Trade and other accounts	*12.2*	491,986	464,216
Current tax assets		3,092	45,201
Other receivables	*12.3*	193,487	204,690
Assets held for sale	*11.1*	16,910	21,780
Cash and cash equivalents	*13*	493,547	503,597
Total current assets		**1,767,728**	**1,800,279**
TOTAL ASSETS		**6,364,344**	**6,394,998**

(in thousands of euros)	Notes	December 31, 2023	December 31, 2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital		179,600	179,600
Additional paid-in capital		11,207	11,207
Treasury shares		(41,891)	(47,097)
Consolidated reserves		3,230,128	3,003,393
Translation reserves		(646,331)	(558,838)
Shareholders' equity		**2,732,713**	**2,588,265**
Minority interests		**285,157**	**274,529**
Total shareholders' equity	*14*	**3,017,870**	**2,862,794**
Provisions for pensions and other post-employment benefits	*15.1*	88,045	86,355
Other provisions > 1 year	*15.2*	134,286	123,413
Financial debts and put options	*16.1*	1,416,572	1,672,772
Lease liabilities > 1 year	*16.1*	155,718	161,045
Deferred tax liabilities	*9*	273,349	325,188
Other non-current liabilities		18,696	21,594
Total non-current liabilities		**2,086,665**	**2,390,367**
Other provisions < 1 year	*15.2*	21,943	12,570
Financial liabilities and put options at less than one year	*16.1*	335,956	242,161
Lease liabilities at less than one year	*16.1*	45,153	47,537
Trade and other accounts payable	*17.1*	503,490	540,374
Current taxes payable		18,522	14,814
Other liabilities	*17.2*	334,745	284,381
Total current liabilities		**1,259,810**	**1,141,837**
Total liabilities		**3,346,474**	**3,532,204**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**6,364,344**	**6,394,998**

Consolidated statement of cash flow

(in thousands of euros)	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**295,328**	**175,444**
Share of profit (loss) of associates		(10,129)	(12,697)
Dividends received from associated companies		7,489	7,057
Elimination of non-cash and non-operating items:			
■ Adjustments for depreciation, amortization and provisions		343,521	303,434
■ deferred taxes		(28,680)	6,803
■ net (gain) loss from disposal of assets		(22,196)	(5,377)
■ unrealized fair value gains and losses		3,951	(14,688)
■ others		(381)	1,055
Cash flow from operations		**588,900**	**461,031**
Change in working capital requirement[1]		19,364	(104,132)
Net cash flows from operating activities	*18.1*	**608,265**	**356,899**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of non-current assets:			
■ tangible and intangible assets		(328,984)	(422,356)
■ financial investments		(15,115)	(28,505)
Inflows linked to disposals of non-current assets:			
■ tangible and intangible assets		28,777	13,975
■ financial investments		3,244	4,392
Impact of changes in consolidation scope		(861)	(45,404)
Net cash flows from investing activities	*18.2*	**(312,939)**	**(477,898)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(93,592)	(82,355)
Proceeds from borrowings	*16.1*	170,077	462,197
Repayments of borrowings	*16.1*	(329,194)	(138,328)
Repayment of lease liabilities	*16.1*	(51,335)	(58,414)
Acquisitions of treasury shares		(16,690)	(18,366)
Disposals or allocations of treasury shares		19,246	20,191
Net cash flows from financing activities		**(301,488)**	**184,926**
Impact of changes in foreign exchange rates		(25,953)	(23,022)
CHANGE IN CASH POSITION		**(32,114)**	**40,905**
Net cash and cash equivalents - opening balance	*13.2*	471,347	430,442
Net cash and cash equivalents - closing balance	*13.2*	439,232	471,347

(1) - Including cash flows from income taxes: €(54) million at December 31, 2023, and €(81.7) million at December 31, 2022.

- Including cash flows from interest paid and received: €(34.1) million at December 31, 2023, including €(9.6) million for financial expenses on IFRS 16 leases and €(37.6) million at December 31, 2022, including €(9.2) 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	Minority interests	Total shareholders' equity
At January 1, 2022	**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	-	-	-	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	-	-	-	(13,858)	21,112	7,254	(7,954)	(700)
Total comprehensive income	**-**	**-**	**-**	**142,228**	**21,112**	**163,340**	**11,403**	**174,744**
Dividends distributed	-	-	-	(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	-	-	-	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**
At January 1, 2023	**179,600**	**11,207**	**(47,097)**	**3,003,393**	**(558,838)**	**2,588,265**	**274,529**	**2,862,794**
Net income	-	-	-	258,425		258,425	36,903	295,328
Other comprehensive income	-	-	-	(23,314)	(87,493)	(110,807)	(13,361)	(124,168)
Total comprehensive income	**-**	**-**	**-**	**235,111**	**(87,493)**	**147,618**	**23,542**	**171,160**
Dividends distributed	-	-	-	(73,227)	-	(73,227)	(20,400)	(93,627)
Net change in treasury shares	-	-	5,206	(2,691)	-	2,515	-	2,515
Changes in scope of consolidation and additional acquisitions	-	-	-	(449)	-	(449)	(26)	(475)
Hyperinflation reserves	-	-	-	65,895	-	65,895	7,460	73,355
Other changes	-	-	-	2,096	-	2,096	52	2,148
AT DECEMBER 31, 2023	**179,600**	**11,207**	**(41,891)**	**3,230,128**	**(646,331)**	**2,732,713**	**285,157**	**3,017,870**

Group translation reserves are broken down by currency as follows at December 31, 2023 and 2022:

(in thousands of euros)	December 31, 2023	December 31, 2022
US dollar	51,291	72,246
Swiss franc	297,171	252,335
Turkish lira	(441,006)	(366,219)
Egyptian pound	(122,753)	(123,466)
Kazakh tenge	(131,138)	(115,936)
Mauritanian ouguiya	(14,655)	(6,959)
Brazilian real	(55,400)	(68,922)
Indian rupee	(229,841)	(201,917)
TOTAL	**(646,331)**	**(558,838)**

7.1.2 Notes to the consolidated financial statements at December 31, 2023

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 marketing of other complementary products and services.

These financial statements were finalized and approved by the Board of Directors at its meeting of February 12, 2024 and will be submitted to the Shareholders General Meeting of April 12, 2024 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, 2023 for its accounting policies. The standards and interpretations published by the IASB but not yet in force as of December 31, 2023, have not been applied early in the Group's consolidated financial statements at the end of the period.

The consolidated financial statements at December 31, 2023 present comparative information with 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, 2023 and that the Group did not adopt early.

New accounting standards applicable from January 1, 2023

New standards and amendments mandatory from January 1, 2023 including:

- amendment to IAS 1 - "Presentation of Financial Statements": Improvement of information relative to the accounting policies communicated in the notes;
- amendment to IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors": clarification regarding the definition of an accounting estimate;
- amendment to IAS 12 - "Income Taxes": deferred taxation relative to assets and liabilities stemming from a single transaction;
- IFRS 17 - "Insurance Contracts";
- amendment to IAS 12 - "International Tax Reform - Pillar II".

These changes had no significant impact on the consolidated financial statements as at December 31, 2023.

The main provisions of the law reforming the French pension system are a gradual increase in the legal retirement age from 62 to 64, an acceleration in the increase in the contribution period needed to obtain the full pension rate (43 years) and the cancellation of special schemes for new hires. The impact of the pension reforms in France has been recognized, in accordance with IAS 19, in past service costs and had no significant impact on the Group's consolidated financial statements for the year ended December 31, 2023.

On September 13, 2023, the French Supreme Court (*Cour de Cassation*) handed down three decisions applying European laws on paid leave, thereby overriding French law. It is now the case that an employee who is absent from work as a result of sickness (whether or not work-related) continues to accrue paid leave. All employees (those currently in post and those who have left the business) may submit claims for back payment for the previous three years to their employer or ex-employer. Our analysis has not revealed any significant risk to the Group's financial statements as of December 31, 2023.

Lastly, in relation to the minimum global tax rate for multinational groups of companies and national groups introduced into French law by the French 2024 Finance Law (Pillar 2), the Group benefits, at December 31, 2023, from the temporary exemption provided by the amendment to IAS 12 – "International Tax Reform", on accounting for deferred taxes under Pillar II.

At year-end 2023, we are still carrying out analysis on the impact of this new law. The Group should, however, be able to benefit from the protection regimes contained in the law, which provide exemptions from additional tax liabilities based on simplified calculations using data from country-by-country reports. As such, based on initial calculations for the 2024 financial year, the Group should not have to pay any additional tax in respect of the 2024 financial year.

Published accounting standards, amendments and interpretations which are not yet mandatory

As at December 31, 2023, the Group has not early adopted standards and interpretations published by the IASB, adopted by European Union, that will be mandatory in 2024.

These standards in particular include:

- amendment to IAS 1 - "Presentation of Financial Statements": classification of liabilities into current and non-current liabilities;
- amendments to IAS 7 and IFRS 7: "Supplier Finance Arrangements";
- amendment to IFRS 16 - "Lease Liability in a Sale and Leaseback";
- amendment to IAS 21 - "Lack of Exchangeability".

These texts are currently being reviewed, but the Group does not anticipate any significant impacts.

1.2 Basis of preparation of financial statements

The financial statements are presented in thousands of euros.

The consolidated statement of comprehensive income is presented by nature in two separate tables: the consolidated income statement and the consolidated statement of other comprehensive income.

The consolidated statement of financial position segregates current and non-current assets and liability accounts and splits them according to their maturity (divided, generally speaking, into maturities of less than 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 production 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 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 and the nature of the production process, the Group emits greenhouse gases. In this respect, the Group is committed, on a daily basis, to an ecological and environmental transition with the aim of gradually reducing its scopes 1, 2 and 3 CO_2 emissions and with the ambition to achieve carbon neutrality across its entire value chain by 2050. This transition commitment is 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 corresponding 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 their impacts in the financial statements:

Greenhouse gas emissions

Since January 1, 2005, major European industrial operators are permitted to buy and sell greenhouse gas emissions allowances. This system, built around the ETS *(Emissions Trading Scheme)* Directive, allows European companies that exceed their 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, 2023, the Group had allowances totaling 4,653 thousand metric tons in the ETS system, not recognized on the balance sheet (with a market value of €372 million), which it plans to keep to meet its need to surrender allowances over the coming years. Regulations to cut greenhouse gas emissions are being drafted in other countries, using systems that are sometimes equivalent to the ETS system, such as in California in the United States. 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 (if it were not possible to pass on the cost of buying allowances in the sales price).

ETS CO_2 allowances

(in thousands of metric tons)	2022	Increase	Decrease	**2023**
France	4,445	1,761	(1,826)	4,380
Other countries	212	483	(422)	273
TOTAL	**4,657**	**2,244**	**(2,248)**	**4,653**

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 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 writedowns 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). Financial flows are updated with the known impacts of decarbonization technologies that will be put in place by 2030, the anticipated impacts on sale prices and the consumption of CO_2 allowances stored up, for a number of years, in the countries in which the Group operates that are subject to carbon regulations (France, Switzerland, Italy and California). Beyond 2030, it is currently more difficult for the Group to predict the technologies that will be used to decarbonize its activities, the regulatory changes that will affect its various markets, and the impacts on its customers. The assumptions relating to cash flows therefore represent best estimates based on our current knowledge of these items, with the principal assumption being that the market will eventually accept additional carbon-related costs for cement-based construction materials in countries subject to climate regulations.

NOTE 2 ACCOUNTING POLICIES RELATING TO THE CONSOLIDATION SCOPE

2.1 Consolidation principles

When a company is acquired, its assets and liabilities are measured at their fair value at the acquisition date.

The earnings of the companies acquired or disposed of during the year are recorded in the consolidated income statement for the period subsequent or previous to the date of the acquisition or disposal, as appropriate.

The annual statutory financial statements of the companies at December 31 are consolidated, and any necessary adjusting entries are made to restate them in accordance with the Group accounting policies. All intercompany balances and transactions are eliminated during the preparation of the consolidated financial statements.

Subsidiaries

Companies that are controlled exclusively by Vicat, directly or indirectly, are fully consolidated.

Control exists when the Group:

- has power over an entity;
- is exposed or entitled to variable returns as a result of its involvement with the entity;
- and has the ability to exercise its power over the entity in such a way as to affect the amount of returns it obtains.

In addition, the Group assesses the control exercised over an entity whenever facts and circumstances indicate that an element of assessment of control has changed.

Joint ventures and associates

Joint ventures, which are jointly controlled and operated by a limited number of shareholders, and associates, investments over which Vicat exercises significant influence, are reported using the equity method. Any goodwill generated on the acquisition of these investments is presented in "Investments in associate companies".

When joint control is proven and the legal form of the legal vehicle establishes transparency between the assets of the co-participants and that of the partnership, the joint venture is classified as a joint operation. This type of partnership is then recognized in the Group's financial statements line by line up to its effective share.

A list of the main consolidated companies as at December 31, 2023 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 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 significant 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 and expense items, other than in countries with economies classified as hyperinflationary, and cash flow statement items of companies are translated into euros 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, currency translation adjustments accumulated before the transition date were allocated to consolidated reserves at that date. They will not be recorded in the income statement in the event of a later sale of these investments which are denominated in foreign currency.

The following foreign exchange rates were used:

	2023		2022	
	Closing	**Average**	Closing	Average
Brazilian real	5.36	5.40	5.64	5.44
Swiss franc	0.93	0.97	0.98	1.01
Egyptian pound	34.10	33.14	26.48	20.14
Indian rupee	91.90	89.32	88.17	82.71
Kazakh tenge	501.27	493.28	491.68	484.53
Mauritanian ouguiya	43.46	39.49	39.17	38.79
Turkish lira	32.65	32.65	19.96	19.96
US dollar	1.11	1.08	1.07	1.05
CFA Franc	655.96	655.96	655.96	655.96

NOTE 3 SIGNIFICANT EVENTS

Macro-economic environment and business trends

2023 was marked by falling levels of inflation for energy costs, particularly in the second half of the year, while core inflation (salaries and maintenance costs) remained significant. These effects were offset thanks to the Group's success in increasing its sale prices in almost all the regions in which it operates. Demand in developed countries fell slightly due to the impact of inflation and rising interest rates on the residential sector. Demand in emerging countries was characterized by a strong performance in the Mediterranean and Asia regions.

The Group's revenue in France increased in 2023, supported by a significant rise in sale prices that compensated the inflation on the costs and the slowdown in demand linked to the weakness of the residential sector, which accelerated in the second half of the year.

In Europe (excluding France): In Switzerland, revenue was stable in 2023 at constant scope and exchange rates. The increase in sale prices, applied in order to offset the effects of the inflation in the price of inputs on margins, compensated for falling demand in Switzerland, which seems to be stabilizing at a low level. Italy reported a strong performance over the year, supported by strong growth in selling prices and growth in demand.

In the Americas region: In the United States, the Group's activity levels were varied, with business slowing in California as a result primarily of very adverse meteorological conditions in the first half of the year and the ramp-up in the Ragland plant's new kiln in the South-East, which more than offset these non-recurring effects. As a result, revenue grew sharply in the United States, underpinned by strong price trends over the period. In Brazil, volumes fell slightly over the year, impacted by the macroeconomic slowdown, particularly in the Center-West region. Against a backdrop of strong inflation, price increases were significant.

In the Asia region: In India, the annual performance was mixed with the first half impacted by high input costs. Volumes rose sharply in the second half on the back of renewed cost competitiveness, resulting in a year-on-year increase. Prices remain generally stable over the year. In Kazakhstan, the Group's performance was hit by logistics bottlenecks in the first half that seriously limited deliveries. The situation returned to normal in the second half, with a year-on-year rise in volumes against the background of a slightly unfavorable price trend.

In the Mediterranean region: In Turkey, despite hyperinflationary conditions, the business continued to grow sharply. Demand remained strong, with volumes and prices both rising. In Egypt, the business grew in 2023: export opportunities made it possible to offset weak domestic demand. Sale prices rose sharply in response to inflation in a competitive environment that continues to be dominated by state involvement.

In the Africa region: The Group's business performed well on the back of rising cement prices, a strong Aggregates performance in Senegal, a return to normal volumes in Mali and strong price/volume trends in Mauritania.

Volatility of exchange rates and impact on the income statement

The 2023 income statement was impacted by a sharp deterioration of the Turkish Lira and of the Egyptian pound and, to a lesser extent, the weakening of the dollar and of the Indian rupee against the euro. These effects were partly offset by the depreciation of the euro against the Swiss franc. Over the period, this resulted in a negative currency effect of €(417) million on consolidated revenue and €(64) million on EBITDA.

Consolidated shareholders' equity showed a negative translation adjustment in 2023 for a total net amount of €(101) million.

CONSOLIDATED INCOME STATEMENT

Definition of management indicators

EBITDA

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): revenue plus cost of goods sold, employee expenses, tax and duties and other ordinary income and expenses.

Recurring EBIT

Recurring EBIT (Earnings Before Interest and Tax): EBITDA plus net depreciation, amortization, provisions and impairment losses on ongoing operations.

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)	**2023**	2022
Sales of goods	3,646,687	3,349,184
Sales of services	290,508	292,879
REVENUE	**3,937,195**	**3,642,063**

Change in revenue on a like-for-like basis

(in thousands of euros)	**2023**	Changes in consolidation scope	Change in translation effect	**2023 At constant scope and exchange rates**	2022
REVENUE	**3,937,195**	**-**	**(417,061)**	**4,354,256**	**3,642,063**

NOTE 5 EMPLOYEE EXPENSES AND WORKFORCE

(in thousands of euros)	**2023**	2022
Wages and salaries	429,599	396,927
Payroll taxes	131,618	125,794
Employee profit sharing (French companies)	7,785	5,913
EMPLOYEE EXPENSES	**569,002**	**528,635**
Average number of employees of the consolidated companies	*9,903*	*9,745*

Profit sharing is granted to employees of the Group's French companies in the form of either cash or shares, at the employee's option.

The share price for the profit sharing is determined based on the average of the 20 trading days preceding the allocation date.

Share-based payments

The Shareholders General Meeting and the meeting of the Board of Directors of April 9, 2021 decided to establish a free share plan comprising 271,497 shares delivered in annual tranches, over a period of up to 2037 that varies depending on the beneficiaries. This plan, partly to make up for an Article 39 pension plan that was terminated, is intended for certain executives holding managerial functions within the Group along with certain company officers. This plan is subject to continued employment with the Group. Should this condition of continued employment not be satisfied on the annual delivery dates, only shares that have already been delivered will be retained by the beneficiary. This plan provides in particular that each tranche will have a vesting period of one year plus the vesting period of the previous period and a holding period of five years limited to continued employment within the Group.

Pursuant to IFRS 2 "Share-based Payment", the Group estimated the value of this plan with reference to the fair value of the equity instruments on the award date at €11,620 thousand. This measurement is based on the share price on the award date, minus an expected loss of dividend over the period, representing a fair value of €42.8 per share. This expense will be recognized under personnel costs for the period pro-rata to the vesting of rights offset in shareholders' equity.

In 2023, €1,630 thousand was recognized under employees expenses in respect of this plan (€3,546 thousand in 2022).

Date of General meeting	April 9, 2021
Date of the meeting of the Board of Directors	April 9, 2021
Total number of shares granted	**271,497**
Number of shares vesting at December 31, 2023	(69,754)
Aggregate number of shares that have lapsed or been cancelled	-
Remaining shares at December 31, 2023	**201,743**

NOTE 6 OTHER INCOME, CHARGES AND CURRENT EXPENSES

Accounting policy

Other income and expenses are those arising from the Group's operating activities that are not received or incurred as part of the direct production process or sales activity. These 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)	2023	2022
Depreciation and amortization charges	(247,870)	(226,286)
Depreciation and amortization charges for right of use related to leases	(51,972)	(54,363)
Provision expenses	(7,153)	(5,006)
OPERATING DEPRECIATION, AMORTIZATION AND PROVISIONS	**(306,995)**	**(285,655)**
Disposal of assets	5,068	5,278
Income from investment properties and asset leases	7,581	7,161
Operating grants	3,788	3,447
Others	14,302	11,188
OTHER ORDINARY INCOME (EXPENSES)	**30,740**	**27,074**

NOTE 7 NON-ORDINARY INCOME (EXPENSES)

Accounting policy

These are income and expenses generated by non-recurring events in the performance of the Group. In this caption are included, for example, capital gains or losses on the sale of significant and unusual assets, impairment as well as certain restructuring charges.

(in thousands of euros)	2023	2022
Non-ordinary income (expenses)(1)	4,870	6,270
Non-ordinary depreciation, amortization and provisions(2)	(22,243)	(13,007)
TOTAL	**(17,373)**	**(6,737)**

(1) Mainly including, at December 31, 2023, income from the sale of land in Switzerland and a €(1.2) million expense (income of €11.8 million at December 31, 2022) 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) Mainly including at December 31, 2023, the impairment of certain Egyptian transactions for €(13.4) million and a reversal of provisions for risks and charges at Ciplan of €1.2 million for which the company received a firm and irrevocable guarantee from its non-controlling shareholder (allocation to provisions of €(11.8) million at December 31, 2022) for indemnifiable disputes provisioned and relating to the period before Vicat's acquisition (note 11.2)

NOTE 8 FINANCIAL INCOME (EXPENSES)

(in thousands of euros)	2023	2022
Interest income from financing and cash management activities	49,963	30,083
Interest expense from financing and cash management activities	(87,199)	(66,767)
Interest expense from lease liabilities	(9,630)	(9,159)
Change in fair value of derivatives	(3,951)	14,688
Cost of financial debt	**(50,817)**	**(31,155)**
Dividends	1,437	985
Foreign exchange gains	24,067	16,819
Reverse of provision on financial assets	293	1,467
Disposal of financial assets	-	99
Other income	11,977	12,530
Other financial income	**37,773**	**31,900**
Foreign exchange losses	(32,547)	(24,482)
Impairment on financial assets	(12,866)	(4,282)
Discounting expenses	(4,227)	(3,613)
Net monetary gains (losses) (IAS 29)	(2,396)	(12,317)
Other expenses	(7,330)	(5,973)
Other financial expenses	**(59,367)**	**(50,666)**
FINANCIAL INCOME (EXPENSES)	**(72,411)**	**(49,921)**

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.

Pursuant to the new amendment on deferred tax assets and liabilities arising from a single transaction, for example leases, an analysis of the impact was done for rights of use generating deferred tax liabilities and lease liabilities generating deferred tax assets.

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 charge

(in thousands of euros)	2023	2022
Current taxes	(86,451)	(58,257)
Deferred taxes	28,680	(6,803)
TOTAL	**(57,771)**	**(65,060)**

Following the adoption of hyperinflationary rules by Turkey's tax authorities at end-2023, all the tax bases were revalued to offset the inflationary effect. This revaluation gave rise to the recognition in the Group's income statement of a deferred tax asset, arising in particular from property, plant and equipment, of 760 million Turkish Lira (€23 million).

In Brazil, following the approval of the merger between one of the Group's Brazilian holding companies and Ciplan, the fair value allocated to the assets identified on the 2019 acquisition may be deducted from the tax base for the purpose of calculating the profits of the surviving entity (Ciplan). As a result, tax liabilities that were initially deferred were recognized in the income statement for an amount of 98 million Brazilian reals (€18.1 million).

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)	2023	2022
Net earnings from consolidated companies	285,199	162,747
Income tax	57,771	65,060
Profit (loss) before tax	342,970	227,807
Theoretical tax rate	25.8%	25.8%
Theoretical income tax expense at the parent company rate	**(88,589)**	**(58,843)**
Reconciliation:		
France/Foreign jurisdictions spreads[1]	4,036	195
Transactions at specific rates	(2,072)	(1,089)
Revaluation of deferred tax assets or liabilities/change in rates	23,418	(2)
Permanent differences	(3,683)	(343)
Tax credits	833	648
Others[2]	8,286	(5,626)
INCOME TAX EXPENSES	**(57,771)**	**(65,060)**

(1) Differences between French and foreign tax rates relate mainly to Switzerland and the United States.

(2) Mainly including at December 31, 2023:

- *the adjustment relating to the deductibility of the assets identified on the acquisition of Ciplan;*
- *the impact of hyperinflation in Turkey.*

Change in deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
(in thousands of euros)	2023	2022	2023	2022
Deferred tax at January 1	**126,212**	**68,012**	**325,188**	**219,800**
Expense/income for the year	(1,651)	65,050	(30,231)	71,853
Deferred tax recognized in other comprehensive income	454	(7,502)	(4,899)	1,168
Changes in consolidation scope	1	-	1	17
Reclassification	(8,909)	(1,952)	(8,797)	(1,200)
Translation and other changes	(3,878)	2,604	(7,913)	33,550
DEFERRED TAX AT DECEMBER 31	**112,229**	**126,212**	**273,349**	**325,188**

Analysis of net deferred tax (expense)/income by principal category of timing difference

(in thousands of euros)	2023	2022
Tangible and intangible assets and right of use net	8,876	(54,780)
Financial instruments	5,992	(5,063)
Pensions and other post-employment benefits	11,085	(14,138)
Special tax depreciation, regulated provisions and other provisions	10,829	4,291
Other timing differences and tax loss carry-forwards	(2,751)	54,217
NET DEFERRED TAX INCOME/(EXPENSE)	**34,031**	**(15,473)**
■ *recognized in consolidated net income*	*28,680*	*(6,803)*
■ *recognized in other comprehensive income*	*5,351*	*(8,670)*

Source of deferred tax assets and liabilities

(in thousands of euros)	December 31, 2023	December 31, 2022
Tangible and intangible assets	214,132	211,040
Deferred tax assets on financial debt under IFRS 16	(46,180)	(47,881)
Deferred tax liabilities on rights of use under IFRS 16	38,701	40,482
Financial instruments	10,639	19,616
Pensions and other post-employment benefits	(29,660)	(10,979)
Special tax depreciation, regulated provisions and other provisions	9,279	25,262
Other timing differences, tax loss carry-forwards and miscellaneous	(35,791)	(38,564)
Net deferred tax liabilities	**161,120**	**198,976**
Deferred tax assets[1]	(112,229)	(126,212)
Deferred tax liabilities	273,349	325,188
NET BALANCE	**161,120**	**198,976**

(1) Deferred tax assets mainly stem from tax losses carried forward by the subsidiaries, the main contributor being the United States for €53 million.

Deferred tax assets not recognized in the financial statements

Unrecognized deferred tax assets amounted to €19.6 million at December 31, 2023 (€22.3 million at December 31, 2022).

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 industrial equipment.

The projected cash flows are calculated after tax on the basis of the following components that have been inflated and then discounted:

- EBITDA from the Long-Term Plan over the first five years, then projected to year 10;
- the sustaining capital expenditure;
- and the change in the Working Capital Requirement.

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 macroeconomic and industry sector data, approved or proposed climate regulations, changes likely to affect the competitive position, well-known and controlled technical improvements in the manufacturing "process" and expected developments in the cost of the main production factors contributing to the cost price of the products.

Cash flows before financial expenses but after tax are discounted at the weighted average cost of capital (WACC). The use of an after-tax rate results in the determination of recoverable amounts identical to those obtained using pre-tax rates with non-taxed cash flows. The discount rate is made per country, taking into account the cost of risk-free long-term money, market risk weighted by a sector volatility factor, a size-specific premium and a country risk premium reflecting the specific risks of the market in which the cash generating unit (CGU) in question operates.

When it is not possible to estimate the value in use of an isolated asset, it is assessed at the level of the cash generating unit that the asset is part of (defined by IAS 36 as the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets) insofar as the industrial sites or facilities, products and markets form a coherent whole.

The analysis was thus carried out for each geographical area/ market/business, and the cash-generating units were determined depending on the existence or not of vertical integration between the Group's activities in the area concerned.

These impairment tests are sensitive to the assumptions held for each cash-generating unit, mainly:

- the discount rate as previously defined;
- the inflation rate, which must reflect the selling price and expected future costs;
- the normalized EBITDA margin;
- the long-term investment rate;
- the growth rate to infinity.

Tests are conducted at each year-end on the sensitivity to an increase or decrease of one point in the discount rate and 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, 2023**	December 31, 2022
Opening balance	**1,204,814**	**1,157,232**
Changes in consolidation scope	(4,924)	37,587
Impairment	-	(380)
Change in translation effect	(14,864)	9,727
Other movements	-	649
CLOSING BALANCE	**1,185,026**	**1,204,814**

Goodwill is distributed as follows by cash-generating unit (CGU):

	December 31, 2023			December 31, 2022		
	Goodwill *(in thousands of euros)*	Discount rate after tax used for the impairment tests *(%)*	Growth rate to infinity used for the impairment tests *(%)*	Goodwill *(in thousands of euros)*	Discount rate after tax used for the impairment tests *(%)*	Growth rate to infinity used for the impairment tests *(%)*
India CGU	204,733	15.13%	5%	212,964	15.4%	5%
West Africa Cement CGU	147,908	13.4% to 21.52%	2% to 4%	151,193	13.9% to 23.3%	2% to 4%
France-Italy CGU	234,348	9.11%	1.5%	234,380	8.7%	2%
Switzerland CGU	148,765	9.67%	1.4%	145,011	9%	1.4%
Brazil CGU	166,958	13.49%	3%	158,762	13.9%	3%
United States CGU	128,362	8.91%	2%	132,861	8.7%	1.9%
Other CGUs cumulated	153,953	16.1% to 24.9%	2% to 7%	169,643	17.4% to 22%	2% to 6%
TOTAL	**1,185,026**			**1,204,814**		

	December 31, 2023	
	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
Impact on corresponding CGUs *(in thousand of euros)*	(12,247)	(1,025)

The impairment tests carried out in 2023 did not result in the recognition of any impairment of goodwill.

Sensitivity tests for a 1% change in the discount rate and a -1% change in the perpetual growth rate carried out at the balance sheet date resulted, in both cases, in the recoverable amount being less than their net carrying amount, principally for the two CGUs in the Mediterranean region.

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, 2022	**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	262	11,300	13,975	(10,700)	14,836
At December 31, 2022	**128,847**	**83,882**	**106,453**	**14,195**	**333,378**
Acquisitions	2,173	1,120	852	3,693	7,837
Disposals	(1)	(3,721)	(94)	(417)	(4,234)
Change in translation effect	934	742	245	297	2,217
Other movements[1]	(5)	4,273	(1,723)	(5,808)	(3,263)
AT DECEMBER 31, 2023	**131,948**	**86,295**	**105,733**	**11,959**	**335,935**

Depreciation and impairment *(in thousands of euros)*	Concessions, patents & similar rights	Software	Other intangible assets	Intangible assets in progress	Total
At January 1, 2022	**(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	-	(422)	(6,516)	-	(6,938)
At December 31, 2022	**(33,120)**	**(59,923)**	**(57,269)**	**-**	**(150,312)**
Increase	(1,836)	(7,307)	(3,906)	-	(13,050)
Decrease	1	3,547	-	-	3,548
Change in translation effect	246	(457)	1,104	-	893
Other movements[1]	2	(37)	(2,805)	-	(2,841)
AT DECEMBER 31, 2023	**(34,708)**	**(64,178)**	**(62,876)**	**-**	**(161,762)**
Net book value at December 31, 2022	95,727	23,959	49,185	14,195	183,066
NET BOOK VALUE AT DECEMBER 31, 2023	**97,240**	**22,117**	**42,857**	**11,959**	**174,173**

(1) Including the effect of the application of IAS 29 for €0.6 million.

Capitalized development costs in 2023 amounted to €0.6 million (€0.3 million at December 31, 2022).

Research and development costs booked as expenses amounted to €4.0 million at December 31, 2023 (€4.3 million at December 31, 2022).

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 specific useful life, starting at commissioning.

Quarries are depreciated on the basis of tonnage extracted during the year as a ratio of total estimated reserves.

Certain parcels of land owned by French companies acquired prior to December 31, 1976 were revalued, and the adjusted value was recognized in the financial statements, but without a significant impact on the lines concerned.

Interest expenses on borrowings incurred to finance the construction of facilities during the period prior to their commissioning are capitalized. Exchange rate differences arising from foreign currency borrowings are also capitalized inasmuch as they are treated as an adjustment to interest costs and within the limit of the interest charge which would have been paid on borrowings in local currency.

The main depreciation periods are presented below depending on the assets category:

	Cement assets	Concrete and Aggregates assets
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 values *(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, 2022	**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	76,630	401,824	(6,396)	(478,178)	(6,120)
Other movements	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**
Acquisitions	16,224	46,968	2,792	252,335	318,318
Disposals	(3,585)	(31,969)	(1,641)	(336)	(37,531)
Change in translation effect	(39,412)	(195,442)	(1,014)	(3,135)	(239,002)
Reclassification	86,854	91,519	18,364	(191,163)	5,575
Other movements[(1)]	43,956	160,721	4,087	5,980	214,745
AT DECEMBER 31, 2023	**1,618,534**	**4,047,068**	**154,117**	**377,340**	**6,197,060**

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, 2022	**(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	(39,412)	(284,008)	(6,724)	-	(330,144)
At December 31, 2022	**(752,611)**	**(2,584,977)**	**(92,442)**	**-**	**(3,430,029)**
Increase	(52,303)	(177,837)	(7,518)	-	(237,658)
Decrease	3,370	29,479	1,583	-	34,432
Change in translation effect	16,265	136,741	1,523	-	154,529
Reclassification	(16,088)	24,348	(9,470)	-	(1,210)
Other movements[(1)]	(16,136)	(115,562)	(3,031)	-	(134,729)
AT DECEMBER 31, 2023	**(817,503)**	**(2,687,807)**	**(109,356)**	**-**	**(3,614,666)**
Net book value at December 31, 2022	761,885	1,390,295	39,087	313,658	2,504,926
NET BOOK VALUE AT DECEMBER 31, 2023	**801,032**	**1,359,261**	**44,762**	**377,340**	**2,582,394**

(1) Including the effect of the application of IAS 29 for €73.3 million

At December 31, 2023, property, plant and equipment under construction amounted to €362 million (€285 million as at December 31, 2022) and advances/down payments on property, plant and equipment represented €16 million (€29 million as at December 31, 2022). Contractual commitments to acquire property, plant and equipment and intangible assets amounted to €128 million (€243 million as at December 31, 2022).

Capitalized interest amounted to €8.0 million (€7.2 million as at December 31, 2022).

10.4 Rights of use relating to leases

Accounting policy

Leases, with the exception of those falling within the scope of the exemptions provided for by IFRS 16, are recognized in the balance sheet, when the asset underlying the lease becomes available, as a right-to-use asset and a liability representing the lease payments. The service component of the lease, and in particular that relative to transportation, is identified during the analysis and treated separately from the lease component. Contracts giving the lessee the right to control the use of an identified asset for at least 12 months 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 thousand or equivalent);
- payments relating to the service component of the lease when this is identical and measurable;
- payments related to leases of intangible assets, which are very small in number.

Lease payments for these contracts or components of leases are recognized as operating expenses for the term of the lease.

The lease term is the non-cancellable contractual period plus, where applicable, extension options considered reasonably certain to be exercised (extension options being exercised during the period or those that the Group has a statistical track record of exercising).

The definition of this enforceable duration takes into account both contractual and economic aspects to the extent that the existence of significant penalties in the event of the lessee's termination are analyzed for each contract.

The rights of use related to leases initially include the lease liability, the initial direct costs, prepaid rents and the estimate of the costs of dismantling or restoring the assets provided for in the contract, and exclude any service component. They are depreciated in accordance with IAS 16 "Property, Plant and Equipment" over the shorter of the lease term and the useful life of the underlying asset, and if necessary impaired in accordance with IAS 36 "Impairment of Assets".

After initial recognition, the right of use related to leases is reported at cost less accumulated depreciation and any impairment losses.

Lease payments are recognized by applying IFRS 16 with a resulting depreciation charge and interest expense taken to the income statement.

The tax impact of the application of IFRS 16 results in recognition of deferred taxes on the right of use and the corresponding lease liability.

Assumptions, estimates and judgements

The lease liability is initially measured at the present value of future payments, which include the present value of fixed and variable lease payments, if they are subject to an index or rate, and estimated expected payments at the end of the contract, such as the residual value guarantee and the 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 site vehicles, 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, leases also concern machinery, equipment and IT equipment.

Gross values *(in thousands of euros)*	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Total
At January 1, 2022	**92,337**	**82,711**	**146,473**	**57,850**	**379,371**
Acquisitions/Additions	7,384	4,327	31,339	12,734	55,783
Decrease	(5,775)	(601)	(37,987)	(10,705)	(55,068)
Change in translation effect	1,118	637	657	405	2,817
Other movements	572	249	(2,289)	(945)	(2,412)
At December 31, 2022	**95,635**	**87,322**	**138,193**	**59,340**	**380,491**
Acquisitions/Additions	5,950	8,692	25,138	9,085	48,865
Decrease	(1,795)	(22,673)	(22,079)	(10,721)	(57,268)
Change in translation effect	(1,002)	(505)	(1,066)	566	(2,007)
Other movements	(142)	(80)	(50)	(120)	(392)
AT DECEMBER 31, 2023	**98,646**	**72,756**	**140,137**	**58,149**	**369,688**

Depreciation and impairment *(in thousands of euros)*	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Total
At January 1, 2022	**(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
Change in translation effect	(81)	(348)	(1,272)	(231)	(1,931)
Other movements	(316)	(220)	3,151	413	3,029
At December 31, 2022	**(35,008)**	**(54,534)**	**(73,182)**	**(24,645)**	**(187,368)**
Increase	(6,670)	(6,757)	(25,384)	(13,514)	(52,325)
Decrease	1,175	21,486	19,280	10,633	52,573
Change in translation effect	512	325	288	(284)	841
Other movements	303	581	1,046	77	2,007
AT DECEMBER 31, 2023	**(39,689)**	**(38,899)**	**(77,951)**	**(27,733)**	**(184,272)**
Net book value at December 31, 2022	60,627	32,788	65,012	34,695	193,122
NET BOOK VALUE AT DECEMBER 31, 2023	**58,956**	**33,857**	**62,185**	**30,416**	**185,416**

Most of the 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, 2022	**59,681**	**(27,463)**	**32,218**
Acquisitions/Additions	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**
Acquisitions/Additions	403	(734)	(331)
Disposals/Decreases	(2,610)	42	(2,568)
Change in translation effect	2,149	(674)	1,475
Changes in consolidation scope and other	6	-	6
AT DECEMBER 31, 2023	**66,182**	**(35,477)**	**30,706**
Fair value of investment properties at December 31, 2022			97,821
FAIR VALUE OF INVESTMENT PROPERTIES AT DECEMBER 31, 2023			**96,364**

The rental income from investment properties recognized under "Other ordinary income and expenses" (see note 6) amounted to €3.9 million at December 31, 2023 (€3.8 million at December 31, 2022).

NOTE 11 JOINT VENTURES AND OTHER NON-CURRENT ASSETS

11.1 Investments in associated companies

(in thousands of euros)	December 31, 2023	December 31, 2022
Opening	**80,804**	**92,774**
Earnings from associated companies	10,129	12,697
Dividends received from investments in associated companies	(7,489)	(7,057)
Changes in consolidation scope	231	23,678
Change in translation effects and other[1]	1,186	(41,288)
CLOSING	**84,861**	**80,804**

(1) The equity investments held in the Sinaï White Cement company were the subject of a sale agreement which should be concluded in 2024. In accordance with IFRS 5, the shares in this equity affiliate have been reclassified as "Assets held for sale" for an amount of €17 million.

11.2 Receivables and other non-current assets

(in thousands of euros)	Gross value	Impairment	Net book value
At January 1, 2022	**252,171**	**(32,930)**	**219,241**
Acquisitions/Additions	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)
Others	44,796	(1)	44,795
At December 31, 2022	**314,806**	**(45,155)**	**269,651**
Acquisitions/Additions	16,559	(20,889)	(4,330)
Disposals/Decreases	(1,190)	-	(1,190)
Change in translation effect	4,743	(2,534)	2,210
Changes of other items in other comprehensive income	418	(1,991)	(1,573)
Others	(29,895)	6,939	(22,956)
AT DECEMBER 31, 2023	**305,441**	**(63,630)**	**241,811**
Of which investments in subsidiaries & affiliated companies	*64,089*	*(16,556)*	*47,533*
Of which loans and receivables[(1)(2)]	*226,526*	*(47,074)*	*179,451*
Of which financial instruments (see note 16.1.1)	*14,827*	-	*14,827*
AT DECEMBER 31, 2023	**305,441**	**(63,630)**	**241,811**

(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 €41.4 million at end-December 2023 (€40.8 million at end-December 2022) for the same amount as provisions for indemnifying claims (see note 15.2).

(2) Bharathi Cement:

At December 31, 2023, €33.0 million (including interest) recorded in "Other non-current receivables", is the subject of two provisional attachments on the bank accounts of an Indian company in the Group, Bharathi Cement, as part of a preliminary investigation by the administrative and judicial authorities into events before Vicat entered its capital.

For reference, the Group's partner in Bharathi Cement is the focus of an inquiry by the CBI (Central Bureau of Investigation) regarding the source and growth of his assets. In connection with this inquiry, the CBI filed 14 charge sheets in September 2012 and over the course of 2013, presenting its allegations. Among these, four also involve Bharathi Cement (the CBI is interested in determining whether the investments made in this company by Indian investors were carried out in good faith in the ordinary course of business and if the mining concession was granted in accordance with regulations).

The proceedings initially led, in 2015, to a precautionary seizure by the Enforcement Directorate of INR 950 million (approximately €12 million) on a bank account held by Bharathi Cement. A provisional seizure of INR1,530 million (approximately €19 million at the time) 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 appealed to the Indian Supreme Court, which rejected the appeal and sent the case back to the Hyderabad Court of Justice, ordering the Enforcement Directorate to return the bank guarantee.

The provisional attachments do not prejudice the merits of the case (CBI investigation) which is still under review and has not at this point led to a charge. The Company has no reason to think there is any probable or measurable financial risk.

Given how long the proceedings, started in 2012, are taking, the receivable related to these precautionary seizures was reclassified at end-2018 as "Other non-current receivables" (see note 12.3).

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), that provides more reliable and relevant financial information to reflect the business model of allowances, 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 currently only has the allowances allocated free of charge by the French State under National Allowance Allocation Plans, applying these rules means they are recognized as inventories with a value of zero. 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, 2023			December 31, 2022		
(in thousands of euros)	**Gross**	**Provisions**	**Net**	Gross	Provisions	Net
Raw materials and consumables	443,807	(28,858)	414,949	448,837	(28,659)	420,178
Work-in-progress, finished goods and goods for resale	159,957	(6,200)	153,756	145,247	(4,630)	140,617
TOTAL	**603,764**	**(35,059)**	**568,705**	**594,084**	**(33,289)**	**560,795**

Surplus CO_2 emissions allowances received free of charge under the ETS program are recorded under inventories at a zero value (corresponding to 4,653 thousand metric tons at the end of 2023 and 4,657 thousand metric tons at the end of 2022).

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 accounts	Provisions for trade and other accounts	Net trade and other accounts
At January 1, 2022	**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**
Increase	-	(4,821)	(4,821)
Reversal of provisions used	-	5,478	5,478
Change in translation effect	(31,666)	831	(30,835)
Changes	58,001	(54)	57,948
AT DECEMBER 31, 2023	**515,652**	**(23,666)**	**491,986**
Of which past due:			
■ *less than 3 months*	*104,295*	*(1,102)*	*103,193*
■ *over 3 months*	*26,394*	*(13,310)*	*13,084*
Of which not past due:			
■ *less than 1 year*	*383,053*	*(7,528)*	*375,525*
■ *more than 1 year*	*1,910*	*(1,726)*	*184*
AT DECEMBER 31, 2023	**515,652**	**(23,666)**	**491,986**

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

During Q4 2023, the Group assigned without recourse receivables amounting to €72 million (€75 million in 2022). This assignment relates to receivables held by French Group companies. In accordance with IFRS 9, the related receivables are deconsolidated insofar as the contractual conditions agreed with the factor record the transfer of the cash flows to the factor and the transfer of almost 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, 2022	**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**
Increase	-	-	347	(5,742)	(5,394)
Reversal of provisions used	-	-	(2,224)	59	(2,165)
Change in translation effect	(2,427)	10	(5,201)	9	(7,610)
Other movements	18,017	(174)	(13,877)	-	3,965
AT DECEMBER 31, 2023	**78,815**	**4,038**	**117,439**	**(6,805)**	**193,487**
Of which past due:					
■ *less than 3 months*	*1,777*	*668*	*6,974*	*(34)*	*9,385*
■ *over 3 months*	*2,092*	*12*	*5,564*	*(3,755)*	*3,913*
Of which not past due:					
■ *less than 1 year*	*61,927*	*3,357*	*90,831*	*(3,012)*	*153,103*
■ *more than 1 year*	*13,018*	*-*	*14,073*	*(5)*	*27,086*
AT DECEMBER 31, 2023	**78,813**	**4,037**	**117,443**	**(6,806)**	**193,487**

NOTE 13 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, 2023**	December 31, 2022
Cash	100,407	111,376
Marketable securities and term deposits < 3 months	393,140	392,221
Cash and cash equivalents	**493,547**	**503,597**
Bank overdrafts	(54,315)	(32,251)
NET CASH AND CASH EQUIVALENTS	**439,232**	**471,347**

NOTE 14 SHARE CAPITAL

Accounting policy

Treasury shares

In compliance with IAS 32, Vicat treasury shares are deducted from shareholders' equity.

The Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares with a nominal value of €4 each, including 517,713 treasury shares as at December 31, 2023 (642,739 as at December 31, 2022) 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 shareholder's option. Voting rights attached to shares are proportional to the share of the capital which they represent and each share gives the right to one vote, except in the case of fully paid-up shares registered for at least four years in the name of the same shareholder, to which two votes are assigned.

The dividends paid in 2023 and 2022 in respect of the 2022 and 2021 financial years amounted to €1.65 per share, totaling €74,085 thousand. The dividend proposed by the Board of Directors to the Ordinary General Meeting for 2023 amounts to €2 per share, totaling €89,800 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.

As at December 31, 2023, the liquidity account was composed of: 34,117 Vicat shares and €1,197 thousand.

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.

Assumptions, estimates 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, 2023**	December 31, 2022
Pension plans and termination benefits (TB)	39,266	37,543
Other benefits	48,779	48,812
Total pension and other post-employment benefit provisions	**88,045**	**86,355**
Plan assets	-	-
NET LIABILITY	**88,045**	**86,355**

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.
- **United States:** 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.
- **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 €10 million in contributions will be paid into the plans over the coming year.

Assets and liabilities recognized in the balance sheet

	December 31, 2023			December 31, 2022		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Present value of funded liabilities	389,758	49,203	438,961	362,448	48,812	411,260
Fair value of plan assets	(409,912)	-	(409,912)	(388,168)	-	(388,168)
Net liability before asset ceiling	**(20,155)**	**49,203**	**29,049**	**(25,720)**	**48,812**	**23,092**
Limit on recognition of plan assets (asset ceiling)	58,996	-	58,996	63,263	-	63,263
NET LIABILITY	**38,841**	**49,203**	**88,045**	**37,543**	**48,812**	**86,355**

Analysis of net annual expense

	2023			2022		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Current service costs	(8,373)	(1,420)	(9,793)	(10,042)	(2,683)	(12,725)
Financial cost	(12,308)	(2,434)	(14,743)	(4,415)	(2,010)	(6,425)
Interest income on assets	10,323	-	10,323	2,946	-	2,946
Curtailments and settlements	(629)	(13)	(642)	(632)	-	(632)
Total Expense with income statement impact	**(10,987)**	**(3,868)**	**(14,855)**	**(12,143)**	**(4,694)**	**(16,836)**
Actuarial gains and losses on plan assets	17,446	-	17,446	(39,940)	-	(39,940)
Experience adjustments	(2,627)	1,219	(1,408)	(21,644)	3,161	(18,483)
Adjustments related to demographic assumptions	58	-	58	1,049	(327)	722
Adjustments related to financial assumptions	(19,659)	(1,394)	(21,053)	71,355	16,995	88,350
Total charge with impact on other comprehensive income	**(4,783)**	**(175)**	**(4,958)**	**10,820**	**19,829**	**30,649**
TOTAL EXPENSE FOR THE YEAR	**(15,770)**	**(4,043)**	**(19,813)**	**(1,323)**	**15,135**	**13,813**

Change in financial assets used to fund the plans

Pension plans and post employment benefits *(in thousands of euros)*	2023	2022
Fair value of assets at January 1	**388,168**	**407,531**
Interest income on assets	10,323	2,946
Contributions paid in	12,018	11,026
Translation differences	19,550	20,093
Benefits paid	(28,230)	(20,129)
Actuarial gains (losses)	8,083	(33,299)
FAIR VALUE OF ASSETS AT DECEMBER 31	**409,912**	**388,168**

Analysis of plan assets by type and country at December 31, 2023

Breakdown of plan assets	France	Switzerland	United States	India	Total
Cash and cash equivalents	-	1.4%	-	-	5,025
Equity instruments	-	25.6%	-	-	91,877
Debt instruments	-	30.0%	-	-	107,667
Real estate assets	-	29.0%	-	-	104,079
Assets held by insurers	96.5%	-	103.3%	80.5%	2,340
Others	-	27.6%	-	-	98,924
TOTAL	**96.5%**	**113.6%**	**103.3%**	**80.5%**	**409,912**
PLAN ASSETS *(in thousands of euros)*	**26**	**359,062**	**48,679**	**2,146**	**409,912**

Change in net liability

	2023			2022		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Net liability at January 1	**37,543**	**48,812**	**86,355**	**44,579**	**63,231**	**107,810**
Charge for the year	15,770	4,043	19,813	1,323	(15,135)	(13,813)
Contributions paid in	(7,477)	-	(7,477)	(6,589)	-	(6,589)
Translation differences	(2,250)	(1,719)	(3,969)	199	3,921	4,120
Benefits paid by employer	(3,256)	(2,420)	(5,676)	(2,008)	(2,984)	(4,992)
Others	(1,065)	63	(1,002)	39	(220)	(181)
NET LIABILITY AT DECEMBER 31	**39,266**	**48,779**	**88,045**	**37,543**	**48,812**	**86,355**

Principal actuarial assumptions	France	Europe (excluding France)	United States	Turkey and India	West Africa & the Middle East
Discount rate					
2023	3.3%	1.5% to 4%	5.0%	7.3% to 18%	5% to 26%
2022	3.8%	2.3% to 3.5%	5.3%	7.4% to 10%	18.0%
Rate of increase in medical costs					
2023	-	-	7.52% to 4.5%	-	-
2022	-	-	6.84% 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 obligation at the end of 2023 corresponding to a variation of +/-50 basis points in the discount rate is €(23.7) million and +€26.2 million, respectively.

The sensitivity of the obligation at the end of 2023 corresponding to a change of +/-1% in the rate of increase of medical costs is €(5.3) million and +€6.4 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 an event prior to the closing date which would lead to an outflow of resources without corresponding inflow after the closing date, and which can be reliably estimated.

Other provisions include, notably, provisions for site reinstatement, which are set aside progressively as quarries are used and include the projected costs related to the Group's obligation to reinstate such sites.

In accordance with IAS 37, provisions are discounted when the impact is significant. The effects of this discounting are recorded under Net financial income.

(in thousands of euros)	Restoration of sites	Dismantling	Other risks(1)	Other expenses	Total
At January 1, 2022	**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**
Increase	3,815	-	13,304	14,524	31,644
Reversal of provisions used	(2,363)	(65)	(9,678)	(1,195)	(13,300)
Reversal of unused provisions	-	-	-	(335)	(335)
Change in translation effect	2,537	28	852	(687)	2,731
Other movements	94	-	(493)	(94)	(493)
AT DECEMBER 31, 2023	**68,590**	**463**	**66,117**	**21,058**	**156,229**
of which less than one year	*33*	*-*	*6,851*	*15,059*	*21,943*
of which more than one year	*68,558*	*463*	*59,266*	*5,999*	*134,286*

Impact (net of expenses incurred) on the income statement at December 31, 2023	Increase	Reversals unused
Operating income (expenses)	22,514	-
Non-operating income (expenses)	9,130	(335)

(1) At December 31, 2023, other risks included:

- *the provisions recognized in Ciplan's (Brazil) financial statements for a total amount of €38.8 million (€35.2 million at December 31, 2022) which mainly concern:*
  - *tax disputes pertaining to matters dating prior to the acquisition, primarily the tax assessments for the 2014 to 2018 financial years (€14.2 million) and discussions surrounding the unconstitutionality of the PIS rate hike (€8.9 million), covering 1999 to 2004 (€23.1 million),*
  - *industrial relations and labor tribunal disputes following the departure of former employees (€2.2 million),*
  - *civil litigation involving fines and claims challenged by the company (€1.5 million),*
  - *a mining dispute (€11.9 million).*

  At the time of its acquisition by the Vicat Group, Ciplan received a firm and irrevocable guarantee from its Brazilian partners for all litigation or future litigation relating to the period prior to the acquisition. This guarantee is recognized in other non-current assets for €41.4 million (see note 11.2), on the one hand, in respect of indemnifiable claims accounted for as a provision amounting to €37.0 million (€34.1 million as at December 31, 2022) and, on the other hand, in respect of a tax recorded as tax debts at more than one year (€4.5 million);
- *an amount of €14.6 million (€13.9 million as at December 31, 2022) corresponding mainly to the estimated amount of the deductible 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 €12.7 million as at December 31, 2023 (€13 million as at December 31, 2022) 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, 2023 break down as follows:

(in thousands of euros)	December 31, 2023	December 31, 2022
Financial liabilities at more than one year	1,401,696	1,658,657
Put options at more than one year	14,877	14,116
Lease liabilities at more than one year	155,718	161,045
Financial liabilities and put options at more than one year	**1,572,290**	**1,833,817**
Financial instrument assets at more than one year - see note 11	(14,827)	(37,571)
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENTS ASSETS AT MORE THAN ONE YEAR	**1,557,463**	**1,796,246**
Financial liabilities at less than one year	335,956	242,161
Lease liabilities at less than one year	45,153	47,537
Financial liabilities and put options at less than one year	**381,109**	**289,698**
Financial instrument assets at less than one year[1]	(8,491)	(1,527)
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENTS ASSETS AT LESS THAN ONE YEAR	**372,618**	**288,171**
Total financial liabilities net of financial instrument assets[1]	1,915,205	2,070,302
Total put options	14,877	14,116
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENTS ASSETS	**1,930,081**	**2,084,417**

(1) As at December 31, 2023, financial instrument assets (€23.3 million as at December 31, 2023) are presented either under non-current assets (see note 11.2), if their maturity is more than one year (€14.8 million at December 31, 2023) or under other receivables, if their maturity is less than one year (€8.5 million at December 31, 2023).

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, 2022	**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)
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**
Issues	164,010	-	43,955	6,067	-	4,909	218,941
Repayments	(264,082)	-	(15,500)	(65,111)	-	(35,835)	(380,530)
Change in translation effect	10,152	-	(942)	(26,249)	(1)	(497)	(17,537)
Other movements	(166,279)	22,744	(32,840)	179,089	(6,963)	29,038	24,789
AT DECEMBER 31, 2023	**1,416,572**	**(14,827)**	**155,718**	**335,956**	**(8,491)**	**45,153**	**1,930,081**

(in thousands of euros)	December 31, 2023	December 31, 2022
Gross indebtedness	1,915,205	2,070,302
Cash and cash equivalents (see note 13)	(493,547)	(503,597)
NET FINANCIAL DEBT	**1,421,658**	**1,566,705**

16.1.1 Financial liabilities

Analysis of financial liabilities by category and maturity

At December 31, 2023 *(in thousands of euros)*	Total	2024	2025	2026	2027	2028	More than 5 years
Bank borrowings and financial liabilities	1,613,499	233,105	213,222	145,751	30,421	451,229	539,769
Of which financial instrument assets	*(23,318)*	*(8,491)*	-	*(2,991)*	*(10,454)*	-	*(1,382)*
Of which financial instrument liabilities	-	-	-	-	-	-	-
Miscellaneous borrowings and financial liabilities	21,289	15,061	3,650	572	741	741	524
Lease liabilities	200,870	45,153	49,439	21,885	14,591	10,828	58,975
Current bank lines and overdrafts	79,547	79,547	-	-	-	-	-
FINANCIAL LIABILITIES	**1,915,205**	**372,866**	**266,311**	**168,208**	**45,753**	**462,799**	**599,268**
of which commercial paper	*405,500*	-	-	-	-	*405,500*	-

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*	-	-	-

Financial liabilities due in less than one year are mainly composed of the *Schuldschein* loan in France, bilateral facilities in West Africa, 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	Proceeds	Repayments	Translation effect	Other movements	Total
Financial debts 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 debts 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**
Financial debts and put options > 1 year	1,672,772	164,010	(264,082)	10,152	(166,279)	1,416,572
Financial instrument assets > 1 year	(37,571)	-	-	-	22,744	(14,827)
Lease liabilities > 1 year	161,045	-	(15,500)	(942)	11,115	155,718
Financial debts and put options < 1 year	242,161	6,067	(65,111)	(26,249)	179,089	335,956
Financial instrument assets < 1 year	(1,527)	-	-	(1)	(6,963)	(8,491)
Lease liabilities < 1 year	47,537	-	(35,835)	(497)	33,948	45,153
AT DECEMBER 31, 2023	**2,084,418**	**170,077**	**(380,530)**	**(17,537)**	**73,653**	**1,930,081**

Characteristics of borrowings and financial debts (currencies and interest rates)

By currency (net of currency swaps) *(in thousands of euros)*	December 31, 2023	December 31, 2022
Euro	1,358,281	1,624,715
US dollar	37,609	38,201
Turkish lira	14,708	58,426
CFA Franc	185,391	124,571
Swiss franc	212,451	103,943
Mauritanian ouguiya	70	5,274
Egyptian pound	25,228	30,364
Indian rupee	31,046	34,288
Kazakh tenge	180	288
Brazilian real	50,242	50,231
TOTAL	**1,915,205**	**2,070,302**

By interest rate *(in thousands of euros)*	December 31, 2023	December 31, 2022
Fixed rate	982,963	1,020,965
Floating rate	932,242	1,049,336
TOTAL	**1,915,205**	**2,070,302**

The average interest rate on gross debt at December 31, 2023 was 3.97%, up from 3.56% at December 31, 2022. The average maturity of the debt at December 31, 2023 was 5.4 years (4.9 years at December 31, 2022).

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 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, 2023, 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 €14.9 million at December 31, 2023, 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 business models.

All acquisitions and disposals of financial assets are recorded at the transaction date.

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 and no instrument is held for speculative ends.

Hedge accounting for an asset/liability/firm commitment or cash flow is applicable if:

- the hedging relationship is formally designated and documented at its date of inception;
- the effectiveness of the hedging relationship is demonstrated at the inception and then by the regular assessment and correlation between the changes in the market value of the hedging instrument and the market value of the hedged item. The ineffective portion of the hedging instrument is always recognized in the income statement.

Derivative instruments may be designated as hedging instruments, depending on the type of hedging relationship:

- fair value hedging is hedging against exposure to changes in the fair value of a booked asset or liability, or of an identified part of that asset or liability, attributable to a particular risk, for instance interest rate or exchange risks, which would affect the net income presented;
- cash flow hedging is hedging against exposure to changes in cash flow attributable to a particular risk, associated with a recorded asset or liability or with a scheduled transaction (e.g. expected sale or purchase or "highly probable" future transaction), which would affect the net income presented.

The application of hedge accounting has the following impact:

- 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.

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, 2023:

(in thousands of euros)	USD	EUR	CHF
Assets	142,262	113,000	-
Liabilities and contracted commitments	(164,753)	(127,189)	(6,143)
Net position before risk management	**(22,491)**	**(14,189)**	**(6,143)**
Hedging instruments	7,090	2,666	1,280
Net position after risk management	**(15,401)**	**(11,523)**	**(4,863)**

Interest rate risk

Floating rate debt is hedged through the use of caps on original maturities of one, five, seven and ten years.

The Group is exposed to an interest rate risk on its financial assets and liabilities and its cash. This exposure corresponds to the price risk for fixed-rate assets and liabilities, and cash flow risk related to floating-rate assets and liabilities.

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

(in thousands of euros)	Impact on income before tax(1)	Impact on shareholders' equity (excluding impact on earnings) before tax(2)
Impact of a +100 bps. change in the interest rate	(5,463)	(223)
Impact of a -100 bps. change in the interest rate	5,646	222

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

Liquidity risk

The Group completed the early refinancing of its liquidity facilities that were set to mature at the end of 2024 and the start of 2025.

In particular, the Group refinanced its syndicated loan and increased the amount of the loan from €550 million to €600 million, and also refinanced and increased its bilateral bank facilities from €240 million to €280 million. All these facilities have a term of five years and may be renewed twice for a term of one year.

These new facilities, which are in the "Sustainability-Linked Loan" format, are aligned with the Vicat Group's 2030 decarbonation targets.

At the same time, the group has an additional €20 million two-year liquidity facility in place, which is not covered by this renewal.

As at December 31, 2023, the group had €683 million in unutilized confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€400 million as at December 31, 2022).

The Group also has a program for issuing commercial paper totaling €550 million, €405.5 million of which had been drawn down as of December 31, 2023. Commercial papers which constitute short-term credit instruments are backed by lines of credit confirmed for the issued amount and are treated as such in medium-term financial debts in the consolidated balance sheet.

Unused confirmed lines of credit are used to cover the risk of the Group's inability to issue commercial paper on the market, for an amount corresponding to the notes issued, i.e. €550 million as of December 31, 2023.

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 the 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 (47.13%) and leverage (1.92) 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, 2023, 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 2023:

(in thousand units in stated currency)	Nominal value *(in foreign currency)*	Nominal value *(in euros)*	Market value *(in euros)*	Residual maturity < 1 year *(in euros)*	Residual maturity 1 - 5 years *(in euros)*	Residual maturity > 5 years *(in euros)*
CASH FLOW HEDGES						
Interest rate instruments						
■ Euro Caps	€714,500	714,500	21,684	3,829	16,473	1,382
FOREIGN EXCHANGE INSTRUMENTS						
Hedging for foreign exchange risk on intra-group loans						
■ VAT $	$153,000	138,462	1,635	1,635	-	-
TOTAL	-	**852,962**	**23,319**	**5,464**	**16,473**	**1,382**

Under 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, 2023:

(in millions of euros)	**December 31, 2023**
Level 1: instruments quoted on an active market	–
Level 2: valuation based on observable market information	23.3
Level 3: valuation based on non-observable market information (see note 11)	47.5

NOTE 17 CURRENT LIABILITIES

17.1 Trade payables and related accounts

(in thousands of euros)	**December 31, 2023**	December 31, 2022
Opening	**540,374**	**459,647**
Changes	(12,222)	89,571
Change in translation effect	(25,632)	(8,821)
Changes in consolidation scope	481	3
Other movements	490	(27)
CLOSING	**503,490**	**540,374**

17.2 Other liabilities

(in thousands of euros)	**December 31, 2023**	December 31, 2022
Payroll liabilities	95,530	83,556
Tax liabilities	113,977	92,815
Other liabilities and accrued expenses	125,238	108,010
TOTAL	**334,745**	**284,381**

NOTE 18 CASH FLOWS

18.1 Net cash flows from operating activities

Net cash flows from operating activities conducted by the Group in 2023 totaled €609 million, compared with €357 million as at December 31, 2022.

This increase in cash flows generated by operating activities between 2023 and 2022 is mainly due to the change in cash flow from operations of €128 million (€589 million in 2023 compared with €461 million in 2022) and the €124 million positive change in the working capital requirement compared with 2022 (+€20 million in 2023 compared with €(104) million in 2022).

(in thousands of euros)	WCR at January 1, 2022	Change in WCR	Other changes	WCR at December 31, 2022	Change in WCR	Other changes	**WCR at December 31, 2023**
Inventories	429,243	138,032	(6,481)	560,794	29,252	(21,341)	568,705
Trade and other accounts	642,510	70,338	15,737	728,585	25,914	(55,340)	699,160
Trade and other accounts payable	(730,001)	(104,238)	17,128	(817,111)	(74,530)	58,145	(833,497)
WORKING CAPITAL REQUIREMENT	**341,752**	**104,132**	**26,384**	**472,268**	**(19,364)**	**(18,536)**	**434,368**

18.2 Net cash flows from investing activities

Net cash flows from investing activities conducted by the Group in 2023 were €(314) million, compared with €(478) million in 2022.

Acquisitions of property, plant and equipment and intangible assets

These reflect net outflows for industrial investments (€300 million in 2023 and €408 million in 2022) mainly corresponding, in 2023 and 2022, to investments made in the Senegal, France and the United States.

Acquisition/disposal of shares in consolidated companies

Operations for the acquisition/disposal of securities in consolidated companies carried out in 2023 resulted in total outflows of €(1) million. The main outflows over the period related to the acquisition of majority holdings in France.

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 region is means of assessing the financial nature and impact of economic environments in which the Group operates and reflects its matrix-based organization as well as the predominance of geographical aspects in the strategic analyses presented to the General Management. More concise additional information is presented per business sector.

The management indicators presented were adapted in order to be consistent with those used by the General Management, while complying with IFRS 8 disclosure requirements: Operating revenue and consolidated revenue, EBITDA and current EBIT, 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.

Information by business segment

December 31, 2023 *(in thousands of euros)*	Cement	Concrete and aggregates	Other Products and Services	Total
INCOME STATEMENT				
Operating revenue	2,526,061	1,509,753	452,810	4,488,623
Inter-segment eliminations	(372,898)	(40,139)	(138,391)	(551,429)
Consolidated revenue	2,153,163	1,469,613	314,418	3,937,195
EBITDA (see definition of management indicators)	543,665	169,257	26,827	739,749
Current EBIT (see definition of management indicators)	346,150	76,299	10,305	432,754
BALANCE SHEET				
Net capital employed[(1)]	3,069,937	1,036,210	130,827	4,236,974

December 31, 2022 *(in thousands of euros)*	Cement	Concrete and 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
Current 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

(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.

Breakdown by operating segment

Information relating to operating segment is presented according to the geographical location of the entities concerned.

December 31, 2023 *(in thousands of euros except headcount)*	France	Europe (excluding France)	Americas	Asia	Mediterranean	Africa	**Total**
INCOME STATEMENT							
Operating revenue	1,254,198	409,108	979,388	492,136	464,568	383,969	3,983,367
Inter-country eliminations	(43,295)	(2,200)		(138)	(332)	(206)	(46,172)
Consolidated revenue	1,210,903	406,908	979,388	491,997	464,235	383,763	3,937,195
EBITDA (see definition of management indicators)	211,799	101,495	215,867	88,281	67,833	54,473	739,749
Current EBIT (see definition of management indicators)	110,566	65,722	138,964	56,266	47,983	13,253	432,754
BALANCE SHEET							
Total non-current assets	953,523	677,400	1,338,651	619,128	346,569	661,345	4,596,617
Net capital employed(1)	865,312	590,591	1,086,306	613,359	396,668	684,737	4,236,974
OTHER INFORMATION							
Acquisitions of property, plant and equipment and intangible assets	130,503	27,168	74,372	8,823	22,554	112,002	375,423
Net depreciation and amortization charges	(99,801)	(35,935)	(75,214)	(32,192)	(20,373)	(36,327)	(299,842)
Average workforce as at December 31	3,279	710	2,293	1,202	1,448	971	9,903

(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.

December 31, 2022 *(in thousands of euros except headcount)*	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
Current 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 as at December 31	3,282	711	2,216	1,227	1,352	957	9,745

(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 COMPENSATION OF EXECUTIVES

In accordance with the provisions of article L. 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 2023 was as follows:

Guy Sidos: €1,743,350 and Didier Petetin: €570,874.

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, in 2023, Guy Sidos acquired 13,078 shares at a unit price of €27.25 and Didier Petetin acquired 823 shares at a unit price of €27.25.

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 PARTIES

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 significant 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 2023 and 2022 is as follows, broken down by type and by related party:

	December 31, 2023				December 31, 2022			
(in thousands of euros)	**Sales**	**Purchases**	**Receivables**	**Payables**	Sales	Purchases	Receivables	Payables
Associates	7,612	4,960	8,981	1,392	4,251	2,689	5,518	972
Other related parties	20	1,238	3	336	-	1,224	-	120
TOTAL	**7,632**	**6,198**	**8,984**	**1,728**	**4,251**	**3,913**	**5,518**	**1,092**

NOTE 21 AUDIT FEES

Fees paid to statutory auditors and other professionals in their networks as recognized in the financial statements of Vicat SA and its fully consolidated subsidiaries for 2023 are as follows:

2023	KPMG Audit		Wolff & associés		Others	
(in thousands of euros)	Amount (excl. tax)	%	Amount (excl. tax)	%	Amount (excl. tax)	%
AUDIT						
Certification of individual and consolidated financial statements	1,278	47%	505	18%	963	35%
■ Vicat SA	332	58%	240	42%	-	-
■ Controlled entities	946	44%	265	12%	963	44%
Services other than the certification of the financial statements	-	-	-	-	-	-
■ Vicat SA	-	-	-	-		-
■ Controlled entities	-	-	-	-	-	-
Subtotal Audit	**1,278**	**47%**	**505**	**18%**	**963**	**35%**
OTHER SERVICES						
Legal, tax, employment and other matters	-	-	-	-	120	100%
Subtotal Other services	**-**	**-**	**-**	**-**	**120**	**100%**
TOTAL	**1,278**	**45%**	**505**	**18%**	**1,083**	**38%**

NOTE 22 SUBSEQUENT EVENTS

No post-balance sheet event has had a significant impact on the consolidated financial statements as at December 31.

NOTE 23 LIST OF MAIN CONSOLIDATED COMPANIES AS AT DECEMBER 31, 2023

Fully consolidated: France

			% interest	
Company	Country	City	December 31, 2023	December 31, 2022
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 VICAT	France	L'Isle-d'Abeau	99.98	99.98
BÉTON TRAVAUX	France	L'Isle-d'Abeau	99.98	99.98
CENTRE D'ÉTUDE DES MATÉRIAUX ET DES BÉTONS	France	Fillinges	79.99	79.99
DELTA POMPAGE	France	Chambéry	99.98	99.98
GRANULATS VICAT	France	L'Isle-d'Abeau	99.98	99.98
PARFICIM	France	L'Isle-d'Abeau	100.00	100.00
SATMA	France	L'Isle-d'Abeau	100.00	100.00
SATM	France	Chambéry	99.98	99.98
SIGMA BÉTON	France	L'Isle-d'Abeau	99.99	99.99
VICAT PRODUITS INDUSTRIELS	France	L'Isle-d'Abeau	99.98	99.98

Fully consolidated: Rest of the world

Company	Country	City	% interest December 31, 2023	% interest December 31, 2022
CIPLAN	Brazil	Brasilia	76.18	76.18
VICAT BRASIL	Brazil	Brasilia	(1)	100.00
SINAÏ CEMENT COMPANY	Egypt	Cairo	67.18	67.18
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	Genoa	100.00	100.00
CIMENTS & MATÉRIAUX DU MALI	Mali	Bamako	94.90	94.90
GECAMINES	Senegal	Thiès	100.00	100.00
POSTOUDIOKOUL	Senegal	Rufisque (Dakar)	100.00	100.00
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
BETON AG BASEL	Switzerland	Basel	100.00	100.00
BETON AG INTERLAKEN	Switzerland	Interlaken (Bern)	75.42	75.42
BETONPUMPEN OBERLAND SA AARETAL	Switzerland	Wimmis (Bern)	82.46	82.46
EMME KIES + BETON AG	Switzerland	Lützelflüh (Bern)	66.67	66.67
FRISCHBETON AG ZUCHWIL	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 TUFFIERE 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 BETON JURA SA	Switzerland	Belprahon (Bern)	84.81	84.81
VIGIER BETON KIES SEELAND AG	Switzerland	Lyss (Bern)	100.00	100.00
VIGIER BETON MITTELLAND AG	Switzerland	Flumenthal (Solothurn)	100.00	100.00
VIGIER BETON ROMANDIE SA	Switzerland	St. Ursen (Fribourg)	100.00	100.00
VIGIER BETON SEELAND JURA AG	Switzerland	Safnern (Bern)	96.12	94.24
VIGIER CEMENT AG	Switzerland	Pery-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	Pery-la Heutte (Bern)	100.00	100.00
BASTAS BASKENT CIMENTO	Turkey	Ankara	91.60	91.60
BASTAS HAZIR BETON	Turkey	Ankara	91.60	91.60
BIKILTAS	Turkey	Konya	100.00	100.00
KONYA CIMENTO	Turkey	Konya	83.08	83.08
KONYA HAZIR BETON	Turkey	Konya	83.08	83.08
TAMTAS	Turkey	Ankara	100.00	100.00
MAURICIM	Mauritania	Nouakchott	100.00	100.00
BHARATHI CEMENT	India	Hyderabad	51.02	51.02
KALBURGI CEMENT	India	Hyderabad	99.99	99.99

(1) Entity merged in the 2023 financial year.

Equity method: France

Company	Country	City	% interest December 31, 2023	December 31, 2022
ALTèreNATIVE	France	L'Isle-d'Abeau	49.99	49.99
BIOVAL	France	L'Isle-d'Abeau	50.00	39.99
CARRIÈRES BRESSE BOURGOGNE	France	Épervans	33.28	33.28
DRAGAGES ET CARRIÈRES	France	Épervans	49.98	49.98
SABLIÈRES DU CENTRE	France	Les Martres-d'Artière	49.99	49.99
SCI ABBÉ CALÈS	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, 2023	December 31, 2022
HYDROELECTRA	Switzerland	Au (St. Gallen)	50.00	50.00
GRAVIÈRE DE LA-CLAIE-AUX-MOINES	Switzerland	Savigny	35.00	35.00
PROBETON	Switzerland	Vernier	50.20	50.20
VACARBO AG	Switzerland	Luterbach	50.00	-
VITO RECYCLING SA	Switzerland	Pery-la Heutte (Bern)	50.00	50.00
SILO TRANSPORT AG	Switzerland	Bern	50.00	50.00
SINAÏ WHITE CEMENT	Egypt	Cairo	17.06	17.06
PLANALTO	Brazil	Brasilia	37.33	37.33

7.1.3 Statutory auditors' report on the consolidated financial statements

Year ended December 31, 2023

To the annual general meeting 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, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023 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, 2023 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.821-53 and R.821-180 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, 2023 of €1,185 million, €174 million and €2,582 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 €33.0 million as at December 31, 2023 (€33,2 million as at December 31, 2022). 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 attest that the consolidated non-financial statement required by article L.225-102-1 of the French Commercial Code (code de commerce) is included in the Group's information given 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.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional 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 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, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 Decembre 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

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 41st year and 16th year of total uninterrupted engagement.

Responsibilities of Management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 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 to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 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 16, 2024	Chamalières, February 16, 2024
KPMG S.A.	**Wolff & Associés S.A.S.**
Philippe Massonnat	Grégory Wolff
Partner	*Partner*

7.2 SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2023

7.2.1 Vicat SA separate financial statements at December 31, 2023

Income statement

(in thousands of euros)	2023	2022
Sales of products	516,883	479,965
Sales of services	64,304	61,829
Sales of goods	1,128	1,753
Revenue	**582,314**	**543,548**
Stored production	3,284	6,360
Capitalized production	3,412	3,714
Operating Subsidy	1,012	546
Reversals of provisions, depreciation and amortization, expense transfers	4,289	5,453
Other income	6,005	5,197
Operating income	**600,316**	**564,817**
Purchases and external expenses	359,044	367,512
Taxes	15,314	13,767
Wages and payroll taxes	94,880	86,556
Depreciation expenses	36,784	35,695
Other operating expenses	1,402	1,810
Operating expenses	**507,424**	**505,341**
OPERATING INCOME (EXPENSE)	**92,892**	**59,476**
Income from investments in subsidiaries and affiliates	81,315	69,069
Other interest and similar income	42,981	20,175
Reversals of provisions and expense transfers	9,876	627
Positive exchange rate differences	6,969	952
Financial income	**141,141**	**90,822**
Depreciation, amortization and provisions	3,962	10,461
Interest and similar expenses	50,415	27,688
Negative exchange rate differences	7,573	495
Net expenses on disposal of short-term financial investments	-	-
Financial expenses	**61,950**	**38,644**
FINANCIAL INCOME	**79,191**	**52,179**
PROFIT FROM ORDINARY ACTIVITIES	**172,083**	**111,654**
Exceptional income on management transactions	-	4
Exceptional income on capital transactions	2,576	2,294
Reversals of provisions and expense transfers	10,044	9,760
Exceptional income	**12,620**	**12,058**
Exceptional expenses on management transactions	2	14
Exceptional expenses on capital transactions	3,301	3,714
Depreciation, amortization and provisions	18,077	18,408
Exceptional expenses	**21,381**	**22,135**
EXCEPTIONAL INCOME (EXPENSES)	**(8,761)**	**(10,077)**
Employee profit-sharing	3,716	2,379
Income tax	14,942	2,746
NET INCOME	**144,665**	**96,453**

Statement of financial position at December 31, 2023

(in thousands of euros)	2023 Gross	2023 Depreciation, amortization and impairment	2023 Net	2022
Development expenses	575	195	380	233
Concessions, patents, licenses and similar rights	54,750	37,430	17,320	17,459
Goodwill	7,747	1,678	6,070	6,123
Other intangible assets	5,264	680	4,585	6,147
Intangible assets	**68,337**	**39,983**	**28,354**	**29,962**
Land	75,228	16,318	58,911	61,889
Buildings	196,490	158,327	38,163	37,073
Plant, machinery and equipment	704,212	586,946	117,267	118,008
Other property, plant and equipment	17,389	14,865	2,524	2,082
Property, plant and equipment in progress	89,532	-	89,532	60,531
Advances and prepayments	20	-	20	9
Property, plant and equipment	**1,082,871**	**776,455**	**306,416**	**279,591**
Investments in associated companies	2,504,525	5,688	2,498,837	2,242,361
Receivables related to investments in associated companies	1,675	-	1,675	1,597
Other receivables from subsidiaries and associates	22,992	8,531	14,461	17,130
Loans	140,184	-	140,184	265,442
Other financial investments	16,074	8,529	7,546	7,175
Financial investments	**2,685,450**	**22,747**	**2,662,703**	**2,533,705**
Intangible and tangible fixed assets	**3,836,658**	**839,185**	**2,997,473**	**2,843,259**
Raw materials and other supplies	83,388	8,729	74,659	82,123
Products in progress	-	-	-	5
Services in progress	-	-	-	-
Intermediate and finished products	32,205	-	32,205	28,916
Goods	798	-	798	779
Inventories and work-in-progress	**116,391**	**8,729**	**107,662**	**111,823**
Advances and prepayments on orders	2,149	-	2,149	813
Trade receivables and related accounts	86,824	96	86,728	86,041
Other receivables	228,433	187	228,245	484,839
Short-term financial investments	17,352	5,290	12,062	12,723
Cash	8	-	8	4,948
Prepaid expenses[1]	6,922	-	6,922	5,187
Current assets	**341,688**	**5,574**	**336,114**	**594,551**
Expenses to be allocated over several years	3,622	-	3,622	905
TOTAL ASSETS	**4,298,360**	**853,488**	**3,444,872**	**3,550,538**
(1) of which more than one year (gross)	-			-

(in thousands of euros)	2023	2022
Share capital	179,600	179,600
Share premium	11,207	11,207
Revaluation reserve	10,889	10,897
Reserves:		
■ Legal reserve	18,708	18,708
■ Regulated reserves	112	112
■ Other reserves	1,249,575	1,226,159
Retained earnings	246,852	247,048
Net income for the year	144,665	96,453
Investment grants	9,091	4,895
Regulated provisions	76,984	76,465
Shareholders' equity	**1,947,685**	**1,871,545**
Provisions for risks	837	1,149
Provisions for charges	62,615	57,233
Provisions	**63,452**	**58,383**
Bank borrowings and financial liabilities	1,139,154	1,378,848
Miscellaneous borrowings and financial liabilities	228	260
Trade payables and related accounts	85,551	81,535
Tax and employee-related payables	33,727	26,942
Debts on non-current assets and related accounts	6,147	5,627
Other liabilities	167,377	126,324
Deferred income[1]	1,551	1,075
Debts	**1,433,735**	**1,620,610**
TOTAL LIABILITIES	**3,444,872**	**3,550,538**
(1) of which more than one year	-	-

7.2.2 Notes to the 2023 individual financial statements

Contents

NOTE 1 SIGNIFICANT EVENTS

Vicat SA completed the early refinancing of its liquidity facilities that were set to mature at the end of 2024 and the start of 2025. Vicat SA refinanced its syndicated loan and increased the amount of the loan from €550 million to €600 million, and also refinanced and increased its bilateral bank facilities from €240 million to €280 million. All these facilities have a term of five years and may be renewed twice for a term of one year.

These new facilities, which are in the "Sustainability Linked Loan (SLL)" format, are aligned with the Vicat Group's 2030 decarbonation targets.

At the same time, the group has an additional €20 million two-year liquidity facility in place, which is not covered by this renewal.

Vicat SA participated in the capital increase carried out by its subsidiary, Parficim. This capital increase took the form of the creation of 514,403 shares each with a nominal value of €16, together with an issue premium of €241,769 thousand, i.e. €470 per share fully paid up on subscription, offset against a liquid and enforceable debt claim.

Vicat SA also assigned €40,140 thousand in trade receivables at December 31, 2023. This assignment of receivables being without recourse, the sum was deducted from trade receivables.

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, which corresponds to business assets received prior to the 1986 financial year, is fully amortized. Business assets acquired or received as a contribution since 2014 are not amortized.

Research costs are expensed. Development costs are capitalized when they are for development projects undertaken by the Company, clearly separable and with a significant chance of technical success and commercial profitability or economic viability over the medium to long-term and for which the Company has the necessary resources to complete the development (article R. 123-186 of the French Commercial Code and article 311-3 of the General Accounting Plan).

2.2 Property, plant and equipment

Property, plant and equipment is recorded at acquisition or production cost, by applying the component approach pursuant to CRC Regulation No. 2002-10. The cost of goods sold excludes all financing expenses. Property, plant and equipment acquired before December 31, 1976 have been restated.

The depreciation is calculated on a straight-line basis over the useful life of property, plant and equipment having regard to the expected lifespan, the most common of which are as follows:

- Construction and civil engineering of industrial sites or facilities — 15 to 30 years
- Industrial sites or facilities — 5 to 15 years
- Rolling stock — 5 to 8 years
- Sundry equipment — 5 years
- Computer equipment — 3 years

Depreciation calculated based on useful lives is recognized in the balance sheet under regulated provisions.

In accordance with ANC Regulation No. 2014-05, deposits and subsoil are accounted for separately under quarry lands:

- the deposit, comprised of materials to be extracted for incorporation into a production process, was reallocated to inventories;
- the subsoil, the residual portion of the land, is recognized under property, plant and equipment. It is not depreciated but will be written down in the event of an impairment loss.

2.3 Financial investments and treasury shares

Investments in associated companies are initially recognized at acquisition cost. Impairment losses are recognized if the book value exceeds the estimated value in use at the end of the period. This estimate is primarily determined with reference to the net assets of the investment, remeasured where necessary by factoring in forecasts based on the earnings outlook of investments. For listed securities, regard is had to the average stock price over the final month of the previous year. Any unrealized gains resulting from such estimations are not recognized. Finally, investments acquired before December 31, 1976 have been restated.

Treasury shares are recognized at acquisition cost and recorded in other financial investments. Those intended for allotment to employees under profit-sharing and performance-related bonus schemes along with those intended to be used for free share awards are recognized in short-term financial investments. Income from sales of treasury shares contributes to the earnings for the year. At year-end, treasury shares are valued on the basis of the average price in the last month of the year. Changes in the share price below the historic purchase price can effect a change in the earnings. Shares allocated to the free share plan are excluded from measurement over the final month of the year, in line with CNC (French National Accounting Board) notice No. 2002D.

2.4 Short-term financial investments

Short-term financial investments are valued at acquisition cost or at market value if lower.

2.5 Inventories

Inventories are valued using the method of weighted average unit cost. The gross value of goods and supplies includes both the purchase price and all related costs. Manufactured goods are recorded at production cost and include consumables, direct and indirect production costs and depreciation of production equipment.

In the case of inventories of finished products and work-in-progress, the cost includes an appropriate share of fixed costs based on standard conditions of use of the production facilities.

Inventory impairments are recorded when necessary to take into account any probable losses identified at year-end.

2.6 Emission 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.

As of today Vicat only get 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" for any uncovered portion. Additional provisions for risks are funded for non-offset unrealized currency losses.

2.12 Tax consolidation

Vicat SA 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 SA.

NOTE 3 NOTE TO THE INCOME STATEMENT

3.1 Revenue

Revenue rose 7.13% in 2023, breaking down as follows:

	2023			
(in thousands of euros)	France	Rest of the world	Total	2022
Sales of products	469,979	46,904	516,883	479,965
Sales of services	35,192	29,112	64,304	61,829
Sales of goods	1,099	29	1,128	1,753
TOTAL	**506,270**	**76,044**	**582,314**	**543,548**

3.2 Operating income (expense)

Operating income was €92,892 thousand, up €33,416 thousand from 2022, driven primarily by significant rises in sale prices and good cost controls.

3.3 Financial income

Financial income rose €27,012 thousand in 2023 (net income of €79,191 thousand in 2023 compared with €52,179 thousand in 2022). The improvement was due to larger dividends being received in 2023 than in 2022, and a more favorable valuation of the securities portfolio, resulting in a net reversal of provisions in 2023, compared with a net increase in 2022.

3.4 Exceptional income (expenses)

Exceptional expense stood at €8,761 thousand in 2023 compared with an expense of €10,077 thousand in 2022. This change is primarily due to the significant fall in the provision for price increases, offsetting an increase in provisions net of reversals for special tax depreciation compared with 2022. Exceptional income in 2023 includes an impairment provision for land of €3,144 thousand, thereby reducing the improvement in this item.

3.5 Income tax

At December 31, 2023, 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	172,083	(15,791)	(760)	155,532
Exceptional expense (and employee profit-sharing)	(12,476)	1,558	51	(10,867)
NET PROFIT (LOSS)	**159,607**	**(14,233)**	**(709)**	**144,665**

The impact of special tax-based valuations on 2023 profit (loss) are as follows:

Headings *(in thousands of euros)*	Increase	Reversals	Amount
Net income for the year	-	-	144,665
Income tax(1)	-	-	14,233
Social security contributions	-	-	709
Profit (loss) before tax	-	-	**159,607**
Change in special tax depreciation	7,026	(8,062)	(1,036)
Change in the special revaluation provision	-	(49)	(49)
Change in price increase provision	2,078	(473)	1,605
Subtotal	**9,103**	**(8,585)**	**519**
Profit (loss) excluding special tax-based valuations (before tax)	-	-	**160,126**

(1) Corporation tax expense includes the charge for taxable income for the year less tax credits and the impact of the tax consolidation plan.

Vicat has opted for a tax consolidation plan with itself as the parent company. This option impacts 22 companies, one of which joined and one of which left 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 2023, this saving amounted to €6.23 million.

The expenses referred to under articles 223 *(c)* and 39.4 of the French General Tax Code amounted to €184 thousand in respect of 2023.

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 2023:

Headings *(in thousands of euros)*	Amount
Tax owing on:	
■ Price increase provisions	4,881
■ Special tax depreciation	14,437
Total increase	**19,318**
Tax paid in advance on expenses that are deductible the following year	1,713
Of which employee profit-sharing:	*973*
Total tax relief	**1,713**
Net deferred tax	**17,605**

NOTE 4 NOTE TO THE STATEMENT OF FINANCIAL POSITION

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	69,101	2,530	3,665	371	68,337
Total intangible assets	**69,101**	**2,530**	**3,665**	**371**	**68,337**
Land and improvements	74,945	49	1,018	1,252	75,228
Buildings and improvements	192,294	2,657	1,221	2,760	196,490
Plant, machinery and equipment	684,161	8,409	2,692	14,334	704,212
Other property, plant and equipment	16,590	334	529	993	17,388
Property, plant and equipment in progress	60,531	48,711	-	(19,710)	89,532
Advances and prepayments	9	11	-	-	20
Total property, plant and equipment	**1,028,530**	**60,172**	**5,460**	**(371)**	**1,082,870**
TOTAL	**1,097,631**	**62,702**	**9,125**	**-**	**1,151,208**

The main changes in property, plant and equipment and intangible assets are related to:

- Xeuilley:
  - project Argilor (equipment to produce activated clays) for €14,835 thousand,
  - separator for mechanical and electrical equipment for €4,734 thousand;
- Montalieu - New clinker hall for €10,618 thousand;
- Chambéry – Refurbishment of cement silos for €1,471 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 €41,647 thousand and the clinker hall in Montalieu for €18,166 thousand.

Depreciations

(in thousands of euros)	Opening depreciation	Increase	Decrease	Reclassification	Closing depreciation
Development expenses, concessions, patents, goodwill and other intangible assets	39,138	4,311	3,466	-	39,983
Total intangible assets	**39,138**	**4,311**	**3,466**	**-**	**39,983**
Land and improvements	12,694	1,069	952	-	12,811
Buildings and improvements	154,999	4,340	1,220	-	158,119
Plant, machinery and equipment	565,297	23,397	2,295	-	586,399
Other property, plant and equipment	14,507	886	528	-	14,865
Total property, plant and equipment	**747,497**	**29,693**	**4,995**	**-**	**772,195**
TOTAL	**786,635**	**34,004**	**8,461**	**-**	**812,178**

Impairments of non-current assets come on top of depreciation and totaled €4,260 thousand. They mainly relate to manufacturing equipment used in the paper business for €1,079 thousand and the abandonment of a potential deposit in the municipality of Optevoz for €3,144 thousand.

Research & development costs recorded in expenses for the financial year and eligible for CIR (research and innovation tax credit) amounted to €4,007 thousand in 2023 (compared with €4,266 thousand in 2022). These include €3,054 thousand for internal costs (depreciation, staff and operating costs) and €953 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	2,249,875	254,650	-	2,504,525
Receivables related to investments in associated companies	1,597	78	-	1,675
Other receivables from subsidiaries and associates	23,421	571	1,000	22,992
Loans	265,442	-	125,258	140,184
Other financial investments	20,713	1,723	6,361	16,074
TOTAL	**2,561,049**	**257,022**	**132,619**	**2,685,451**

Gross financial investments increased by €124,402 thousand, mainly as a result of:

- Changes in investments in associated companies:
  - Of which new investments........ 250
  - Of which subscriptions to capital increases........ 254,971
- changes in other financial investments:
  - Allocation of treasury shares to current assets........(4,300)
- Change in medium- and long-term loans of subsidiaries in Switzerland and the United States........(125,528)

Investments in associated companies break down as follows at December 31:

(in thousands of euros)		Amount
1. Affiliates whose market value is equal to or greater than €16,000		
4,907,426	PARFICIM shares	1,673,624
1,749,418	BETON 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
11,080	SODICAPEI shares	11,240
58,837	DUMONT INVESTISSEMENT shares	10,000
1,175,000	HAFFNER ENERGY shares	9,400
368,550	GENVIA shares	3,090
34,374	VALERCO shares	1,210
16,908	SEGY shares	340
30,000	LE1817 shares	300
4,178	SCORI shares	255
118,864	FINAO shares	221
20,000	CIRCULERE shares	200
11,000	SYSCOBAT shares	98
6,798	GYPSE DE MAURIENNE shares	104
500	ECOMINERO shares	50
571	SIGMA units	29
		1,866,078
2. Affiliates whose market value is less than € 16,000		**34**
3. Investments in foreign companies		**661,405[2]**
TOTAL		**2,527,517**
(1) Of which increase following revaluation		*1,308*
(2) Of which increase following revaluation		*429*

Loans and other gross financial investments amounted to €157,934 thousand and have a term of more than one year.

Impairment

(in thousands of euros)	Opening impairment	Increase of the period	Reversals	Closing impairment
Investments in associated companies	7,514	-	1,826	5,688
Receivables related to investments in associated companies	-	-	-	-
Other receivables from subsidiaries and associates	6,291	2,239	-	8,530
Other financial investments	13,538	14	5,023	8,529
TOTAL	**27,343**	**2,253**	**6,849**	**22,747**

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:

- 34,117 treasury shares representing a net value of €1,197 thousand;
- €1,486 thousand in cash.

Under this agreement, 573,096 shares were purchased in 2023 for €15,579 thousand and 602,992 shares were sold for €16,934 thousand.

At December 31, 2023, financial investments included 212,620 treasury shares totaling €20,190 thousand, in addition to 305,093 treasury shares classified as short-term financial investments (see note 4.5).

It should be noted that at December 31, 2023, net financial expense included a net reversal of provisions for impairment of treasury shares of €(3,300) thousand (compared to an increase of €3,919 thousand in 2022).

4.3 Inventories and work-in-progress

	2023			2022		
(in thousands of euros)	Gross	Provision	Net	Gross	Provision	Net
Raw materials and consumables	83,388	8,729	74,659	91,467	9,343	82,123
Intermediate and finished products	32,205	-	32,205	28,921	-	28,921
Goods	798	-	798	779	-	779
TOTAL	**116,391**	**8,729**	**107,662**	**121,167**	**9,343**	**111,823**

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 is used to cover any deficits generated over the phase IV 2021-2026 trading period, which is aiming to increase the speed of annual allowance reductions.

Under this most recent phase, the allowance shortfall totals 68 thousand metric tons for 2023.

The net surplus of free CO_2 allowances stood at 4,380 thousand metric tons at end-2023. 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

	2023		
(in thousands of euros)	Gross	Maturity < 1 year	Maturity > 1 year
Trade receivables and related accounts	86,824	86,824	-
Other receivables	228,433	228,433	-
TOTAL RECEIVABLES	**315,257**	**315,257**	**-**

	2022		
(in thousands of euros)	Gross	Maturity < 1 year	Maturity > 1 year
Trade receivables and related accounts	86,162	86,162	-
Other receivables	485,032	485,032	-
TOTAL RECEIVABLES	**571,194**	**571,194**	**-**

4.5 Short-term financial investments

They consist of:

- 103,350 Vicat shares held for allocation to employees under compulsory and discretionary profit-sharing schemes and arbitraging with a net value of €8,717 thousand. This valuation was on the basis of the average share price in December 2023 of €33.16;
- 201,743 Vicat shares held under the free share plan with a net value of €8,635 thousand. This valuation was on the basis of the share price on the date of the meeting that made the decision, which was €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)	2023	2022
Operating expenses	4,563	4,564
Financial expenses	2,359	623
TOTAL	**6,922**	**5,187**

4.7 Shareholders' equity

(in thousands of euros)	2023	2022
Opening shareholders' equity	1,871,545	1,839,899
Closing shareholders' equity	1,947,685	1,871,545
Change	**76,140**	**31,646**
ANALYSIS OF CHANGES		
Net income for the year	144,665	96,453
Dividend payments[1]	(73,233)	(73,037)
Revaluation adjustment	(8)	(43)
Investment grants	4,196	2,239
Regulated provisions	520	6,034
TOTAL	**76,140**	**31,646**

(1) Less dividends on treasury shares.

The share capital is €179,600,000, divided into 44,900,000 shares of €4 each, held by:

- Public 34.18%;
- Employee shareholders* 1.35%;
- Parfininco 31.94%;
- Soparfi 26.87%;
- Family 4.51%;
- Vicat 1.15%.

4.8 Provisions

(in thousands of euros)	Opening amount	Increase	Reversals (used)	Reversals (unused)	Closing amount
Regulated provisions	**76,465**	**9,103**	**8,585**	**-**	**76,984**
Price increase provisions	17,291	2,078	473	-	18,895
Special tax depreciation	56,930	7,026	8,062	-	55,894
Special revaluation provision	2,245	-	49	-	2,195
Provisions for risks and charges	**58,383**	**8,265**	**2,639**	**557**	**63,452**
Provisions for quarry restoration	5,870	695	315	-	6,250
Provisions for disputes	1,149	157	470	-	837
Other provisions for risks and charges	51,363	7,413	1,854	557	56,365
TOTAL	**134,848**	**17,368**	**11,223**	**557**	**140,436**

* *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	18,895	963	17,932
Special tax depreciation	55,894	-	55,894
Special revaluation provision	2,195	-	2,195
TOTAL	**76,984**	**963**	**76,021**

The provisions for risks and charges amount to €63,452 million and cover:

- forecast costs under the French quarry restoration obligation of €6.3 million. These provisions are made for each of the quarries based on tonnages extracted as a ratio of the potential deposit and the estimated cost of the work to be performed at the end of operations;
- the other provisions for risks and charges mainly include a provision of €51.2 million for tax to be repaid to subsidiaries under the Group tax consolidation plan. This is €5.8 million up on 2022.

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
Bank borrowings and financial[1]	1,123,975	151,348	523,000	449,627
Miscellaneous borrowings and financial liabilities	228	228	-	-
Short-term bank borrowings	15,179	15,179	-	-
Total financial liabilities	**1,139,382**	**166,755**	**523,000**	**449,627**
Trade payables and related accounts	85,551	85,551	-	-
Tax and employee-related payables	33,727	33,727	-	-
Debts on non-current assets and related accounts	6,147	6,147	-	-
Other liabilities	167,377	167,377	-	-
TOTAL	**1,432,184**	**459,557**	**523,000**	**449,627**
(1) of which commercial paper	*405,500*	-	*405,500*	-

During 2023, medium and long-term financial liabilities, current bank facilities and other bank borrowings fell by €239.7 million. Loan repayments of €253,000 million were made in 2023.

Other information

At December 31, 2023 the Company had €495 million in unused confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€162 million at December 31, 2022).

The Company also has a program for issuing commercial paper amounting to €550 million. At December 31, 2023, the amount of commercial paper issued stood at €405.5 million. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings.

The medium and long-term loan agreements contain specific covenants, especially as regards compliance with financial ratios. The existence of these covenants does not represent a risk to the Company's financial position.

Risk coverage

Foreign exchange rates

Imports and exports denominated in currencies other than the euro are more often hedged by forward currency purchases and sales.

Interest Rates

The variable rate debt (€580 million) is hedged through the use of financial instruments (caps) on original maturities of 1 to 10 years amounting to €715 million at December 31, 2023.

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. €405.5 million at December 31, 2023.

4.10 Other payables

(in thousands of euros)	2023	2022
Bank borrowings and financial liabilities	3,848	3,552
Trade payables and related accounts	56,419	52,886
Tax and employee-related payables	25,094	18,977
TOTAL	**85,361**	**75,415**

Following the decision of the French Supreme Court (*Cour de Cassation*) on September 13, 2023 concerning paid leave for employees absent from work due to occupational illness, an impact calculation has been carried out for the past three years. This resulted in a provision being established for €130 thousand at December 31, 2023.

NOTE 5 OTHER INFORMATION

5.1 Off-balance sheet commitments

Commitments given

(in thousands of euros)	Amount
Retirement obligations	7,452
Deposits and guarantees[1]	223,302
TOTAL	**230,754**

(1) Of which €207,279 thousand in bank guarantees given on behalf of foreign subsidiaries, along with a put option to the minority shareholders of its subsidiary Mynaral Tas Company LLP. This option, exercisable in December 2025 at the earliest, is valued at €12,643 thousand as at December 31, 2023.

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: 3.25%;
- wage inflation: from 2.00% to 2.30%.

Commitments received

(in thousands of euros)	Amount
Subsidiaries and investments in associated companies[1]	900,000
TOTAL	**900,000**

(1) Including €550,000 thousand allocated to cover the commercial paper issue program.

Financial instruments

(in thousands)	Nominal value *(in foreign currency)*	Nominal value *(in euros)*	Fair value *(in euros)*
USD Forward sales	USD 153,000	138,461	1,635
Interest rate caps	EUR 714,500	714,500	21,683

5.2 Transactions with related parties

Transactions with related parties

Related parties *(in thousands of euros)*	2023
Financial expenses	3,985
Financial income excluding dividends	29,451

Commitments relating to multiple balance sheet lines *(in thousands of euros)*	2023 Payables or receivables represented by commercial paper
Investments in associated companies	2,527,517
Receivables related to investments in associated companies	141,859
Trade receivables and related accounts	51,703
Other receivables	200,084
Trade payables and related accounts	15,426
Other liabilities	138,168

All transactions with related parties were at arm's length terms.

5.3 Compensation and workforce

Compensation of executives *(in thousands of euros)*	2023
Compensation allocated to:	
■ directors	438
■ members of Management	2,190
TOTAL	**2,628**

Headcount	Average	12/31/2023
Management	353	362
Supervisors, technicians, white-collar workers 400 415	393	390
Blue-collar staff	215	210
TOTAL	**960**	**962**
Of which Paper Division	*171*	*174*

5.4 Statutory auditors' fees

(in euros)	KPMG	Wolff & A.
Certification of the financial statements	331,613	240,332
Services other than the certification of the financial statements	-	-
TOTAL	**331,613**	**240,332**

5.5 Payment terms customers and suppliers

Customers	Article D. 441-I-2°: Invoices issued and unpaid at year-end that are past due					
(in euros)	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	62	157	51	19	89	316
Total amount of invoices, inc. vat	1,122,602	3,840,791	1,166,421	362,713	1,610,722	6,980,647
Percentage of revenue for the year, inc. vat	0.17%	0.57%	0.17%	0.05%	0.24%	1.03%
(B) Invoices not included in (A) relating to disputed liabilities and receivables that aren't recognized						
Number of invoices not included	17					
Amount of invoices not included, inc. vat	4,518,523					
(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 six foreign subsidiaries which have, at the end of December 2023, a debt of €23,906,856 to 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	112,431	789,150	1,098,816	930,974	20,975,485	23,794,425

Suppliers	Article D. 441-I-2°: Invoices received and unpaid at year-end that are past due					
(in euros)	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	8	83	18	5	42	148
Total amount of invoices, inc. vat	(591,948)	584,118	(37,304)	40,437	758,317	1,345,568
Percentage of total purchases inc. vat for the year	(0.14)%	0.14%	(0.01)%	0.01%	0.18%	0.32%
(B) Invoices not included in (A) relating to disputed liabilities and receivables that aren't recognized						
Number of invoices not included	17					
Amount of invoices not included, inc. vat	149,508					

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 *(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	327,963	99.98%	88,884	88,884	67,820	-	156	8,713	20,118	-
National Cement Company[1] Los Angeles – USA	USD 280,520	USD 315,592	97.85%	229,581	229,581	138,462	-	USD 867,544	USD 61,409	-	-
Ciplan[2] Brazil	BRL 436,922	BRL 189,990	76.18%	339,511	339,511	-	-	BRL 1,743,600	BRL 327,398	39,569	-
Parficim 92095 Paris La Défense	78,519	1,724,830	100.00%	1,673,624	1,673,624	49,139	-		(8,569)	20,032	-
Satma 38081 L'Isle-d'Abeau Cedex	3,841	3,159	100.00%	7,613	7,613	-	-	123,816	937	756	-
Cap Vracs 13270 Fos-sur-Mer	20,540	26,979	100.00%	53,404	53,404	-	-	5,393	4,050	-	-
Sodicapei 34560 Villeveyrac	164	575	100.00%	11,240	5,553	-	-	1,100	(889)	-	-
Getrim 38081 L'Isle-d'Abeau Cedex	6,015	232	100.00%	6,015	6,015	73	-	478	16	-	Key figures 2022
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)	-	-	-	25,332	16,801	373	-	-	-	1,102	-
Foreign subsidiaries (collectively)	-	-	-	90,715	90,715	18,747	-	-	-	-	-
TOTAL	-	-	-	**2,527,516**	**2,513,298**	**330,041**	-	-	-	**81,578**	-

(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, 2023

To the annual general meeting 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, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from January 1, 2023 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.821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of investments in associated companies

Risk identified:

Investments in Group companies as at December 31, 2023 amount to €2,499 million and represent one of the most significant items of the balance sheet. As mentioned in note 2.3, 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 controls

We have also performed, in accordance with professional standards applicable in France, the specific controls 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).

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 remunerations and benefits received by or awarded to directors and any other commitments made in their favour, 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 included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

Other information

In accordance with the law, we have ensured that the information relating to the identity of the holders of capital or voting rights has been communicated to you in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chairman and Chief Executive Officer of Vicat SA , complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the statutory auditors

We were appointed as statutory auditors of Vicat SA by the 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, 2023, KPMG SA and Wolff & Associés S.A.S. were in the 41st year and 16th year of total uninterrupted engagement.

Responsibilities of Management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The 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 financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the 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 to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 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 16, 2024
KPMG S.A.
Philippe Massonnat
Partner

Chamalières, February 16, 2024
Wolff & Associés S.A.S.
Grégory Wolff
Partner

7.3 LEGAL AND ARBITRATION PROCEEDINGS

The Group is involved in certain disputes and legal, administrative or arbitration proceedings in the ordinary course of its business. The Group recognizes a provision each time a given risk presents a substantial probability of occurrence before the end of the financial year and when it is possible to estimate its financial consequences.

The principal disputes and administrative, legal or arbitration proceedings in progress involving the Group are detailed below.

7.3.1 Litigation in India

The Group's partner in Bharathi Cement is the focus of an inquiry by the CBI (Central Bureau of Investigation) regarding the source and the growth of his assets. In connection with this inquiry, the CBI filed 14 charge sheets in September 2012 and over the course of 2013, presenting its allegations. Among these, four also involve Bharathi Cement (the CBI is interested in determining whether the investments made in this company by Indian investors were carried out in good faith in the ordinary course of business and if the mining concession was granted in accordance with regulations).

In 2015, the proceedings gave rise to a precautionary seizure by the "Enforcement Directorate" of 950 million rupees (originally approximately €12 million) from a Bharathi Cement bank account. Following this seizure, the corresponding amounts concerned were reclassified from "cash" to "other current receivables".

A second precautionary seizure of 1,530 million rupees (originally approximately €19 million) was made in 2016 in the context of the charges regarding the mining concession. The sums were transferred to the Enforcement Directorate as part of this seizure.

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 appealed to the Indian Supreme Court, which sent the case back to the Hyderabad Court of Justice, ordering the Enforcement Directorate to return the bank guarantee.

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

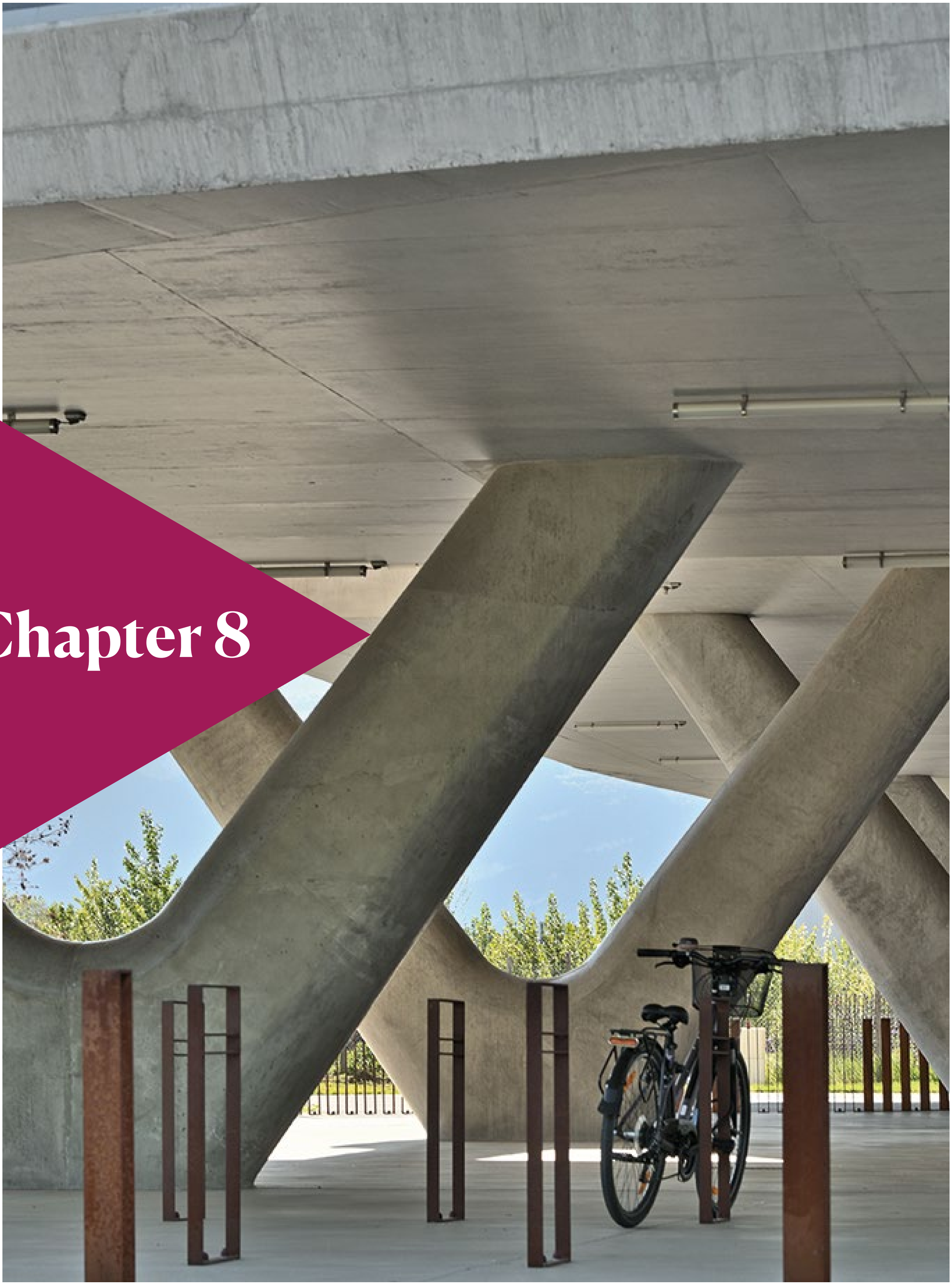
At the time of its acquisition by the Vicat Group, Ciplan received a firm and irrevocable guarantee from its Brazilian partners who were selling for all existing or future litigation relating to the period prior to the acquisition by Vicat. This guarantee is recognized in "other non-current assets" for €41.4 million as at December 31, 2023 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 Europe

In 2023, as a result of accounting fraud committed by a finance manager in a European subsidiary, Vicat filed a criminal complaint against the manager before the prosecutor of the competent court as soon as the fraud was discovered. The impact on the Group's consolidated financial statements for the year ended December 31, 2023 is not material.

7.4 SIGNIFICANT CHANGES TO THE FINANCIAL OR COMMERCIAL POSITION

Neither the crisis between Ukraine and Russia nor the conflict between Israel and the Palestinians currently impact the Group's business. However, it cannot be excluded that these crises will not impact the markets in which the Group operates over the coming months.



Chapter 8

8 General Meeting

8.1 AGENDA FOR THE ORDINARY GENERAL MEETING OF APRIL 12, 2024

- 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, 2023.
- Report of the statutory auditors on the consolidated financial statements for the financial year ended December 31, 2023.
- 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 financial year ended December 31, 2023.
- Charges and expenses referred to in article 39.4 of the French General Tax Code.
- Approval of the consolidated financial statements for the financial year ended December 31, 2023.
- Appropriation of earnings for the financial year ended December 31, 2023 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.
- Reappointment of Bruno Salmon as director.
- Reappointment of Éléonore Sidos as director.
- Reappointment of Caroline Ginon as director.
- 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, 2023 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, 2023 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, 2023 to Lukas Epple, Chief Operating Officer – "ex post" vote.
- Appointment of the statutory auditors responsible for certifying the disclosures pertaining to sustainability.
- Powers.

8.2 DRAFT RESOLUTIONS FOR THE ORDINARY GENERAL MEETING OF APRIL 12, 2024

First resolution

(Approval of the individual financial statements and transactions for the financial year ended December 31, 2023)

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, 2023, approves the individual financial statements for the financial year as presented to it, as well as the transactions in those financial statements or summarized in those reports, showing a profit for the financial year of €144,665,021.

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, 2023)

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, 2023, approves the consolidated financial statements for the financial year as presented to it, as well as the transactions in those financial statements or summarized in those reports, showing a consolidated profit for the financial year of €295,328 thousand, with a Group share of net income of €258,425 thousand.

Third resolution

(Appropriation of earnings for the financial year ended December 31, 2023 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 the 2023 financial year	€144,665,021
■ retained earnings carried forward	€246,852,407
TOTAL	**€391,517,428**

Appropriation:

■ dividend (based on the current share capital of 44,900,000 shares with a nominal value of €4 each)	€89,800,000
■ allocation to other reserve accounts	€26,717,428
■ retained earnings	€275,000,000

and accordingly sets the dividend to be distributed for the 2023 financial year at the gross amount of €2 per share (excluding withholding).

The ex-dividend date is April 29, 2024 and the dividend will be paid out on May 2, 2024.

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 *A* of the French General Tax Code, the Ordinary General Meeting records that the following dividends were distributed over the past three years:

	2021	2022	2023
Ordinary dividend per share	€1.50	€1.65	€1.65
Dividends eligible for relief under article 158.3-2 of the French General Tax Code	€1.50	€1.65	€1.65
Dividends not eligible for relief under article 158.3-2 of the French General Tax Code	-	-	-
Total dividend	€67,350,000	€74,085,000	€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 2023 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):

(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 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 €397,228,710, which corresponds to a maximum of 3,972,287.10 shares with a nominal value of €4 each at December 31, 2023.

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 7, 2023 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 Bruno Salmon as director)

The Ordinary General Meeting resolves to reappoint Bruno Salmon as Director for a four-year term expiring at the end of the Ordinary General Meeting to be held in 2028 to approve the financial statements for 2027.

Eighth resolution

(Reappointment of Éléonore Sidos as director)

The Ordinary General Meeting resolves to reappoint Éléonore Sidos as Director for a four-year term expiring at the end of the Ordinary General Meeting to be held in 2028 to approve the financial statements for 2027.

Ninth resolution

(Reappointment of Caroline Ginon as director)

The Ordinary General Meeting resolves to reappoint Caroline Ginon as Director for a four-year term expiring at the end of the Ordinary General Meeting to be held in 2028 to approve the financial statements for 2027.

Tenth resolution

(Approval of the compensation policy for the Company officers – "ex ante" vote)

The Ordinary General Meeting, acting in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance, approves the compensation policy for the Company officers in this report.

Eleventh resolution

(Approval of the information given in the corporate governance report, pursuant to article L. 22-10-9 of the French Commercial Code – "ex post" vote)

The Ordinary General Meeting, acting in accordance with the provisions of 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.

Twelfth resolution

("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2023 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, 2023 to Guy Sidos, Chairman and Chief Executive Officer;
- consequently, notes that the elements of variable and special compensation allocated to Guy Sidos, Chairman and Chief Executive Officer, in respect of the financial year ended December 31, 2023, will be paid to him.

Thirteenth resolution

("Ex post" approval of elements of compensation paid or allocated in respect of the financial year ended December 31, 2023 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, 2023 to Didier Petetin, Chief Operating Officer;
- consequently, notes that the elements of variable and special compensation allocated to Didier Petetin, Chief Operating Officer, in respect of the financial year ended December 31, 2023, 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, 2023 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, 2023 to Lukas Epple, Chief Operating Officer;
- records that Lukas Epple is not compensated for his office as Chief Operating Officer.

Fifteenth resolution

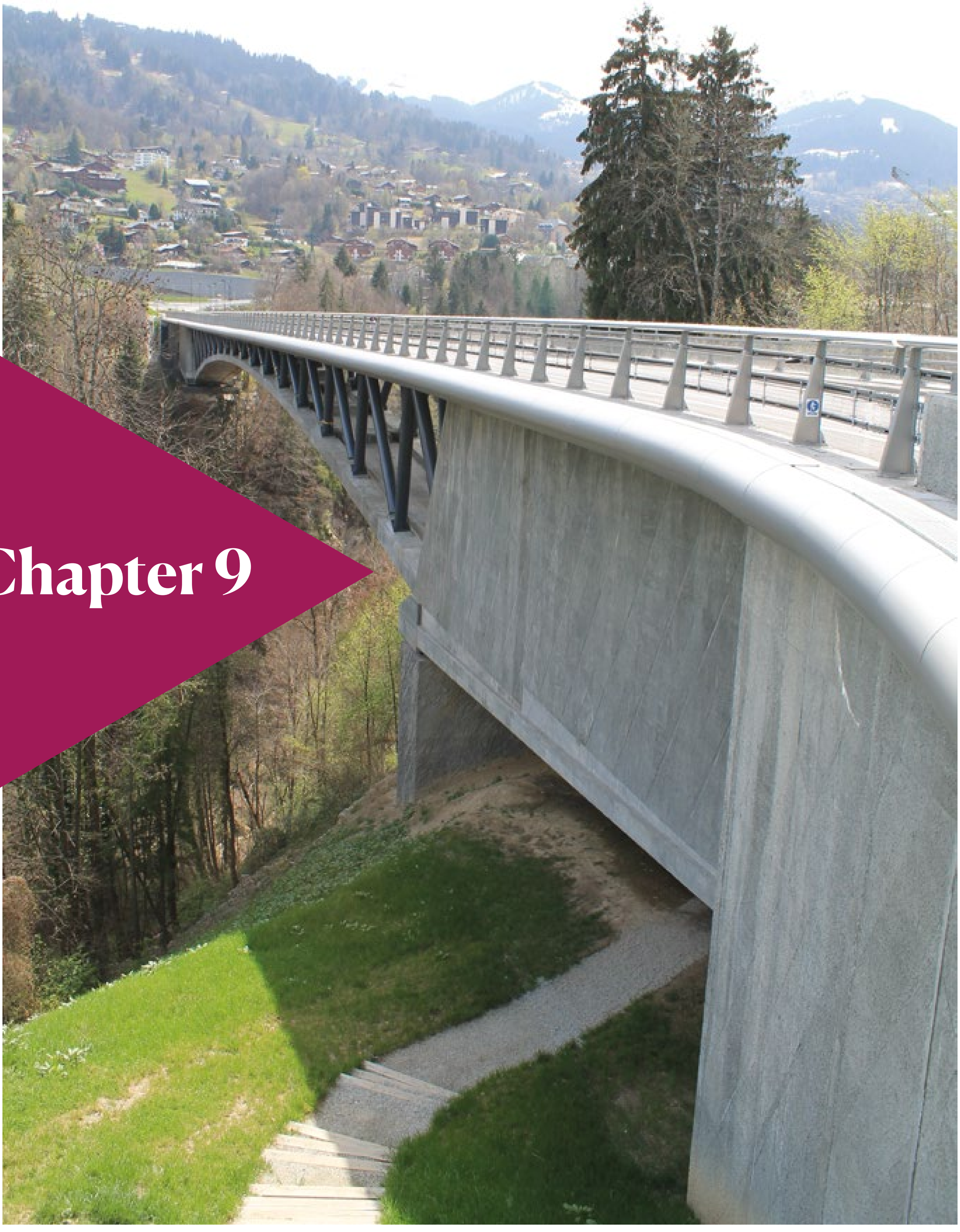
(Appointment of the statutory auditors responsible for certifying the disclosures pertaining to sustainability)

The Ordinary General Meeting, at the behest of the Board of Directors, resolves to appoint Grant Thornton as auditor responsible for certifying the disclosures pertaining to sustainability, for a period of three financial years from the 2024 financial year to the end of the Ordinary General Meeting called to approve the 2026 financial statements.

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.



Chapter 9

9 Additional information

9.1 INFORMATION ON THE UNIVERSAL REGISTRATION DOCUMENT

9.1.1 General note

Vicat, a French public limited company with 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 these risk factors 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 272 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, 2022, prepared in accordance with IFRS, and the statutory auditors' report thereon set out on page 226 of the 2022 Registration Document, submitted to the *Autorité des marchés financiers* on March 17, 2023 under number D.23.0103, in addition to the information taken from the 2022 management report included on pages 159 to 166 of 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 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.

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 275 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 11, 2024

Guy Sidos,

Chairman and Chief Executive Officer

9.2 PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

9.2.1 Statutory auditors

KPMG Audit

Tour EQHO, 2 avenue Gambetta, 92066 Paris La Défense Cedex

Represented by Philippe Massonnat.

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 was 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 May 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 was launched in 2023 to organize the obligatory rotation of the term of office of the statutory auditors.

9.2.2 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, 2023, the Group's fully consolidated subsidiaries were distributed across various countries as follows:

Country	Number of companies
France	52
Europe excluding France	31
Americas	24
Asia	6
Mediterranean	21
Africa	7
TOTAL	**141**

The main subsidiaries are described below.

Holding companies

Parficim

Incorporated on June 7, 1974, Parficim is a French simplified joint stock corporation with share capital of €78,518,816 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, 2023, the Company held 100% of Parficim's share capital.

Béton Travaux

Incorporated on March 27, 1965, Béton Travaux is a French Public company with 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, 2023, 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 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, 2023, 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 share capital of CHF1,452,000, 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, 2023, 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 share capital of €11,706,512 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, 2023, Béton Travaux held 100% of the share capital of Béton Vicat.

Granulats Vicat

Incorporated on January 1, 1942, Granulats Vicat, formerly Granulats Rhône-Alpes, is a French simplified joint stock corporation with share capital of €6,087,696 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, 2023, Béton Travaux held 91.2% of the share capital of Granulats Vicat and Béton Vicat held 8.8%.

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 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, 2023, 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 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, 2023, Béton Travaux held 100% of the share capital of VPI.

Main foreign subsidiaries

Bastas Baskent Cimento Sanayi Ve Ticaret A.S.

Incorporated on July 28, 1967, Bastas Baskent Cimento Sanayi Ve Ticaret A.S. is a Turkish Public company with share capital of TRY660 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, 2023, Parficim held 87.9% 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% (other: 8.4%).

Konya Cimento Sanayi A.S.

Incorporated on December 12, 1954, Konya is a Turkish Public company with share capital of TRY4,873,440, 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, 2023, Parficim held 81.88% of the share capital of Konya and Konya Cimento Ticaret held 1.46%. The remaining shares, representing 16.66% of the share capital, are held by approximately 19,000 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 share capital of TRY64 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, 2023, 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 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, 2023, 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 share capital of EGP1,331 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, 2023, 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 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, 2023, 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 share capital of INR792 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, 2023, 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 share capital of INR5,586 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, 2023, 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 share capital of KZT20,258 million, 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, 2023, 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 share capital of KZT17,741 million, 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, 2023, the Company (through Parficim, Vigier Holding and Mynaral Tas) held 90% of the share capital.

Vicat Latin America

Acquired on August 14, 2019, Vicat Latin America is a public limited company under Brazilian law with share 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, 2023, 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 share capital of BRL437 million, 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, 2023, the Company (through Vicat Latin America) held 76.18% of the share capital.

Cross-reference tables

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Glossary

Addition	All products incorporated into concrete that are not cements, aggregates, additives, mixing water or additions (e.g. fibers, color pigments, etc.).
Admixture	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".
Tricalcium aluminate (C3A)	Tricalcium aluminate (C3A) is one of the main chemical components in Portland cement along with calcium 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.
Clay	Compact and impermeable sediment that becomes 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".
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.
Concrete	Construction material formed by a mixture of cement, aggregates and water, possibly supplemented by adjuvants 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.
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.
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.
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.
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.
Grinding	Reduction into powder or very fine particles. Grinding can 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.
Limestone	Sedimentary rock containing mainly calcium carbonate ($CaCO_3$). 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.
Calcination	Transformation of limestone into lime by firing at high temperature.
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.
CEM	This designation characterizes a cement that complies with European standards 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 letter "P" is added to the cement designation if natural Pozzolan is used 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 EN 197-1 characterizes the type of cement, "blast furnace cement", consisting of clinker and blast furnace 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 furnace 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 furnace slag complemented with a choice of from 6 to 20% of natural pozzolan, fly ash or limestone.
Fly 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.
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.
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.
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.
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 EN 197-1.
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.
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".
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.
Crushing	Breaking up rocks into small pieces by crushing or hammering.
Raw materials	Name given to the dosed raw material before entering the cement kiln.
Decarbonation	Reaction of release of CO_2 contained 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 furnace.
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).
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.
Meal feed	Name given to the raw material of the cement kiln after grinding (the grain size corresponds to that of baker's flour).
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.

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.
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 treatment 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.
Crushed aggregate	Aggregate from rock crushing.
Rolled aggregate	Alluvial aggregate made up of round grains.
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.
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.
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.
Hydrogen – Water electrolysis	Hydrogen production by electrolysis is an electrochemical process generating a reaction thanks to an electric current. This reaction enables the separation of the oxygen and hydrogen molecules contained in the water.
Blast furnace slag	By-product of cast iron manufacturing stemming from blast furnaces 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.
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.
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.
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.
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).
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.
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 furnace to operate properly. See: “Preheater”.
Precalcination	System allowing combustion to be started before entering the furnace, thereby reducing the amount of energy required in the furnace.
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.
Prefabrication	Manufacture of building components away from their final location, in a factory or at a site close to the structure. Many structural components such as columns, beams, load-bearing or envelope panels, façade panels, cladding, as well as standardized elements such as blocks, beams, pre-slabs, hollow core slabs, tiles, and finally, parts for roads, sanitation or street furniture can be precast in concrete.
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).
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.

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".
Setting regulator	Component of cement intended to slow down hydration reactions. These are most often calcium sulfates in the form of gypsum.
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.
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".
Setting time (measurement)	The setting time of cements is determined by observing the penetration of a needle into a cement paste of standardized consistency ("normal" paste) to a specified depth (NF EN 196-3). The device, known as the "Vicat device", makes it possible to record the time between the start of contact between water and cement and the start of setting (the Vicat needle is inserted up to 4 mm from the bottom) as well as the end of setting (almost no insertion).
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.
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.
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.
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.
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.
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).
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.
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.

Design and production

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Photo cover: Cover photos: implementation of the CARAT solution for the construction of Léon Grosse’s regional head office in Bron (69 - France) – Montalieu factory (38 - France) - Concrete structure, Dress Your Body jewellery manufacturing facility for Swatch (Switzerland)

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