

**São Miguel dos Campos Unit**  
Brazil



**Matola Unit**  
Mozambique



**L'Amalí Unit**  
Argentina



**Simuma Unit**  
South Africa



**Amreyah Unit**  
Egypt





# Contents



L'Amalí Unit  
Argentina

## COMPANY OVERVIEW

About the Integrated Report  
Material Topics  
New Targets and Commitments for 2030  
Message from the Board  
We are InterCement Participações  
Highlights of 2021  
Highlights by Business Unit  
Our Strategy



LomaSer Unit  
Argentina

## CORPORATE GOVERNANCE

Integrity and Compliance  
Code of Conduct, Policies and Standards  
Risk Management



Simuma Unit  
South Africa

## OUR PERFORMANCE

Environmental  
Social  
Operational  
Economic



Santana do Paraíso Unit  
Brazil

## ANNEXES

GRI Summary  
GCCA Charter  
SASB  
Credits

Bodoquena Unit  
Brazil







# COMPANY OVERVIEW

About the Integrated Report / Material Topics / Our Goals and Commitments for 2030 / Message from the Board/ We are InterCement Participações / Highlights of 2021 / Highlights by Business Unit



# About the Integrated Report

GRI 102-50, 102-51, 102-52, 102-53, 102-54 e 102-56

For the second consecutive time, we present our annual Integrated Report, covering the period from January 1 to December 31, 2021. The document is a way of sharing with all our *stakeholders* and society the main information related to the performance of InterCement Participações S.A., including our business units located in South Africa, Argentina, Brazil, Egypt, and Mozambique. The document brings together economic, financial and operational indicators on a consolidated basis, covering the way in which we relate to our *stakeholders* and the

communities where we operate, according to the *environmental, social and governance* (ESG) pillars, as well as who we are and our strategy.

The report is also an important management tool for us to establish standardized indicators in order to monitor them systematically while fostering our journey of continuous sustainable development. To do this, the indicators were defined according to the *Global Reporting Initiative (GRI)* methodology guidelines – which are among the most



widely used globally, meeting the demand for comparability – in the *Standards* version, Essential option. Also, the GRI Handbook is available in the “Annexes” section of this material and on the InterCement Participações website, with a compilation of all reported indicators, in addition to the indicators of the *Sustainability Accounting Standards Board (SASB)* and the Global Cement and Concrete Association (GCCA).

Simultaneously, we follow the principles of the *International Sustainability Standard Board (ISSB)*, created by the *International Financial Reporting Standards Foundation (IFRS)*, which includes the *International Integrated Reporting Council (IIRC)*. The goal is to demonstrate how our operations generate and share value over time.

The financial statements were audited by Ernst & Young (EY), while the ESG data related to the GRI, SASB and GCCA were submitted to an internal verification process by InterCement Participações.

All monetary amounts reported in this report are expressed in U.S. dollars.

Any questions, suggestions and requests for more information can be submitted to the *email* address [integracao@intercement.com](mailto:integracao@intercement.com).

To ensure more pleasant and dynamic reading, the document features an interactive menu located at the bottom of each page.







# Material Topics

GRIs 102-40, 102-42, 102-43, 102-44, 102-46, 102-47

As an integral part of the work to develop this Report, in 2020 we carried out our materiality process – an important management tool that helped us identify, in a clear, objective manner, the most relevant topics from the point of view of our *stakeholders*.

The materiality preparation process included four fundamental steps, listed below:

**1. Identification:** mapping of the organization's publics and impacts, through internal and sector documents, as well as *benchmarking* of companies in the sector, culminating in the preparation of a list of 17 relevant topics.

**2. Prioritization:** survey of the perception of external *stakeholders* (customers, suppliers, employees, NGOs, and others) and internal stakeholders (employees, executives, and directors), through

interviews or *online* consultations. Ten interviews were conducted with company executives and four directors, in addition to seven opinion makers. The online survey had 696 respondents.

**3. Assessment:** assessment of the results and preparation of the materiality matrix, with the nine priority material topics.

**4. Validation:** validation of the materiality matrix with the Executive Board and presentation of challenges, risks, and opportunities.

Thus, we arrived at nine material

topics, which reflect priority themes for the company's management, whether because of the opportunities they represent or because of the potential environmental, social and economic impacts that they may present in relation to our activities, products, services, business and relations. In 2021, we updated the materiality matrix, including another relevant topic., as shown below. InterCement's ten material topics are related to 14 of the 17 Sustainable Development Goals (SDGs) of Agenda 2030, promoted by the United Nations (UN).

# InterCement materiality

GRI 102-44  
The material themes identified by us were aligned with the Sustainable Development Goals (SDGs)







Bodoquena Unit  
Brazil

# Our Targets and Commitments for 2030

Based on these themes, already related to 14 of the 17 SDGs, we also built our Agenda 2030, which sets out the goals and commitments that we wish to achieve, responding to the global call of the 193 United Nations member countries to act and build environments that offer more opportunities and better living conditions.

The connection between our material topics and this Agenda

shows the relevance of these topics in our company, reflecting our beliefs. Having them clearly and objectively established brings even more assertiveness to our decision-making process and management, as well as serving as an incentive and reference for each of our business units to create their own goals and commitments, according to their reality.



# Our Goals and Commitments 2030

GRI 102-15

## Care for the environment



### Energy, emissions and climate change

- » To be among the lowest carbon-intensity producers, with emissions below 500 kg CO<sub>2</sub>/metric ton of cement.
- » To promote and intensify the use of renewable energy sources.
- » To reduce emissions of micro pollutants per metric ton of clinker, with dust below 65 g/t, NO<sub>x</sub> below 1,700 g/t and SO<sub>x</sub> below 270 g/t.

### Use of materials, waste and circular economy

- » To promote the circular economy, achieving 50% replacement of fossil fuels by alternatives, including biomass and waste.
- » To intensify the production of cement with less clinker incorporation, below 69% on average.

### Environment and nature

- » To reduce water withdrawal to 0.20 m<sup>3</sup> per metric ton of cement.
- » To preserve the soil and natural resources while reducing the generation of waste through recycling and reuse.
- » To collaborate with the proper disposal of waste generated by customers and suppliers.

## Attention to people



### Well-being and occupational health and safety

- » To be a leader in the best safety practices in the industry, seeking to eliminate the occurrence of accidents with injuries.
- » To extend the scope of Occupational Health to promote physical, mental and social well-being.
- » To maintain a welcoming work environment, guided by respect and collaboration (with NPS rating by our professionals above 70 points).

### Human development and diversity

- » To promote diversity and inclusion to ensure equal opportunities and equal rights.
- » To seek greater gender balance in management positions.

### Local development and environmental impacts

- » To be partners with the communities in which we operate in the promotion of their socioeconomic development.
- » To promote volunteer programs, with wide coverage, involving our professionals and their families.

## Care for relationships and operations



### Innovation and technological development

- » To develop and adapt technologies aimed at the circular economy, digital transformation, reverse logistics, and low-carbon products/processes.
- » To foster innovation while establishing partnerships with universities, technology centers, and companies.

### Ethics, governance and transparency

- » To ensure responsive, inclusive, participatory and representative decision making at all levels.
- » To reinforce transparency by publishing the Integrated Annual Report audited by an independent company.
- » To disseminate values and culture of ethics, compliance and integrity, including anti-corruption and antitrust policies.

### Operational excellence

- » To be in the first quartile of international benchmarks of the Global Cement and Concrete Association (GCCA), with over 50% of the main performance indicators.

### Economic performance

- » To ensure efficient capital allocation, favoring projects that generate economic and shared value.
- » To stand out in sectorial return on capital employed (ROCE) (first quartile of performance).





# Message from the Board

GRI 102-14

Although 2021 was marked by great challenges where, in addition to the second wave of the COVID-19 pandemic, we also faced the associated pressure on input costs, we managed to succeed in our social, environmental, economic and financial performance.

Our net revenue had an increase of 33% over the previous year, reaching \$1,694 million, while Adjusted EBITDA increased by 37%, also compared to 2020, reaching \$470 million, with a margin of 27.7% and strong cash conversion. Thus, we positioned ourselves as one of the most profitable companies in the sector, standing out in the first quartile. We believe that this performance is also

the result of our agility, responsibility, and control, improved thanks to our continuous repositioning as a *holding* company, which has been in progress since 2019.

Increasingly, our operations have the autonomy to put into practice the sense of ownership and urgency, adapting strategies and actions to the reality and opportunities of the regions in which they operate. Thus, we have begun to act in the strategic field, supporting operations and guiding them towards macro-objectives, in accordance with our guidelines, under a solid governance structure, which unfolds into local structures that are as solid as possible.



As an example, in addition to having our Argentina operation (Loma Negra) listed on the Argentine (BYMA) and New York (NYSE) Stock Exchanges since 2017, at the highest levels and with the highest standards of governance, in 2021, our Brazil operation (InterCement Brasil S.A.) was registered in the "A" category of the Securities Commission of Brazil (CVM), raising its governance level to the highest standard, according to the Novo Mercado ("New Market") guidelines of the São Paulo Stock Exchange (B3 - Brasil, Bolsa e Balcão).

This would not be enough, however, if it were not balanced with all the other supporting aspects of the

Company, which are summarized in care for the environment, care for people and care for relationships and operations - the three pillars that make up our Agenda 2030, established in 2021. In a way, the commitments we publicly assumed in this document were already present in our business and in our DNA, which translate into conducting our work and delivering our product in the most cooperative and sustainable way possible in relation to all aspects involving the environments where we operate. Nevertheless, having them structured in a clear and objective way offers more assertiveness to our management and to the performance of each operation and

each person. From the moment the Board approves the challenges of achieving these goals, everyone has more clarity to design and monitor their action plans so that they can, in fact, materialize, ensuring the achievement of goals.

Care for the environment is related to our industrial *performance* orientation, as the concept of sustainability is intrinsically linked to efficiency. One example is the completion of the expansion of the L'Amalí plant, with the construction of a second production line for clinker and cement, using the best technology available, which will subsequently be reflected in better industrial and environmental performance.

It is not enough to talk about operational efficiency and our great persistence without discussing safety. A company does not have the right to negatively change a person's ideal of life, which is why this is a non-negotiable value within the Company, for which we have the ambitious goal of achieving a zero-accident rate. With this goal in mind, we have systematically worked and achieved this indicator in the expansion of the L'Amalí plant (Loma Negra, in Argentina), the Egypt operation (Amreyah Cement), and a number of plants in Brazil (InterCement Brasil), as well as continuing management and investment work on topics associated with this objective,



Campo Formoso Unit  
Brazil



as we understand that this must be a continuous work. This focus on safety reflects our attention to people, as we are certain that they are our main asset. We wish to offer an environment where people feel good and safe and to be part of their growth and development process. InterCement Brasil's achievement of the 5th place in the Valor Carreira Awards, in the category of companies with 1,500 to 3,000 employees, is a sign that we are on the right path.

It should be noted that this care is not limited to our employees. It guides our relationship with all *stakeholders*, whether they are inside or outside the Company. The way we relate to the community where we operate says a lot in this regard, as can be seen in the excellent work of the InterCement Institute, in Brazil, and the Loma Negra Foundation, in Argentina, in addition to the actions to encourage the promotion of our value chain, with which we establish a win-win relationship - on the one hand, by contributing to the development of our partners and suppliers, raising the bar in terms of practices aligned with the ESG pillars, and on the other hand, learning from their good practices.

In the pillar of care with relationships and operations, we have fronts that translate this care towards all our audiences and help us to leverage the value generated and shared with society. These are innovation and technological development; ethics, governance, and transparency; operational excellence; and economic performance.

In the end, all aspects are interrelated and permeate the Company and its operations in a cross-sectional way, as the true concept of sustainability should be. This, in turn, should also be understood not as an end point, but rather as an ongoing process, which, in our company, we refer to as the ESG Journey. In this journey, the integrated report is a key management tool, which helps us establish data and key performance indicators in a more structured way, so that we are able to diagnose *gaps* and points for improvement and our strengths. Based on that, we seek to monitor them with more accuracy, transparency, and assertiveness, guiding each step towards continuous improvement.

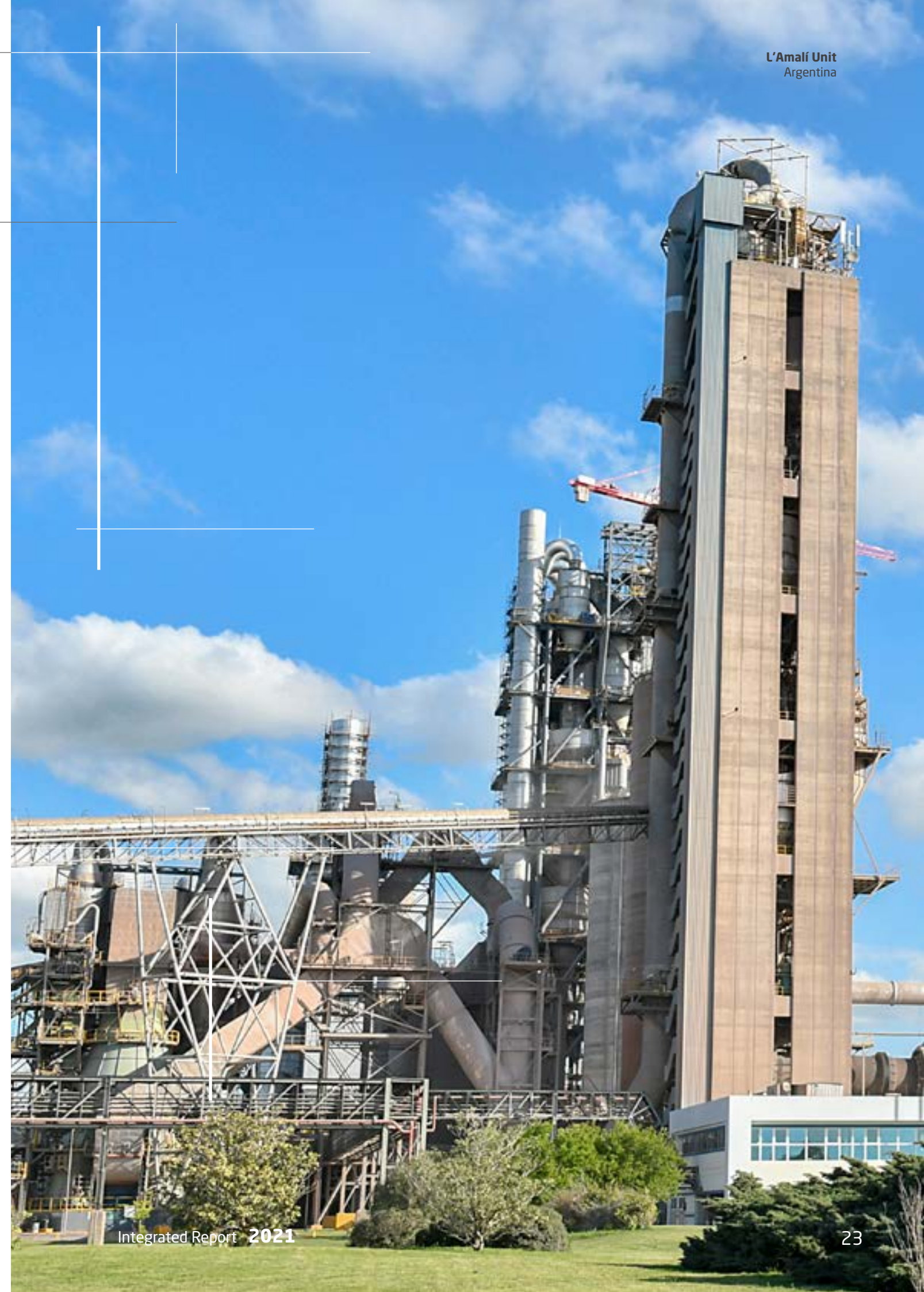
It is, therefore, with great satisfaction that we present, for the second consecutive year, this report, now including the goals and commitments expressed in our Agenda 2030, reflecting our material topics and our contributions to the UN SDGs.

**Wilson Brumer**

Chairman of the Board of Directors.

**Flávio Aida**

CEO of InterCement Participações.





# We Are InterCement Participações

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8, 102-41

We are a Brazilian private equity company, having started our operations in 1974, in Apiaí, in the inner state of São Paulo, Brazil. We currently have business units in five countries - South Africa, Argentina, Brazil, Egypt, and Mozambique - through which we offer the market a broad portfolio of products and services that meet a wide variety

of demands for cement, concrete, and aggregates. In total, we have 33 production units with an active capacity of over 41 million metric tons of cement per year, employing over 6,000 professionals, as shown below.

## GRI 102-7 Scale of the organization

Indicator	Unit	2020	2021
i. Total number of employees	Number	6,223	6,016
ii. Total number of cement plants	Number	33	33
iii. Net sales	Million U.S. dollars	1,278	1,694
Financial leverage	Net debt / adjusted EBITDA	3.97	2.76
Installed capacity (cement)	t million	37	41





Business Unit	Production Units (t)	Cement production capacity (t million)	Numbers of employees
 South Africa	3	2	430
 Argentina	9	12	2,889*
 Brazil	15	17	2,050
 Egypt	1	6	303
 Mozambique	5	3	344

\* This number comprises 1,747 employees at Loma Negra and 1,142 at Ferrosur.

- 
- Catamarca
  - L'Amalí
  - Barker
  - Olavarria
  - San Juan
  - Zapala
  - Ramallo (G)
  - Sierras Bayas (G)
  - Lomaser (B)



- João Pessoa (G)
- Cabo de Santo Agostinho (G)
- São Miguel dos Campos
- Campo Formoso
- Brumado (G)
- Santana do Paraíso (G)
- Pedro Leopoldo
- Ijaci
- Jacareí (G)
- Cajati
- Apiaí
- Nova Santa Rita (G)
- Candiota
- Bodoquena
- Cezarina



- Simuma
- Durban (G)
- Newcastle (B)



- Matola
- Matola II (G)
- Nacala (G)
- CINAC (G)
- Dondo (G)

▪ Amreyah

(G) Grinding unit  
(B) Mixing unit







In **South Africa**, we have **Natal Portland Cement (NPC)**, which has been integrated into InterCement Participações since 2012. A privately held company, which originated in the foundation of Durban Cement Ltda., in 1964, it has three cement plants located in Durban, Newcastle, and Port Shepstone (municipality where the Simuma plant is located). It is the only integrated cement producer in its province (KwaZulu-Natal), the second largest consumer market in the country. In addition to cement, it produces and sells aggregates and concrete, operating three quarries and seven concrete plants.



In **Argentina**, we are market leaders through **Loma Negra**, founded in 1920. A publicly traded company listed on the New York Stock Exchange (NYSE) and Bolsas y Mercados Argentinos (BYMA) since 2017, it has been part of the group since 2005, including nine cement factories, one quarry, and eight concrete plants.



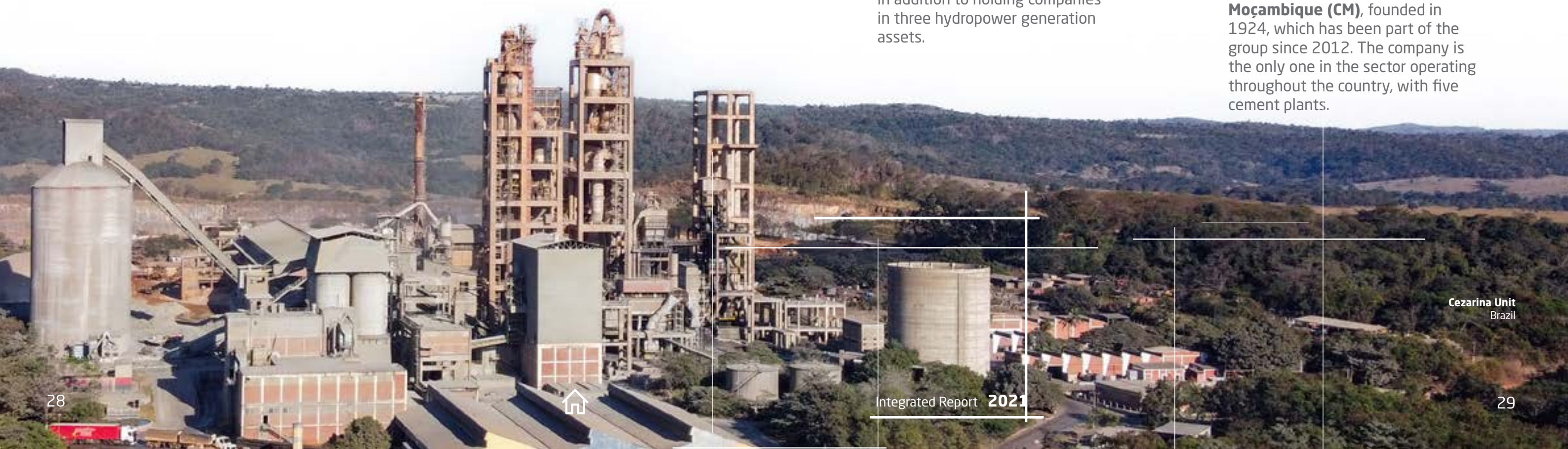
In **Brazil**, through **InterCement Brasil S.A.**, we are the second largest cement company in terms of capacity and one of the only ones with sales across all regions of the country, according to data from the National Cement Industry Union (SNIC). Originally established in the State of São Paulo, in 1974, InterCement Brasil is a corporation, registered as a publicly-held company in the "A" category of the Securities Commission of Brazil (CVM) since 2021, although it still does not have its shares listed on B3 S.A. - Brasil, Bolsa e Balcão (B3). The company has 15 cement plants and four concrete plants, in addition to holding companies in three hydropower generation assets.



In **Egypt**, we operate through **Amreyah Cement**, which was founded in 1987 and has been part of the group since 2012. The company has a cement plant located 55 kilometers from Alexandria, where it has regional market leadership.



In **Mozambique**, we are also market leaders with **Cimentos de Moçambique (CM)**, founded in 1924, which has been part of the group since 2012. The company is the only one in the sector operating throughout the country, with five cement plants.



Cezarina Unit  
Brazil





# Highlights of 2021

**8% reduction** in the absolute number of injuries, considering internal and outsourced employees.

Organization of the **1st Global Compliance Week**

Formalization of the **targets and commitments for 2030**, in line with the UN SDG

**22% increase** in environmental CAPEX and OPEX, mainly dedicated to the increase in the number of internal environmental licenses and audits.

**Reduction of the Frequency Rate and Severity Rate, respectively, of 14% and 67%**, reaching the milestone

of zero accidents in Egypt, in a few concrete plants in Brazil, and in the implementation of the line 2 of L'Amalí, in Argentina.

**6% increase** in cement production compared to the previous years, totaling 19.39 million metric tons.

**2.2% increase** in the reliability index of cement grinding units, which operate 97.1% of the schedule time, without interruptions due to failures.

**12% increase** in clinker production compared to 2020, totaling 12.69 million metric tons.

**33% increase** in the net sales revenue.

From 2019 to 2021, our financial leverage index fell from **5.28x** to **2.76x** adjusted EBITDA.

L'Amalí Unit  
Argentina



# Highlights by Business Unit



## South Africa Natal Portland Cement

**Organization of the 2<sup>nd</sup> safety leadership workshop** to increase visibility, competencies and the involvement of all hierarchical levels to build a new safety culture.

**220% increase** in operating cash flow, enabling the cash transfer of \$45 million to InterCement Participações.

**37% increase** in Adjusted EBITDA, reaching the largest result of the past 10 years in the local currency.

**Implementation of several governance improvements**, such as changes in the tender processes of the main outsourced services in cement production, in order to make them more transparent and linked to the performance indicator, reducing the costs of the main logistics, maintenance and industrial cleaning contracts.

**Loan from \$31 million**, in long-term loans, in the international market, as a result of the trust gained from the recovery plan, which has been ongoing since 2019, with growing results.

The second largest annual production of kiln 1 in Simuma in the past 12 years, with a **23% increase** compared to 2021.





**Achievement of the Solidarity Entrepreneur Award 2021 by the Loma Negra Foundation**, with the Raíces Program, granted by the Ecumenical Social Forum and the Jorge Luís Borges International Foundation.

**Recognition from the Argentine Business Council** for Sustainable Development (CEADS) for its contribution to the UN SDGs.

**25.4% increase** in Adjusted EBITDA, reaching a historic record of \$240 million.

**Formalization of the purpose “We transform your life by promoting sustainable growth”** - and cultural principles that guide the way of working to make Loma Negra a more agile, dynamic, inclusive and diversified company.

**Publication of the 1st Sustainability Report**, integrating the interdisciplinary and collaborative work of all areas of the organization.

**Click here** to access the Loma Negra Sustainability Report 2021.

**Achievement of the Idea Award for Institutional Excellence 2021**, granted by the Business Development Institute of Argentina (IDEA), within the scope of the 57th Colloquium, acknowledging institutional quality practices and the company's initiatives in projects aimed at the country's progress.

**100% leadership participation** in anti-corruption and compliance program training.

**Opening of the Second Line of the L'Amalí Plant, in Olavarría** - an investment of approximately \$350 million, incorporating technological advances, which, in addition to increasing production capacity by 40%, improve all performance and environmental indicators while promoting the circular economy in our processes.

**18% increase** in sales of cement, lime, and masonry cement, reaching 6 million metric tons.



L'Amalí Unit  
Argentina





## Brazil InterCement Brasil SA

**50% reduction** in accident rates compared to 2020, with historical records for lower severity and frequency rates.

**Achievement of the 5th place** in the Valor Carreira Award, in the category of companies with 1,500 to 3,000 employees, acknowledging the quality of people management.

**Recycling equivalent to 22%** of all cement packages sold in 2021.

### **Creation of a new structure for the Board of Directors,**

with the appointment of three new directors, including two independent directors, which raises the level of governance to the highest standard, according to the guidelines of B3's Novo Mercado.

### **39% increase**

in the active customer base compared to 2020 - a new historical record - contributing to the overcoming achievement of the commercial plan.

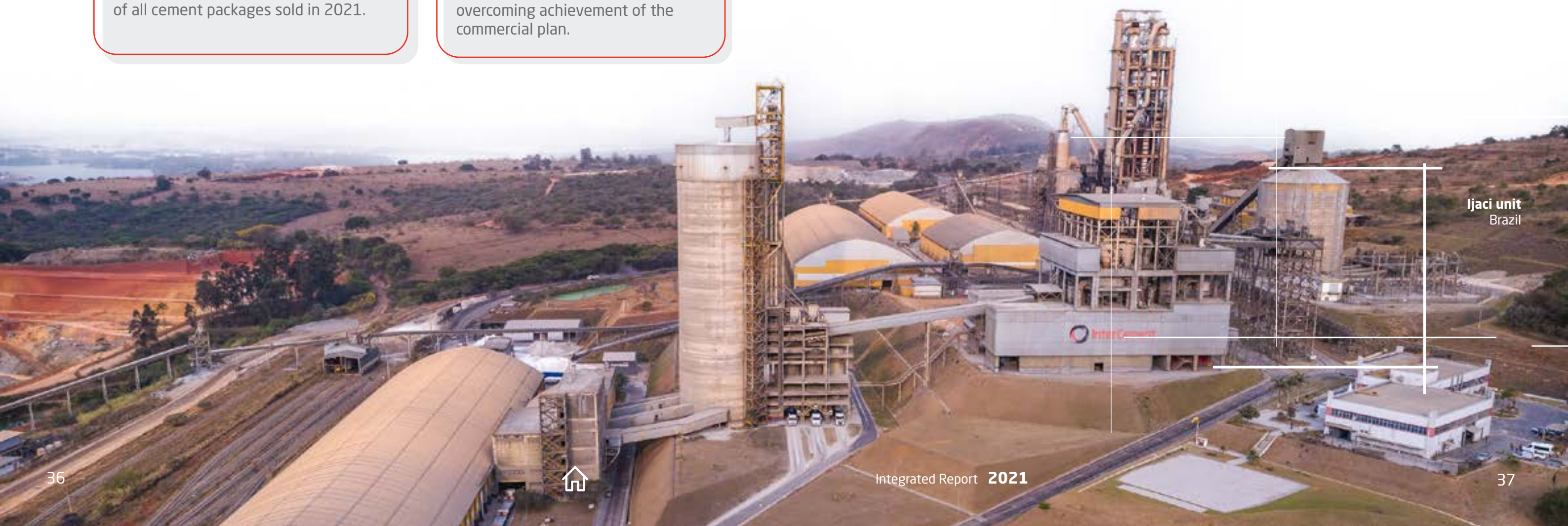
### **Increased industrial performance and reliability,**

with **80%** of cement mills operating with more than **96%** of the scheduled time, without interruptions due to failures, with an emphasis on three plants with rates above **99%**.

**Click here** to access the Integrated Report of InterCement Brasil 2021.

**Net income of R\$1.3 billion,** reversing the 2020 loss.

**Breaking of another 51 records** relating to industrial performance indicators, over the last 10 years, across all plants, such as increased productivity and energy efficiency of mills and ovens.



Ijaci unit  
Brazil





**The first privately held company in Alexandria to reach 98%** of employees fully vaccinated against COVID-19 in 2021.

**Achievement of the Big 5 Egypt Impact Award** for the work carried out for gender inclusion and the empowerment of women.

**Establishment of a partnership with the City of Alexandria**

to supply more than **100,000 metric tons** of waste annually (more than 6% of the total produced by the region), placing the company as the largest consumer of urban solid waste in the city.

**Reduction of the carbon footprint** through investments in the waste processing plant and development of products with a low carbon footprint (pozzolanic cement).

**80% improvement** in annual Residue-Derived Fuel (RDF).

**5% increase** in total sales volume, taking advantage of the 6% growth in market demand.

**22% growth** in net revenue compared to 2020, thanks to taking advantage of opportunities in the market scenario, achieving better presence and price position in its main markets.



Amreyah Unit  
Egypt





## Mozambique

### Cimentos de Moçambique

**Application of the 1<sup>st</sup> and 2<sup>nd</sup> doses against COVID-19** to 100% of the professionals, spouses and children with own investments.

**Rebalancing of the financial cycle**, with a reduction in the average collection period from 40 to 25 days, with a simultaneous increase in the average payment period from 23 to 36 days.

**Appointment of new executives to conduct the business** seeking synergies with the South African operation, a sense of ownership and agility in the face of the new market scenario.

**Reorganization of the performance of the sales team** by territory and channel and creation of the Market Intelligence area, with implementation of the *Business Intelligence* (BI) system, enabling a more strategic performance with data-based decision making.

**Realignment of leadership** for a new organizational culture focusing on safety, autonomy, compliance, and profitability.

Matola Unit  
Mozambique





# Our Strategy

In 2021, our business strategy was based on two main points. One of them was the continuation of the process of our repositioning as a *holding* company and, subsequently, in the way we relate to each of our business units. At this point, we highlight four main fronts of action.





### 1) Strengthening of our performance as a holding company

Our asset portfolio includes companies that, in general, have a very positive image in the markets in which they operate, often with a longer history than our own management, such as Loma Negra, founded in 1920. Our role, therefore, it is to give autonomy to each unit in the development of their own action plans, according to their identities, resources, and the peculiarities of their markets. In this way, we make the most of the knowledge and experience of the boards and teams operate in day-to-day work, with an emphasis on the performance of their businesses.



### 2) Focus on strategy

Based on this autonomy, we are able to focus on the strategy, directions and assumptions that will guide the actions of each business unit so that the group moves towards common macro-objectives.



### 3) Corporate governance

Through our governance bodies and executive committees, we assess the strategic planning and action plans of each business unit, generally prepared for a period of 3 years, with annual review and monitoring, drawing a parallel to ensure that all converge towards the Company's macro-plan as a whole.



### 4) Synergy link

Having this vision and transversal participation by all business units, starting from strategies, assumptions and corporate principles that are common to all, we have begun to act increasingly as a link between the units, promoting synergy for the exchange of knowledge and sharing best practices in search of more efficiency. Thus, we created moments of integration between the executive committees of each country and forums for thematic discussions on priority topics, such as health and safety and industrial, operational and sustainability *performance*, having as a starting point the consolidation of the indicators of the different factories, carried out by a corporate area of technology and processes. This exchange of information is also carried out at the highest level of governance: The CEO of InterCement Brasil joined the Board of Directors of Loma Negra, whose CEO also became a member of the Board of the Brazilian company. Additionally, we have promoted the rotation of executives between the business units.



Amreyah Unit  
Egypt







The second point of our strategy consists of rebalancing the Company's balance sheet while increasing cash generation, with a focus on deleveraging. Thanks to this work, anchored by our values of respect for people and the environment, transparency, quality and innovation, responsible action, and a focus on results, we have made consecutive advances. In the period from 2019 to 2021, our leverage ratio dropped from 5.28x to 2.76x. The success of our deleveraging plan has given us more credibility in the market, which acknowledges us as a global cement company.

Therefore, our strategy focuses on the search for economic, social and environmental sustainability. Thus, we will have more and more

compatible financial conditions to expand our distribution of value to society, from the increase in our capacity to invest in new technologies that allow the improvement of operational efficiency and, subsequently, the reduction of our environmental footprint. To do this, in summary, we start from the premise that all operations must seek the improvement of industrial and environmental performance simultaneously, as one is intrinsically linked to the other. This should be done neglecting care for people, whether they are our employees or members of the communities where we operate.

## Our values



### RESPECT FOR PEOPLE AND THE ENVIRONMENT

Always acting correctly and fairly in relation to our shareholders, professionals, customers, suppliers, government, communities, and society in general. Acting responsibly towards the environment.



### QUALITY AND INNOVATION

Providing customers with the best possible quality in the execution of services or supply of products and continuously investing in the improvement of our activities and our professionals.



### TRANSPARENCY

Providing clear and comprehensive information on activities, achievements, policies and performance in a systematic and accessible manner.



### RESPONSIBLE PERFORMANCE

Complying with the legislation of the countries and regions where we operate; fulfilling the values defined herein; acting with integrity and in accordance with universal rules of good human coexistence, without discrimination based on race, gender, creed, religion, position, role, or any other.



### FOCUS ON THE RESULT

We always seek to maximize performance as a way of guaranteeing our continuity, our investments, return to shareholders and adequate conditions for professionals.

## Shared value

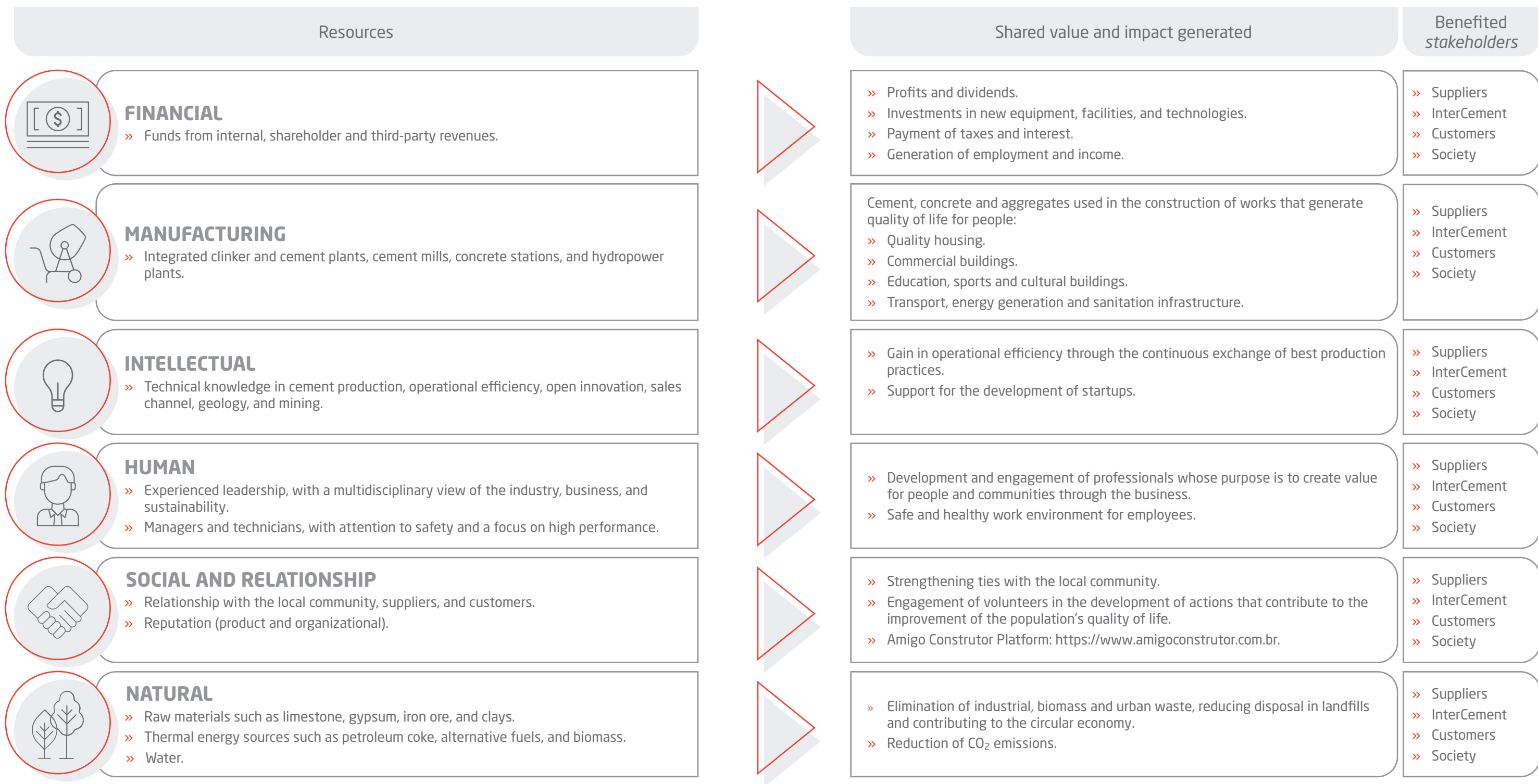
Based on our resources - our financial, manufacturing, intellectual, human, social and relationship, and natural capital - as well as our way of acting and our business strategy, we manage and share value with our audiences and society at large, as represented below, based on the international framework for Integrated Reporting (IR) proposed by the *International Integrated Reporting Council (IIRC)* a global coalition of regulators, investors, companies, standard setters, accounting professionals, and NGOs.



# Our business model

GRI 102-16

Aware of who we are, our principles and purpose, we generate and share value for our audiences and society through our activity and products, as shown below.







# CORPORATE GOVERNANCE

*GRI 102-18, 102-22, 103-2 and 103-3*

Integrity and Compliance / Code of Conduct, Policies and Standards / Risk Management

Lomaser Unit  
Argentina



We start from the assumption that Governance is a constant process: it has a beginning and a middle, but no end. We must always be attentive to seek opportunities for improvement and ways to consolidate it and root it in corporate operations, as well as in each of our business units.

In 2021, we continued this process of consolidating our governance structure in accordance with highest-level practices. The independent external members who joined our Board of Directors in 2020, as well as the three formalized committees - Audit, Risk and *Compliance*; Strategy and Finance; and People, Governance and Sustainability - have an increasingly active participation in the planning, monitoring, analysis and strategic decision-making processes.

Bringing these independent members to the same forum where the shareholders are was a strategic step in expanding our vision, bringing references and market perspectives. Additionally, the division between daily operational discussions and strategic decisions became more evident, helping us put into practice our repositioning as a *holding* company focused on more macro issues.

Our structure also has an executive committee, which reports to the Board of Directors and is supported by the Ethics and *Compliance* Committee in cases involving ethical and/or compliance violations, among others.

Based on the synergy with the business units, the concepts of this structure were improved for Brazil,

such as the creation of committees and the Ethics and Compliance *Commission*.

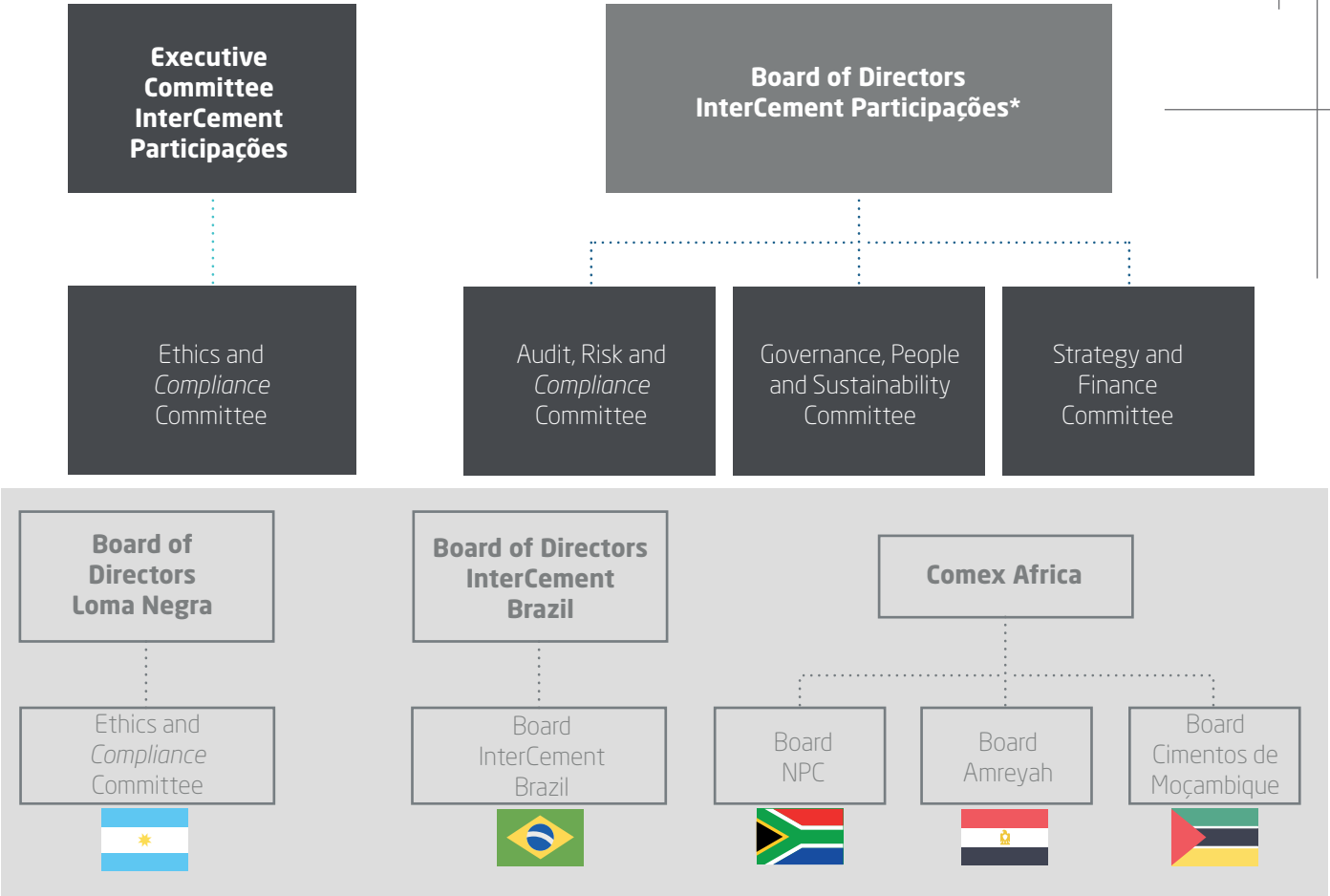
In turn, InterCement Brasil, a company controlled by InterCement Participações, implemented several good practices, which will serve as a reference to further evolve our corporate governance, in a feedback process. Some of these main changes in the Brazilian unit include the appointment of three new directors, including two independent members, both women, totaling six members, in addition to the remodeling of the Executive Board, with four statutory directors and four non-statutory ones; the creation or internalization of dedicated areas, such as Investor Relations and IT (allocated to the Financial Department), Corporate Law (allocated to the Legal Department), and Internal Audit and Risk Management (reporting directly to the Board of Directors). With this new structure, the Brazilian company began to be registered in the "A" category of the Securities Commission of Brazil (CVM), which requires the highest governance standard, having its own Committee to which the board reports.

Similarly, Loma Negra, another subsidiary of InterCement Participações, has the highest level of governance, being listed on the New York Stock Exchange (NYSE) and Bolsas y Mercados Argentinos (BYMA). It therefore has its own Board of Directors, with the participation of nine members, four of them independent. The Board is supported by the Executive Committee, with seven members; the Audit Committee, with four

independent members - as required by the NYSE and the National Securities Commission of Argentina (CNVM); the People and Governance Committee, as recommended by the NYSE and CNVM, in addition to the Risks and Reputation Committee, Ethics and Finance, Results and Strategies Committee. Loma Negra's management is linked to its own Board of Directors.

To support companies in African countries (NPC, Amreyah, and Cimentos Moçambique) a committee composed of our main executives was organized. The body serves as a Committee, being the one to which each of the respective boards reports.

INTERCEMENT PARTICIPAÇÕES' GOVERNANCE STRUCTURE





# Integrity and *Compliance*

GRIs 102-16, 102-17, 103-2, 103-3 and 205-2

We ensure the compliance of our processes and operations, in accordance with local laws and regulations, as well as existing internal policies, standards, manuals, and procedures, with integrity in our processes and operations, considering social, environmental and economic aspects.

Our Integrity and *Compliance* Program, which underwent an internal audit process completed in early 2022, covers the main Brazilian (Brazilian Anti-Corruption Act) and international (FCPA and UK Bribery Act) references. Its purpose is to prepare and/or review policies and standards, update the Code

of Conduct, educate, and monitor, among others, as well as ingraining in the organizational culture the habit of using ethical guidelines to integrate the organization's decision-making processes. Thus, through it, we continue to develop and consolidate our organizational culture based on our ethical guidelines, with major improvement actions, based on what the Federal Comptroller General (CGU) proposes and the Anti-Corruption Act, in a continuous process maintained through six major action fronts, as listed and exemplified below:





## Communication

It consists of a continuous communication process on the topics of Integrity and Compliance. As an example, we have a unique and specific email address - COMPLIANCE COMUNICA - to allow discussions on the topic with people. Moreover, in 2021, we created the new *Compliance* website, available to internal and external audiences.

Lomaser Unit  
Argentina



## Education

It consists of an active and permanent teaching and learning process on topics involving integrity and *compliance*, such as code of conduct, anti-corruption and antitrust practices, and the Ethics Hotline, among others, with due monitoring of the participation of the teams and assessment of the retention of the contents covered. As an example, we highlight the holding of our first Integrity and *Compliance* Week, a global initiative in which sensitive topics were debated, such as conflicts of interest, the General Data Protection Act (LGPD),

moral harassment and sexual harassment, and gifts, among others. In addition to the topics of harassment, we launched two booklets: one on the prevention of moral harassment and one on the prevention of sexual harassment. Also, in 2021, we relaunched training on Competition (Antitrust) and Anti-corruption topics, which are required for middle and senior management and executives. Finally, we provided integration training for all new professionals, covering the main topics of the Integrity and *Compliance* Program.

**GRI-205-2-a. Total number and percentage of members of the governance body to whom the organization's anti-corruption policies and procedures were communicated, broken down by region.**

Region	Unit	2019		2020		2021	
		Comm.	Training	Comm.	Training	Comm.	Training
South Africa	number	11	1	10	2	9	5
	%	65%	6%	63%	13%	60%	33%
Argentina	number	15	15	13	8	12	9
	%	71%	71%	72%	44%	75%	56%
Brazil	number	11	6	10	0	16	7
	%	100%	55%	100%	0%	100%	44%
Egypt	number	6	0	12	0	12	4
	%	100%	0%	100%	0%	100%	33%
Mozambique	number	14	12	13	1	21	11
	%	100%	86%	100%	8%	100%	52%
Corporate	number	11	9	17	7	12	7
	%	69%	56%	81%	33%	67%	39%
<b>Total</b>	number	<b>68</b>	<b>43</b>	<b>75</b>	<b>18</b>	<b>82</b>	<b>43</b>
	%	<b>80%</b>	<b>51%</b>	<b>83%</b>	<b>20%</b>	<b>84%</b>	<b>44%</b>

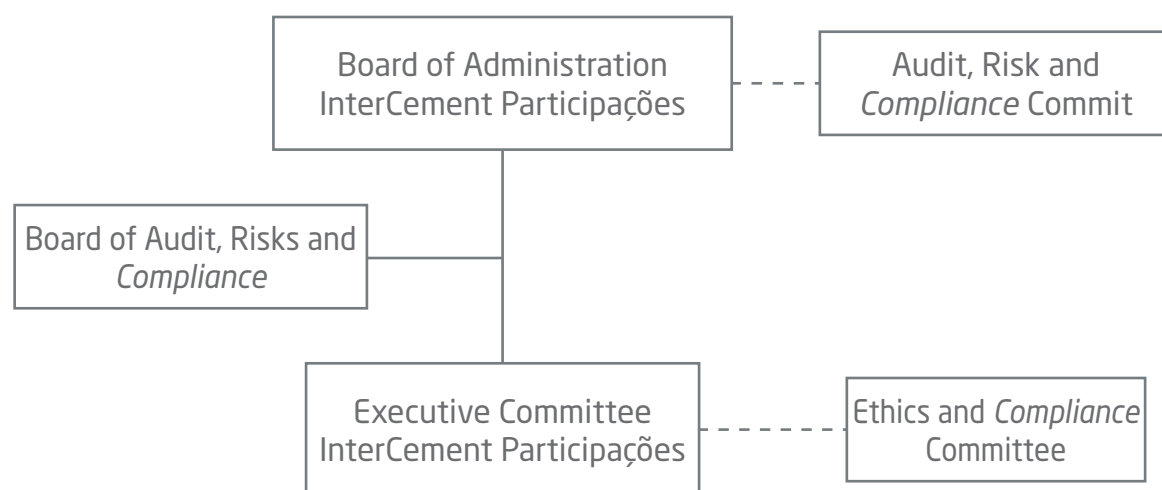




## Audit, risk and compliance governance

The Board of Audit, Risks and *Compliance* is in charge of the Integrity and Compliance Program and the topic relating to

combating corruption, reporting to the President of our Board of Administration, as shown below:



## Ethics Hotline

All our efforts are directed towards ethical and integrity conduct at all levels, in all relationships and practices, but we also need to have well-structured mechanisms to address possible deviations related to confidentiality, transparency, and agility. Our communication channel, the Ethics Hotline, is a key instrument for this purpose. Since 2004, it has been open to all professionals and the external public, who are able to make consultations, clarify doubts, and report suspicions or violations of the Code of Conduct, other policies and procedures or any law or regulation applicable to it, in

a confidential manner, with the option for anonymity.

To make the channel more reliable, it is operated by an independent company, which directs the communications to addressed by the Audit, Risk and *Compliance* Department. The conclusions and recommendations on the investigations carried out are periodically reported by the Audit, Risk and *Compliance* Department, following corporate governance, passing through the Ethics and *Compliance* Committee and reaching the Board of Directors.

### Ethics Hotline Statistics GRI 103-2

Indicator	2019	2020	2021
Number of communications received and addressed	122	140	156
Number of communications opened and resolved in the current year	115	112	151
Number of communications from previous years	5	7	28

\*Please check our Ethics Hotline contacts on our website:  
<https://compliance.intercement.com/etica/>







## Compliance process

It consists of the monitoring of important topics, such as anti-corruption and antitrust practices, environmental licenses and mining law, for which there is an organizational support structure with *Compliance Agents* (disseminators and facilitators of

the topic) in each business unit. The goal is to ensure compliance with local laws and regulations, as well as InterCement's internal policies, standards and procedures.



## Agreements and declarations

In a process of continuous improvement, the Audit, Risk and *Compliance* Department created the *online compliance* module, available on the Company's intranet, in order to automate the

process of filling out agreements and perform centralized management of Agreements and Declarations related to some of the standards of the Integrity and *Compliance*, such as:

- Code of Conduct Declaration of Commitment;
- Integrity and Compliance Program Commitment Agreement;
- Declaration of Conflict of Interest;
- Work Tool Use Agreement;
- Declaration of Interaction with Public Officials;
- Declaration of Participation in a Meeting with a Competitor;
- Donation Delivery Agreement;
- Sponsorship Delivery Agreement;
- Letter of Acceptance of Donation by the Beneficiary Entity;
- Letter of Acceptance of Sponsorship by the Beneficiary Entity;
- Declaration of Gift Offering;
- Declaration of Gift Receipt;
- Sworn Politically Exposed Person (PEP) Declaration (Loma Negra).







# Code of conduct, policies and standards

To monitor the functioning and efficiency of the integrity and compliance mechanisms and procedures, we have the Board of Directors, the Audit, Risk and *Compliance* Committee, the Ethics and *Compliance* Committee, the Audit, Risk and *Compliance* Department, and Compliance Agents, with assistance by all our documentary support, which includes our Code of Conduct, in addition to timely re-evaluated policies and standards. The review is carried out by the Audit, Risks and Compliance area, with contributions from the Ethics and Compliance Committee.

Our Code of Conduct, revised in 2021, represents our commitment to defend what we believe in, following a responsible, ethical, transparent and mutually respectful posture.

Applicable to all employees and extended to suppliers, business partners, customers and other *stakeholders* involved and/or interested in our business, it addresses, among other matters, the importance of complying with the legislation and regulations applicable to their activities, particularly with laws prohibiting corrupt practices. The document



also addresses, among other items, topics such as social responsibility, conduct in relation to the community and the environment, conduct in relation to the Company and its assets, including conduct in relation to the media and use of social networks, conduct in relation to the Government, and disciplinary measures applicable in cases of violation.

To facilitate the dissemination of this knowledge, we divided it into five principles that gave rise to five pill videos (short, didactic, and with accessible language):

- 1) The basis of coexistence;
- 2) Relationships;
- 3) The dilemmas of coexistence (released in 2020);
- 4) Protective measures;
- 5) Surrounding areas (released in 2021).

Simultaneously, to support the operation and efficiency of the Integrity and *Compliance* Program, we have solid documentary support:

Integrity and Compliance Standard;

Preventing and Combating of Illicit Acts Standard;

Anti-Corruption Standard;

Competition Relations Standard (Antitrust);

Ethics Hotline Standard;

Public Official Relations Standard;

Gift, Gratuity, Donation and Institutional Marketing Sponsorship Standard;

Conflict of Interest Standard.



São Miguel dos Campos Unit  
Brazil



# Risk Management

GRIs 102-15, 103-2 and 103-3

Since 2015, we have had a structured risk management process that, at the time, was conducted in partnership with a specialized third-party company. In 2021, this process was improved with the approval of the new version of the Risk Management Policy.

The process is structured according to the lines of defense model of the *Committee of Sponsoring Organizations of the Treadway Commission* ("COSO-ERM"), which consists of defining roles and responsibilities in risk management and strengthening governance, as well as the interaction of these roles at all levels:



**1st Line of Defense:** It is represented by the Risk Owners, who are directly responsible for the execution of their processes and detection of the respective risks and implementation of the responses.

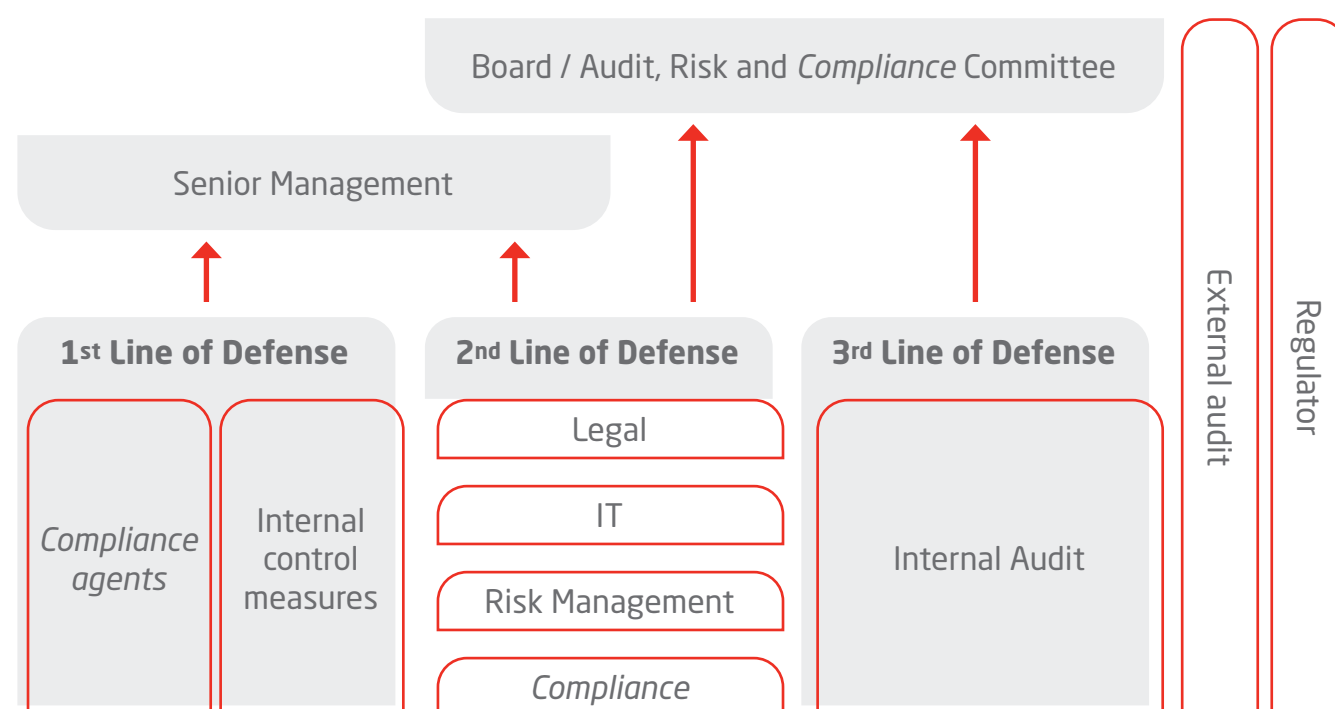
**2nd Line of Defense:** it is represented by the risk management and *Compliance* roles, which work to ensure the proper functioning of the first line, through the identification of failures in the *performance* of controls and identification of deviations from internal policies and procedures.

These roles are performed by the Audit, Risk and *Compliance* Department, which reports its activities to the Board of Directors, and can count on the assistance of other areas, such as

Comptrollership, Legal, and Internal Audit.

**3rd Line of Defense:** It is represented by the Internal Audit area, which provides independent assessments to management, especially by carrying out substantive tests of internal controls to identify operational and financial deviations resulting from failures and/or fraud. To safeguard its independence and autonomy, this role has been operated by an independent outsourced auditing firm for over 10 years.

In this sense, the Company's risk management process is structured as follows:







# OUR PERFORMANCE

Environmental / Social / Operational / Economic

Matola Unit  
Mozambique





Unidade Santo Amaro  
Brasil

# Environmental Performance

Overall, the concept of sustainability is intertwined with the concept of efficiency - doing more and better, using as few non-renewable resources as possible, with the least negatives impact while amplifying the positive ones. In our industry, this connection is even more evident, especially when dealing with environmental issues - hence our commitment to seeking operational technological improvements that allow us to be more efficient in our production processes. Such commitment is fully integrated into our business, which is part of our corporate

strategy as a premise for each of the business units.

The fact that care for the environment appears in three priority material topics in our materiality matrix, with eight goals established in our Agenda 2030, demonstrates the relevance of the topic. Thus, in 2021, our investment in CAPEX and environmental OPEX was 22% higher than in 2020, mainly thanks to the increase in the number of licensing processes and expenses with internal environmental audits.





L'Amalí Unit  
Argentina

Total CAPEX and environmental OPEX (millions of U.S. dollars)

Indicator	2019	2020	2021
Environmental CAPEX	14.3	5.6	5.7
Environmental OPEX	3.2	2.6	4.3
<b>TOTAL</b>	<b>17.5</b>	<b>8.2</b>	<b>10.0</b>

To help achieve these important advances, our operations rely on an important management tool: the *Plant Performance Improvement Program* (PPIP). Managed by our Technical & Performance Board, it establishes short- and medium-term action plans alongside the operational units to increase the operational and environmental performance of cement plants while considering the indicators obtained.

In this process, we rely on the *Cement Know How InterCement* (CKHIC) system, a primary database for the calculation and annual reporting of industrial and sustainability *performance* of the operating units, which is part of the PPIP. The cements are collected automatically, validated by cement plants and transferred to the *Global Cement and Concrete Association* (GCCA) CO2 Protocol V3. The GCCA, in turn, calculates information on absolute and specific CO2 emissions, energy consumption, and related performance indicators (energy efficiency, thermal replacement by biomass/waste,

and clinker replacement, among others).

Responsibility for this issue is shared between the Sustainability, Industrial and Technical & *Performance* Departments, while environmental *compliance* management is monitored through two internal processes. In the first sphere, each business unit carries out this monitoring based on the environmental management system, the country's environmental requirements, and its internal procedures. At the second level, the Risk & Compliance Department conducts periodic audits of compliance with environmental requirements to ensure that the management and governance system are operating correctly to comply with environmental legislation. Any deviations are reported and action plans are established. Monitoring is then carried out by the Environment Committee of each business unit.





# Energy, emissions and climate change

GRI 302-4, 305-1, 305-2, 305-4

The calculations relating to Greenhouse Gas (GHG) emissions, including CO2 (carbon dioxide), follow the *World Business Council for Sustainable Development* (WBCSD) and the *World Resource Institute* (WRI) *Cement CO2* and Energy Protocol 3.04, following the GHG Protocol model, being audited by an independent external entity in all countries.

Based on our Agenda 2030, we moved from a reactive action, following the monitoring of indicators, to a proactive action, through action plans aimed at reducing our carbon footprint. Our goal is to reduce the carbon intensity to less than 500 kg CO2/t cement, that is, a reduction of 8.5% by 2030 following the 2020 results.

In 2021, although clinker production was 12% higher, the increase in cement production by 6%, as well as the reduction in thermal consumption by 1% and the clinker factor by 0.3%, offset the lower rate of thermal replacement by waste/biomass (-13%). Such factors contributed to obtaining net specific emissions equivalent to 541 kg CO2/t of cementitious materials, contributing to the containment of global warming, which is still better than the global media of the sector, which is 608 kg CO2/centimetics t (\*).

(\*) According to the *Global Cement Concrete Association's Getting the Numbers Right* database.

GRI-305-1 DIRECT (SCOPE 1) GHG EMISSIONS

Emissions	2019	2020	2021
Absolute (MMt)	10.55	9.56	10.62
Net (MMt)	10.14	9.18	10.26
Specific (kgCO2/t cem) Abs	581	568	560
Specific (kgCO2/t cem) Net	558	545	541

- Gas included in the calculation: CO2 - carbon dioxide.
- The following documents were used as references for the preparation of InterCement's GHG inventory:
  - *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*, WRI & WBCSD-CSIC02 Cement Industry Emissions Protocol (Version 3.0 / May 2011) Reference: *World Business Council for Sustainable Development - Cement Sustainability Initiative*, <http://www.wbcsdcement.org/>
  - FGV's Brazilian GHG Protocol Program (PBGHGP) guidelines and calculation tools;
  - 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC (2006);



Olavarría Unit  
Argentina



Indirect GHG emissions (Scope 2) 1,2,3

The cement industry demands high amounts of electricity, so efficient consumption and renewable sources are an important competitive advantage. These aspects are reflected in the calculation of Scope 2 emissions, characterized by energy consumption and the grid emission factor of each country. Therefore, we carry out the self-production of renewable energy, through three hydropower plants in Brazil, in which we have a stake, which accounted for 67% of the energy

consumed in 2021. Despite this participation, we do not use its contribution in our calculation of emission of CO2 due to the rules of the Brazilian GHG Protocol program. In Argentina, we have a wind energy supply contract that accounted for 38.6% of the total energy consumed in 2021, which, despite the slight increase in consumption, resulted in a 14% reduction in the group's emissions

GRI-305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

Emissions	Unit	2019	2020	2021
a. Total indirect (Scope 2) GHG emissions from energy purchases in metric tons of CO2 equivalent calculated based on location.	tCO <sub>2</sub> e	704,411	643,677	553.660
Energy consumption	MWh/year	2,103,346	1,977,736	2,062,159

In this decarbonization strategy, co-processing is an important instrument. On the one hand, it acts as a relevant means to reduce the cost of thermal energy by enabling the thermal destruction of waste in the ovens. On the other hand, it is possible to use renewable energy sources to power the ovens, reducing CO2 emissions.

Our co-processing index, however, dropped from 15.6% in 2020 to 14% in 2021, due to different factors that impacted the operations of the business units. In South Africa, external factors impacted the co-processing of shredded tires, and we experienced a shortfall in the supply of whole tires, which limited co-processing to 9% in kiln 1 and 6% in kiln 2, below budget targets. In Brazil, the increase in demand led to the reaction of ovens that did not have an environmental license for co-processing. In Mozambique, due to

the shutdown of the kiln in 2020, no co-processing was carried out. The exception was the Egypt unit, which improved its annual consumption of RDF (Residual Derived Fuel) by 80%, becoming the largest consumer of recycled waste in Alexandria. The company also entered into a partnership with the City to over 100 kt of waste annually, accounting for more than 6% of the total waste produced in the region.

We are focused, however, on reversing this global indicator to reach the bold goal of reaching approximately 37% replacement of fossil fuels by 2030.

The review of our Co-Processing *Business Plan 2030* reinforces this strategy for using alternative fuels as a source of thermal energy.

GRI-305-4 GHG EMISSIONS INTENSITY

Indicator	Unit	Base Year 2020	2020	2021
a. GHG emission intensity index for the organization	t CO <sub>2</sub> e/t, specific metric	0.545	0.545	0.541
t GHG emissions (net)	tCO <sub>2</sub> e	Scope 1 - 9,183,358 Scope 2 - 643,677	Scope 1 - 9,183,358 Scope 2 - 643,677	Scope 1 - 10,265,296 Scope 2 - 553,660
b. Specific metric (denominator) chosen by the organization to calculate this index	Discussion and analysis	Cementitious material	Cementitious material	Cementitious material
c. Types of GHG emissions included in the intensity index; Scope 1, Scope 2, and/or Scope 3	Discussion and analysis	Scope 1 only	Scope 1 only	Scope 1 only
d. Gases included in the calculation, whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	Discussion and analysis	CO <sub>2</sub>	CO <sub>2</sub>	CO <sub>2</sub>





# Use of materials and the circular economy

GRIs 301-1, 302-1 e 302-3

As part of an industry that has significant environmental impacts, our materials management is focused on monitoring two operational indicators: percentage of replacement of fossil fuels with alternative fuels and the clinker-cement factor (% replacement of dyne with mineral additions).

In the first, we have the Circular Economy aspect of co-processing, expanding our contribution to society as a recycling company. In 2021, 349,289 metric tons of waste were co-processed.

In the second indicator, we have the use of slag, thermoelectric ash,

limestone filler, and other cement materials in the cement composition obtained by processing industrial and mining waste, totaling 3,893,334 metric tons of alternative raw materials used.

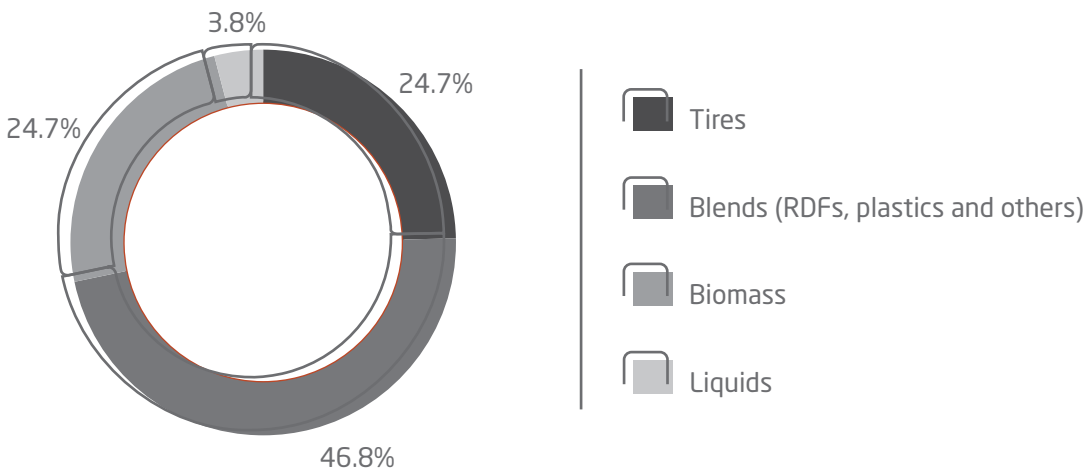
In order to manage materials responsibly, we use programs such as the Plant *Performance Improvement Program* (PIIP), which focuses on the operational improvement of the units, with specific monitoring actions, in addition to thermal replacement with alternative fuels, percentage of clinker, and thermal and electric efficiencies.

## 301-1 Materials used by weight in metric tons

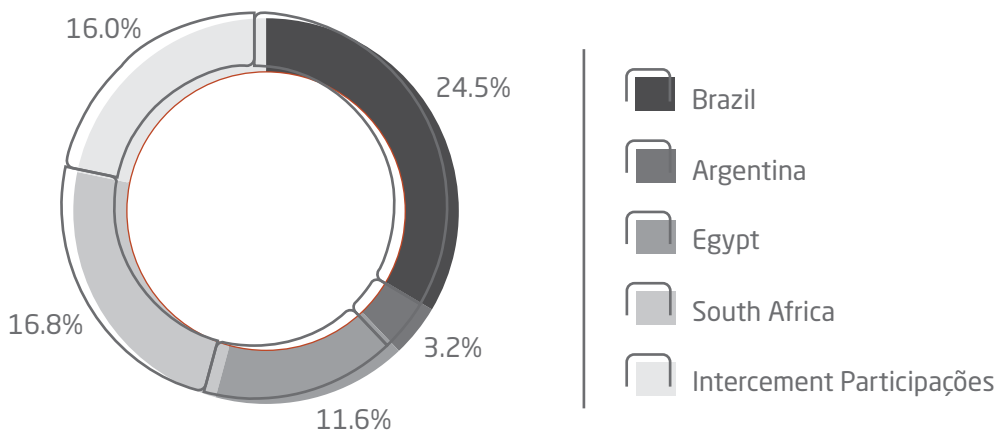
Material name	Source	2019	2020	2021*
Grinding additives	non-renewable	7,563	7,459	6,730
Limestone	non-renewable	21,736,107	19,698,432	22,560,804
Steel slag	non-renewable	1,519,181	1,336,020	1,514,853
Gypsum	non-renewable	927,332	870,486	1,010,821
Silico-aluminous materials	non-renewable	982,837	830,991	1,423,054
Alternative raw materials	non-renewable	56,069	49,841	16,619
Iron ore	non-renewable	104,849	98,098	175,349
Pozzolans	non-renewable	1,015,495	1,071,385	1,180,991
Fossil fuels	non-renewable	1,442,006	1,200,509	89,317
Alternative fuels	non-renewable	257,530	2,080,595	47,226
Renewable fuels	renewable	170,283	137,329	31,335
<b>Total</b>		<b>28,219,251</b>	<b>25,508,609</b>	<b>28,057,098</b>

(\*) In 2021, we started to consider only fuel ash.

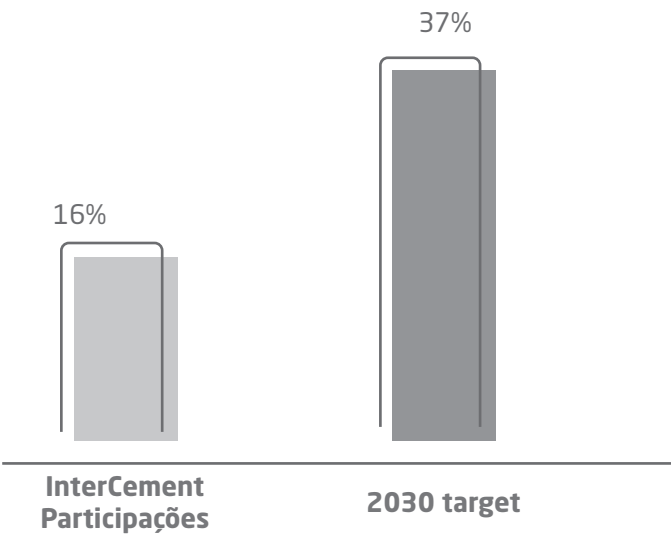
Use of alternative waste



% ST (AF + Mill)



% Thermal replacement by biomass and alternative fuels





In terms of energy efficiency, we had a 3% improvement in the energy intensity rate, although total consumption was 10% higher,

mainly due to a 6% increase in cement production and a 12% increase in clinker production.

GRI 302-3-a-d Energy intensity

Material name	Source	2019	2020	2021
a. Total energy consumption of the organization	GJ	55,267,884	49,773,623	54,581,700
a.1b. Total energy intensity rate for the organization	GJ/specific metric	3.04	2.96	2.87

302-1 Energy consumption within the Organization (in GJ)

Indicator	2019	2020	2021
Consumption of fuels from non-renewable sources			
Coal + anthracite	9,816,931	3,693,851	7,934,158
Petroleum coke	15,194,441	21,434,736	19,588,646
(Ultra) heavy fuel	476,238	107,604	147,403
Diesel fuel	368,506	491,624	519,837
Natural gas	13,222,678	9,618,052	11,964,338
Tires	2,123,956	2,293,464	1,742,372
RDFs, including plastics	1,178,162	498,744	746,503
Mixed industrial waste	861,691	1,614,620	614,285
Other fossil-based waste	889,826	178,637	1,303,700
TOTAL	44,132,428	39,931,333	44,561,241
Consumption of fuels from renewable sources			
Agricultural biomass, organic, diaper waste, charcoal	1,918,855	1,313,138	1,393,272
Other biomass	858,983	561,034	558,974
Alternative fuels that contain biomass	785,573	848,268	644,439
TOTAL	3,563,411	2,722,440	2,596,685
Energy consumed (purchased)			
Electricity	7,572,045	7,119,851	7,423,774
Heating	-	-	-
Refrigeration	-	-	-
Steam	-	-	-
TOTAL	7,572,045	7,119,851	7,423,774
Total energy consumed			
Fuels from non-renewable sources	44,132,428	39,931,333	44,561,241
Fuels from renewable sources	3,563,411	2,722,440	2,596,685
Electricity	7,572,045	7,119,851	7,423,774
TOTAL	55,267,884	49,773,623	54,581,700





# Environment and nature

## Air quality

GRI 305-7

We improve our environmental performance by reducing dust emissions - a major step forward in reducing our impact on the air quality of the communities where we operate. In addition to dust, we monitor emissions of NOx, SO2, and VOCs, which vary according to the amount of clinker produced, chemical characteristics of raw

materials, and fuels used. The best performance in this regard is thanks to the installation of a new bag filter in kiln 3 in Zapala, Egypt, carried out in late 2020, as well as the continued maintenance of pollution control equipment carried out in recent years.

### GRI-305-7-a Significant air emissions

Emissions	Unit	2019	2020	2021
NOx	t	33,310	23,003	25,623
SO2	t	4,778	3,500	4,095
Volatile Organic Compounds (VOC)	t	401	237	170
Dust	t	2,003	1,894	1,416*

\*Due to a measurement issue, the monitoring of kiln 1 in South Africa was not included.



Cajati Unit  
Brazil

## Water

GRI 303-3

The cement industry has low water consumption, considering that production takes place through a dry system. The water used is exclusively for cooling equipment and wetting roads and storage piles, that is, in ancillary activities. Despite that, we are looking for ways to increase the efficiency of water consumption. To this end, we standardized the measurement of use in order to have an accurate diagnosis of the main points of capture, directing our efforts strategically.

In this way, we identified opportunities to eliminate waste and improve equipment *performance*, resulting in a small reduction of 1% in absolute volume. Regarding the specific indicator of water withdrawn per unit of product, we reached a 10% reduction, with an emphasis on the operations in Egypt, which contributed with a reduction of 26%, and South Africa, with a reduction of 19%.

### Total water withdrawal

TOTAL VOLUME OF WATER WITHDRAWN IN ALL AREAS AND AREAS WITH STRESS, BY SOURCE (ML)	Unit	2019*	2020*	2021
Surface water	ML	1,693	1,237	2,037
Groundwater	ML	1,593	1,537	1,195
Third-party water	ML	1,461	1,687	1,177
Total volume of water with-drawn	ML	4,747	4,461	4,410
Amount of water withdrawn per unit of product	M3/t of cement products	0.259	0.260	0.234

\* In 2019 and 2020, the indicator was recalculated based on cement, according to GCCA guidelines.





# Waste

GRI 306-2

As part of the commitment to preserve the soil and natural resources, reducing waste generation through recycling and reuse, our result was a 22% reduction in the amount of waste generated, leveraged by operations in Brazil, which reduced the volume of non-hazards waste generated by 55%. Improved waste management and partnerships with recycling companies contributed to this performance.

In turn, the waste from our industrial process is generated on a non-continuous basis, when the clinker kilns and cement grinding are periodically maintained. This makes weighing this waste impossible, as the Recycling Sorting Center (RSC) are not equipped with road scales to weigh trucks loaded with waste. The waste is referred to our waste center and remains stored until its final destination, when it is then weighed. For this reason, we do not have the amount of waste generated, but rather only the amount destined for final disposal.

Regarding monitoring, the waste management standard applicable in each country is followed,

which establishes practices for the identification, handling, storage, transport, management and final disposal of all waste generated at the plants, in order to guarantee adequate and safe control, as well as establishing a system for waste sorting and improvement of environmental performance. The registration, approval or qualification and certification of suppliers that provide environmental services for waste disposal are based on the analysis and confirmation that the company to be hired meets the fiscal, financial, legal, social, environmental and safety criteria established by InterCement Participações. In this process, based on the items in our Risk Matrix, we carry out *due diligence* on suppliers and issue reports that express the level of risk exposure of each one.

Non-hazardous waste with final destination and other destinations, by operation, in metric tons (t)

Indicator	2019	2020	2021
<b>Final destination</b>			
Landfill	11,539	11,706	1,676
<b>Other disposal operations</b>			
Co-processed	708	538	619
Other forms of recovery	479	55	17
Reuse/recycling	8,022	9,869	7,720
<b>Total non-hazardous waste</b>	<b>20,749</b>	<b>22,167</b>	<b>10,033</b>

Hazardous waste with final destination and other destinations, by operation, in metric tons (t)

Indicator	2019	2020	2021
<b>Final destination</b>			
Landfill	69,501	46,170	42,312
<b>Other disposal operations</b>			
Co-processed	202	269	238
Reuse/recycling	1,839	1,228	2,780
<b>Total hazardous waste</b>	<b>71,542</b>	<b>47,667</b>	<b>45,330</b>

Unidade L'Amalí  
Argentina







# Social Performance

## Relationship with our employees

*GRI 102-8, 103-2, 103-3, 401-1, 401-2*

Anchored to our strategic vision of generating value, the relationship with our employees increasingly follows the premise that we are consolidating in the relationship with each of our business units: autonomy with responsibility.

This premise is supported by trust. Whether trusting in the technical capacity, in the potential and in the commitment of each one with our business as a whole, but especially with our values, that is, with the principles of ethics, integrity, transparency and respect

in the relationship with all our publics and with the environment and the community in which we are inserted and of which we are a part. It is this foundation that guides the relationship with the direct employees of InterCement Participações and which serves to guide the relationship with the employees who make up the teams of the business units, totaling 6,016 people.

In this relationship, we also start from the respect for the culture of each country, considering their realities. Thus, everyone has the goal of creating and developing their own action plans that make them always better in relation to themselves, in a process of continuous development and improvement, as well as taking advantage of the exchange of information and knowledge between the different units.



#### 102-8-a. Number of employees by type of employment contract and gender

Employment type	2020*			2021		
	Men	Women	Total	Men	Women	Total
Full shift	5,644	579	6,223	5,202	652	5,854
Part time	0	0	0	153	9	162
<b>Total</b>	<b>5644</b>	<b>579</b>	<b>6223</b>	<b>5355</b>	<b>661</b>	<b>6016</b>

The process for talent attraction and selection comprises the first step towards building this relationship of trust based on the synergy of values. In 2021, there were 613 new hires.

#### GRI-401-1-a. Total number and rate of new employee hires during the reporting period, broken down by age group, gender, and region.

Indicator	2021	
	Number	Rate
Total number and rate of workers (employees) hired, by age group		
Under 30 years	297	28
Between 30 and 50 years	294	7
Over 50 years	22	2
<b>Total</b>	<b>613</b>	<b>10</b>

In Brazil, each person hired goes through a rich integration process, which includes a special welcome moment with the directors, extending to the two moments of recognition and *feedback*.

Simultaneously, we seek to adjust our benefits package, implementing new items so that we are able to meet people's individual needs at each stage of life, such as payroll loans, medicine, and telemedicine, among others,

in addition to participating in the Corporate Citizenship Program in Brazil, whereby benefits such as extended maternity and paternity leave are granted. This package of benefits is linked to our reward structure, which is verified annually with the competitive market and, every six months, internally, aiming to guarantee not only competitiveness, but also internal equity.





# Development journey

GRIs 404-1, 404-2 and 404-3

Human development is one of our material topics. The principle of continuous improvement that governs our management and operation extends to our teams, which benefit from a continuous training program, featuring technical aspects, leadership

development, especially in relation to self-knowledge, and *feedback*. Cross-sectionally, we have open space for development opportunities that can be identified during the year.

Indicator <sup>1</sup>	2020	2021
<b>Average hours of training carried out by employees by gender</b>		
Men	2.62	19.56
Women	3.3	22.69
Total	2.69	16.98
<b>Average hours of training carried out by employees by employee category</b>		
Executives	0.39	19.92
Senior management	0.23	9.51
Management	3.19	18.21
Middle management / Consultants	4.16	25.21
Specialists	2.64	17.64
Coordinators	7.65	27.95
Operational heads	0.41	15.48
Administrative / Operational	2.54	20.17
Total	2.66	19.95
<b>Average hours of training carried out by workers by employee category</b>		
Apprentices	6.7	12.92
Interns	7.11	20.29
Total	6.76	16.67

1 The indicator calculation methodology was updated, considering the total hours of training at all Business Units, except South Africa, in relation to the total *headcount* of all Business Units, except South Africa. In 2020, the total training hours of the Brazil Business Unit were considered in relation to the total *headcount* of InterCement Participações.

In Brazil, the Ser+ Líder program (focusing on Leadership), the Engrenagem Training Program (aimed at the Commercial team), the ProcureCement Training Program (aimed at the *Supply Chain* team) and access to Edupass - a educational benefit that brings together over 220 educational institutions and over 150,000 subsidized courses, as well as *coaching and mentoring*, fostering an environment of continuous learning and promoting access to quality education for professionals and their families.

People development is addressed through actions to support the education of groups in situations of greater economic and/or social vulnerability, such as Alicerce - a learning program aimed at training adults with a focus on restoring the educational base and on mental and cognitive development, guiding and supporting the life project of professionals.

In Argentina, the assistance program for the improvement of competencies has the main objective of promoting the growth of professional careers, aiming at the development and improvement of behavioral and technical competences, thereby promoting the enrichment of people's competencies and reinforcing the commitment to the company's vision. It takes place on three fronts: the annual training process, in which each person's training needs are surveyed and managed; an *online* platform with over 300 learning options, which facilitates self-managed training through *webinars*, technical courses and management skills training; and the Technical Academy for Operations Analysts, which is under development.



Bodoquena Unit  
Brazil





In South Africa, the development processes underwent a redefinition, due to new business challenges and in order to ensure alignment with the best market practices. As part of this work, in 2021, the Personal Development Plans were created for the public mapped as having high potential.

In Mozambique, two new programs to improve technical skills were implemented: the Integration Plan for people who took on a new role and *on-the-job* training for all people who entered the company or changed roles.

The business unit in Egypt have four fronts for developing and improving skills: Leadership Academy, with a focus on developing leadership to train and lead teams; Female empowerment; *Team Game Talk*, focused on teamwork; and the individual *coaching* process.

In Brazil, the skills of professionals are evaluated on a daily basis by the leadership and, periodically, through the corporate process of *performance*

**GRI-404-3-a. Percentage of total employees, by gender and employee category, who received regular performance and career development reviews during the period covered by the report.**

Employment type	2020			2021 <sup>1</sup>		
	Men	Women	Total	Men	Women	Total
Executives	100%	0%	100%	55%	6%	61%
Senior management	40%	0%	36%	61%	7%	68%
Management	47%	61%	49%	53%	11%	64%
Middle management / Consultants	44%	55%	47%	60%	27%	87%
Specialists	9%	26%	13%	54%	19%	73%
Coordinators	34%	21%	33%	63%	7%	69%
Operational managers	4%	27%	5%	53%	4%	57%
Administrative / Operational	1%	15%	2%	42%	6%	48%
<b>Total</b>	<b>6%</b>	<b>25%</b>	<b>8%</b>	<b>46%</b>	<b>9%</b>	<b>56%</b>

1 The indicator calculation methodology was updated, considering the total of performance evaluations of all Business Units in relation to the total headcount of all Business Units.

management. Based on these assessments and the specific needs of the areas and people, the leadership can decide to train the team or part of it, which is carried out through training programs or specific internal or external training. For the latter case, the action is funded by the company in the annual budget provided in the Training Needs Survey (LNT) process.

Also, as part of the actions aimed at the development of our employees, in 2021, for the first time, we carried out two meritocracy cycles through our own methodology called *Key PePo*, which has the differentiator of capturing the movements that the person has made and has the potential to do within the company. Thus, 33% of people were assessed in 2021, compared to 8% assessed in 2020.

The People Management processes related to development and training are managed by the Organizational Development area, with support from the units' Human Resources (HR) department. All training is contracted with validation by the leadership of the trained area and the HR department. The technical topics have knowledge assessment

applied by the training facilitators themselves and monitored by the leadership. All other trainings have a reaction assessment managed by HR. Those focused on safety are managed by the Occupational Health and Safety area, also always with the support of the units' HR departments.







Simuma Unit  
South Africa

## Diversity and inclusion

Respect for all people, without discrimination, is clear in our policies and in our Code of Conduct. Diversity is also part of our material topics and, in 2021, it became part of our 2030 goals and commitments, pushing everyone towards the common goal of creating an environment in which people, regardless of their specificities, are able to feel well, in a fairer, more balanced social balance.

The theme encompasses sociocultural issues, especially when considering the differences between the countries in which we operate. Breaking paradigms and advancing on this issue, therefore, demand a long-term awareness and preparation work, which is already underway.

We work to raise people’s awareness on these topics and took the relevant demands to the People and Sustainability Governance Committee.

Thus, we believe that it is possible to break down barriers, such as female participation in the industry. Although it reflects a sector mostly made up of men, increasing the balance of our workforce, which is currently made up of 11% of women - below the balance we seek - is part of our diversity goals. Nevertheless, the growth by 2 percentage points in this indicator in relation to 2020, shows that our aforementioned efforts to change this scenario have had an effect.

**GRI-405-I-b. Percentage of employees by employee category in each of the following diversity categories:**

Employment type	2020		2021	
	Men	Women	Men	Women
Executives	100%	0%	88%	12%
Senior management	91%	9%	96%	4%
Management	87%	13%	83%	17%
Middle management / Consultants	75%	25%	71%	29%
Specialists	78%	22%	76%	24%
Coordinators	90%	9%	91%	9%
Operational managers	96%	4%	95%	5%
Administrative / Operational	95%	5%	94%	6%
<b>Total</b>	<b>91%</b>	<b>9%</b>	<b>89%</b>	<b>11%</b>





## Well-being, health and safety

GRI 403-1, 403-9, 103-2 and 103-3

Welfare, health and safety is another of our material topics, reflecting the importance of people for our management.

With a focus on well-being and health, all production units are required to monitor the health conditions of their workers in order to ensure that their professional activities do not compromise their well-being. This includes carrying out examinations and medical consultations to monitor their physical conditions, in accordance with the legislation of each country, as well as infrastructure and programs that promote health and well-being.

Therefore, all production units feature an Occupational Health and Safety area, with outpatient clinics including specialized professionals to assist workers and agreements and contracts with specialized medical clinics and/or hospitals close to their operations in order to provide adequate care to workers in case of need.

Health promotion and disease prevention campaigns, covering topics such as cancer prevention and treatment, high blood pressure, diabetes, obesity, and mental disorders, among others, as well as programs to improve the quality of life (support for exercise and healthy food, among others) are led by the business units, according to the needs of their teams.

Security, in turn, is a non-negotiable value. Based on our performance as an asset manager, to each of our business units, this is a priority strategic topic, which we plan, manage, and closely monitor. Our goal is not to reduce the number of accidents or the severity index, and our trajectory is aimed at zero accidents - a journey that has a beginning but has no end, going far beyond meeting legal requirements, with a focus on prevention.

In 2021, we had historically positive indicators considering internal and third-party employees, both in absolute number of accidents - 8% less than in 2020 - and in relation to the Frequency Rate - 14% - and the Severity Rate - 67%, reaching the milestone of zero accidents in Egypt, in some concrete plants in Brazil and in the construction work of line 2 of the L'Amalí Unit, in Argentina. We believe that this is the result of our obstinacy for zero accidents, which culminated in systematic and continuous work on different fronts, with a solid structure of governance, management and investments in issues related to the topic.



### GRI-403-9-a-b. Work-related injuries

Indicator	2020		2021	
	Number	Rate	Number	Rate
<b>Employees</b>				
The number and rate of fatalities as a result of work-related injury	0	0	0	0
The number and rate of high-consequence work-related injuries (excluding fatalities)	2	0.22	0	0
The number and rate of recordable work-related injuries	19	2.06	24	2.6
<b>Non-employee workers</b>				
The number and rate of fatalities as a result of work-related injury	1	0.08	0	0
The number and rate of high-consequence work-related injuries (excluding fatalities)	1	0.08	2	0.1
The number and rate of recordable work-related injuries	31	0.27	22	1.4
<b>CONSOLIDATED: Employees + non-employee workers</b>				
The number and rate of fatalities as a result of work-related injury	1	0.05	0	0
The number and rate of high-consequence work-related injuries (excluding fatalities)	3	0.15	2	0.08
The number and rate of recordable work-related injuries	50	2.19	46	1.9



Through the Corporate Occupational Health and Safety Standards and Procedures, organized into 24 OSH RADAR processes, we enable production units to structure their Integrated Management System based on the ISO 9001:15, ISO 1400:15 and ISO 45001:18 standards, as well as complying with existing and applicable occupational health and safety legislation in their locations.

The Integrated Health and Safety Management System is responsible for managing the topic through three fronts: systems and processes; persons and behavior; and work environment.

In systems and processes, we have a series of procedures that aim to identify, assess and mitigate risks with corrective and/or preventive actions, always following the correct hierarchy of controls, such as risk assessment and management carried out through Task Risk Assessment and Work Authorization. For risks that cannot be eliminated, operational control tools, administrative control and PPE (Personal Protective Equipment) are used, so that the activities can be carried out with the highest possible level of safety. Also, this front of action includes the 10 Golden Rules for safety, implemented across our business.

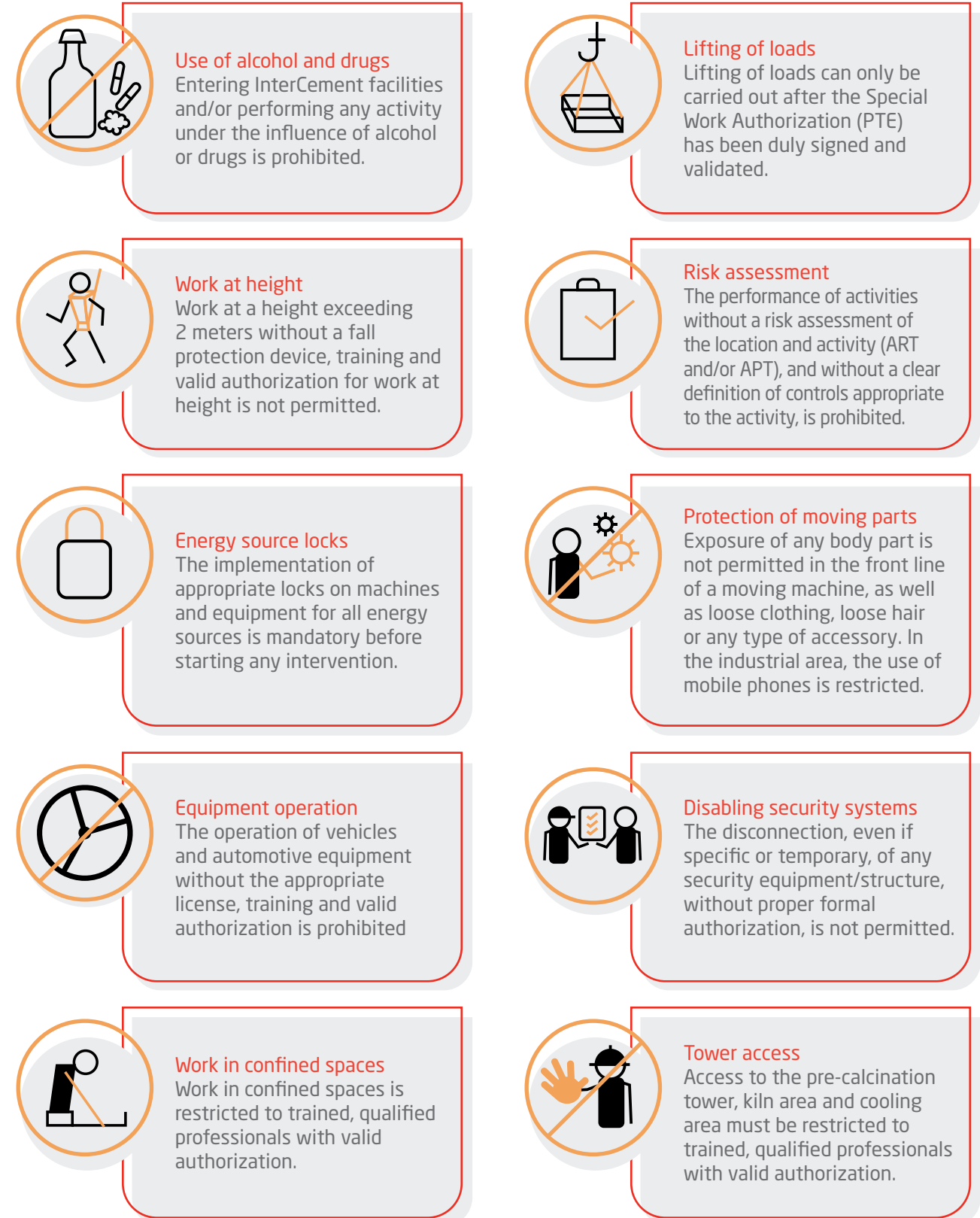
The Report of Behaviors and Deviations (RBD), in turn, is a tool through which any employee can register, even anonymously, safety deviations, which must be dealt

with by managers and have their solution communicated to workers. This is a worker's right that is not only respected, but valued, as we understand that safety is a shared responsibility among all. Such a right is guaranteed by the Golden Principle and the Right of Refusal set out within the Golden Rules of security.

Similarly, the RADAR establishes the obligation to report and assess incidents (accidents and near-misses). After completion of the cause analysis, corrective and preventive actions are proposed to avoid recurrences and enable the evolution of Work Safety systems. Where applicable, the analysis and actions are shared to cover the other production units.

Providing more agility and transparency, all security indicators are recorded and managed on a Business Intelligence platform: Standards and procedure management, Action plan management, Incident recording and reporting, Risk registration and handling, Risk assessment, Indicators (registration of OSH indicators), and InterIntelligence (business intelligence for management and monitoring of OSH Indicators).

## 10 golden rules that save lives





In order to achieve a zero-accident rate, it is essential that all people have a consolidated safety culture, as a truly safe environment and practices depend on everyone's commitment. Therefore, people and behavior comprise another strategic pillar of the tripod that supports our management of the topic.

Our work in this item consists of promoting training and capacity building on safety issues while maintaining constant communication and promoting the exchange of information at the local level - between employees, their leaders, and the board - and at the global - level between the business units.

Locally, across all units, already in the integration process, new employees receive training on all requirements related to the topic. In 2021, the Zero Accident Movement brought together communication and development campaigns with various activities, such as the importance of identifying and reporting risk situations and near misses that occurred at the units, the importance of quality feedback to address behavioral deviations related to safety, and the leadership role in carrying out actions to prevent accidents. Additionally, each unit has its own internal processes to determine and monitor the training required to meet corporate standards and applicable laws in their countries.

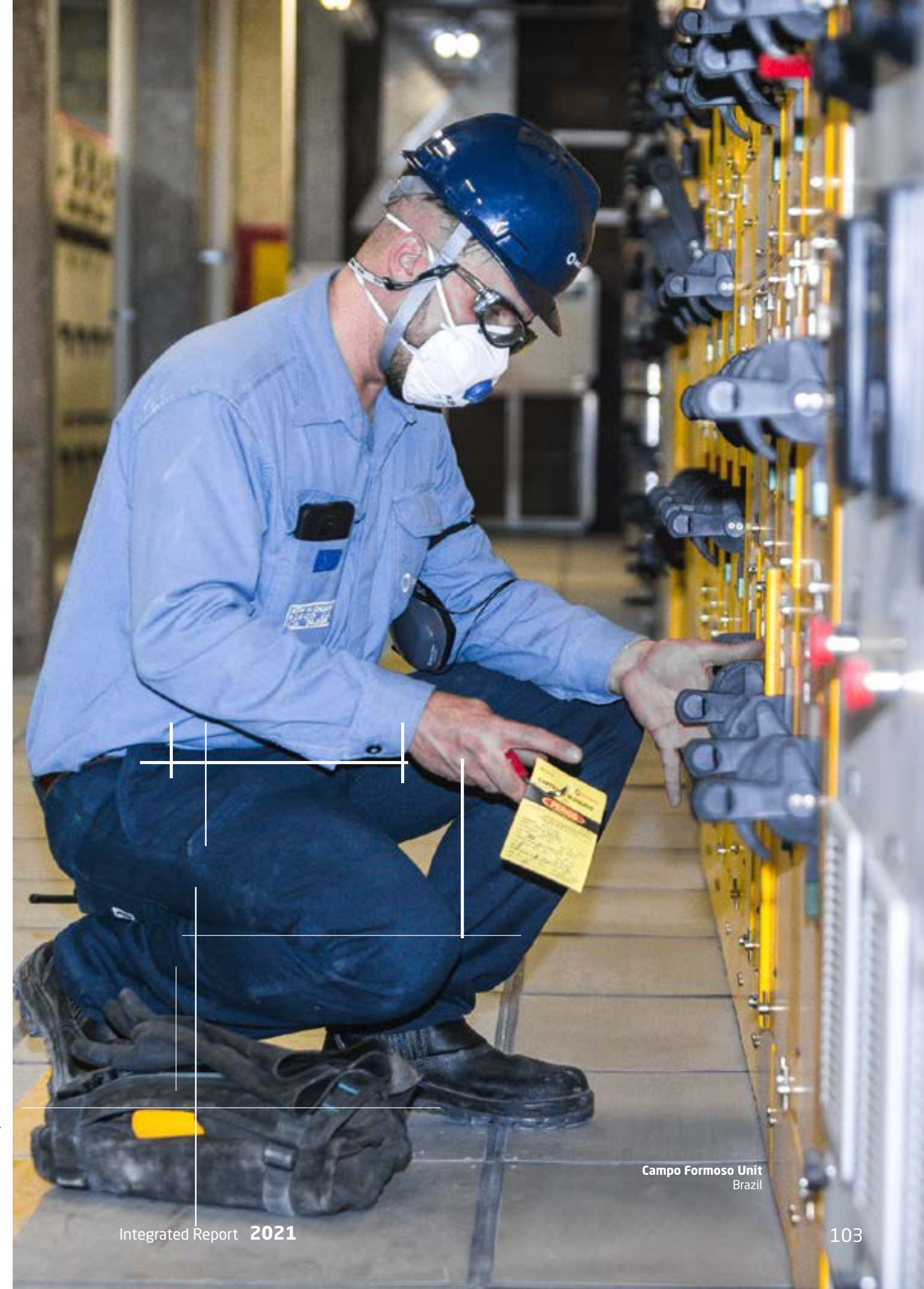
The operational units also have Operational Committees, composed of workers from each sector,

irrespective of the type of their employment contract. Every two weeks, these committees address safety performance and the risks and hazards identified in their areas.

To strengthen the culture and exchange between business units, we use the key learning tool. Each quarter, the boards of each country meet to report the performance of their units regarding security and present their lessons learned and action plans.

In the work environment, the main task is to ensure that the facilities are up to date with current legislation and that they offer safe structural conditions so that people can carry out their activities. To do this, in 2021, \$12.3 million were invested - that is, 66% more than 2020.

In addition to corporate actions and campaigns, our strategic guidelines, dissemination of the zero-accident culture, and governance in the business units' safety management, each of them has its own programs.



Campo Formoso Unit  
Brazil



## Relationship with the community

GRI 413-1

We believe that our role as a company goes beyond developing and manufacturing products with quality and responsibility. From the individual and collective action of the people who make up our teams, we can be a powerful agent of transformation of the social reality in the communities where we are inserted and of which we are part, contributing to a more sustainable and inclusive society.

Inspired by doing things different and making a difference, our goal is to be a catalyst for the potential

of the communities where we are present, creating partnerships and innovative solutions that strengthen people who are committed to overcoming their challenges, involving, whenever possible, employees and their families, customers, and suppliers. By developing the potential of people and communities, strengthening them and promoting their autonomy and independence, we believe that we are contributing to building a better world.



### Our work is guided by the following criteria:

- Preferably operating in communities where InterCement's manufacturing units are present.
- Acting in communities based on the degree of interest, the counterpart, and the local government's commitment.
- Aligning actions with existing initiatives in the communities, whether from the government or from the tertiary sector.
- Carrying out participatory management, involving in the implementation of initiatives, in addition to the government, other social stakeholders, such as civil society organizations and partner companies.
- Aligning actions with public policies, seeking to support and influence them, with a view to expanding the impact of social investment in improving the quality of life of communities.
- Identifying opportunities for action that consider the culture, demands, interests and potential of the communities.
- Developing mechanisms that facilitate networking, fostering greater interaction between the various stakeholders involved and greater impact of the initiatives.
- Implementing activities with dissemination potential.
- Working closely with InterCement units, giving them the necessary support to improve their relationship and their contribution to the development of communities.



As a strategy, we operate in a decentralized manner, generating methodologies and supporting the business units in the preparation and implementation of their own action plans in order to respect the characteristics and potential of each region while empowering them through the model structured in three groups of articulation.

### **CIVICO - Volunteering and Community Interaction Incentive Committee**

A group of professionals that is established in each operational unit, with the aim of carrying out, in a shared way, the management of social investment in a certain territory. Each group is composed of at least five professionals, who undergo periodic training to develop and improve skills and competencies necessary for social mobilization.

### **CDC - Community Development Community**

A group composed of representatives from the government, civil society organizations, community leaders, companies, and CIVICO, which defines strategies and promotes actions that contribute to community development. It has the role of guiding, planning, and monitoring and mobilizing partnerships and resources, as well as assessing projects and actions that promote continuous community development in its locality. It must also actively seek articulation and relationship with a wide variety of sectors in the territory to increase the impact of actions.

### **GAIV - Ideal Volunteer Action Group**

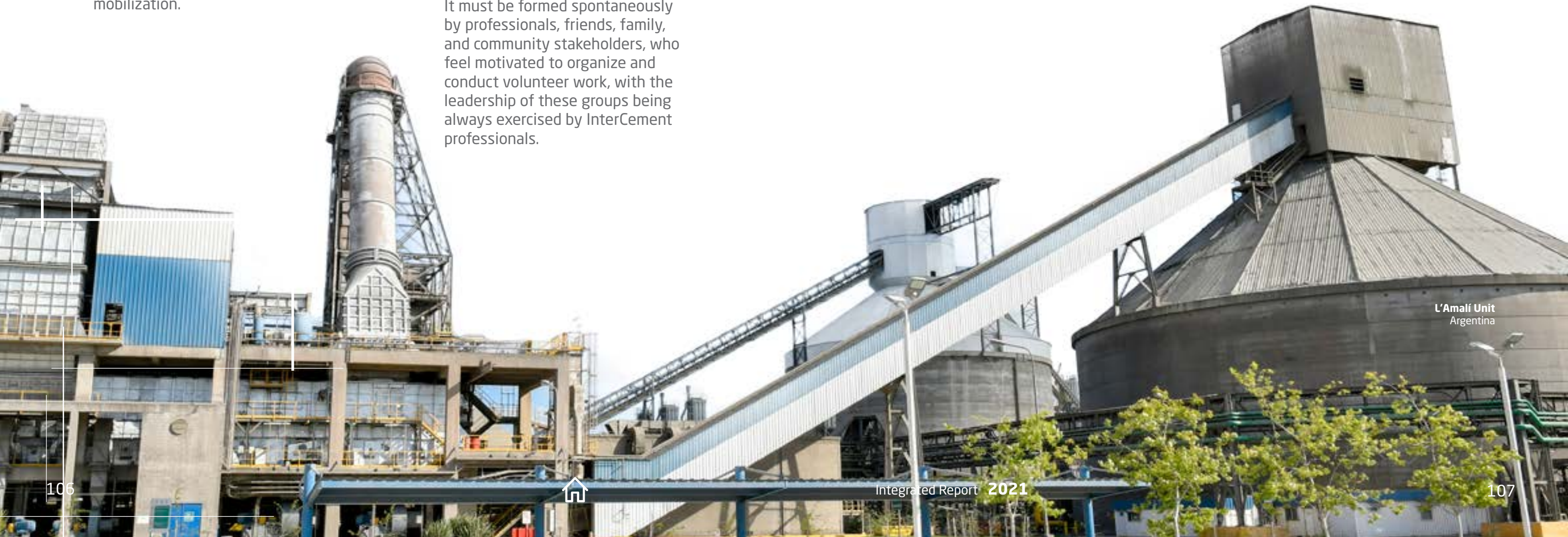
It must be formed spontaneously by professionals, friends, family, and community stakeholders, who feel motivated to organize and conduct volunteer work, with the leadership of these groups being always exercised by InterCement professionals.

Each business unit develops and implements its programs based on these performance criteria and on our strategy. In Brazil, this work is led by the InterCement Institute; in Argentina, management is carried out by the Loma Negra Foundation; and in South Africa, Egypt and Mozambique, the support areas develop and put plans into practice.

An action that is common to all business units is the Day of Doing Good ("Dia do Bem Fazer"). Held annually, this is the company's largest voluntary mobilization, which aims to carry out solidarity and citizenship actions that encourage the voluntary work of several people to carry out activities that benefit the community.

In addition to exercising citizenship, we demonstrated, through a survey conducted in 2020, that volunteering is also an instrument of professional development: 89% of respondents said that the action contributed to the development of soft skills and 82% said that it improved their relationship with other coworkers.

In this aspect, the focus is on creating conditions for the exercise of volunteering among direct and indirect employees and their families, strengthening the work of GAIVs. In 2021, there were 2,245 voluntary participations, benefiting 86,841 people directly and indirectly.



L'Amalí Unit  
Argentina



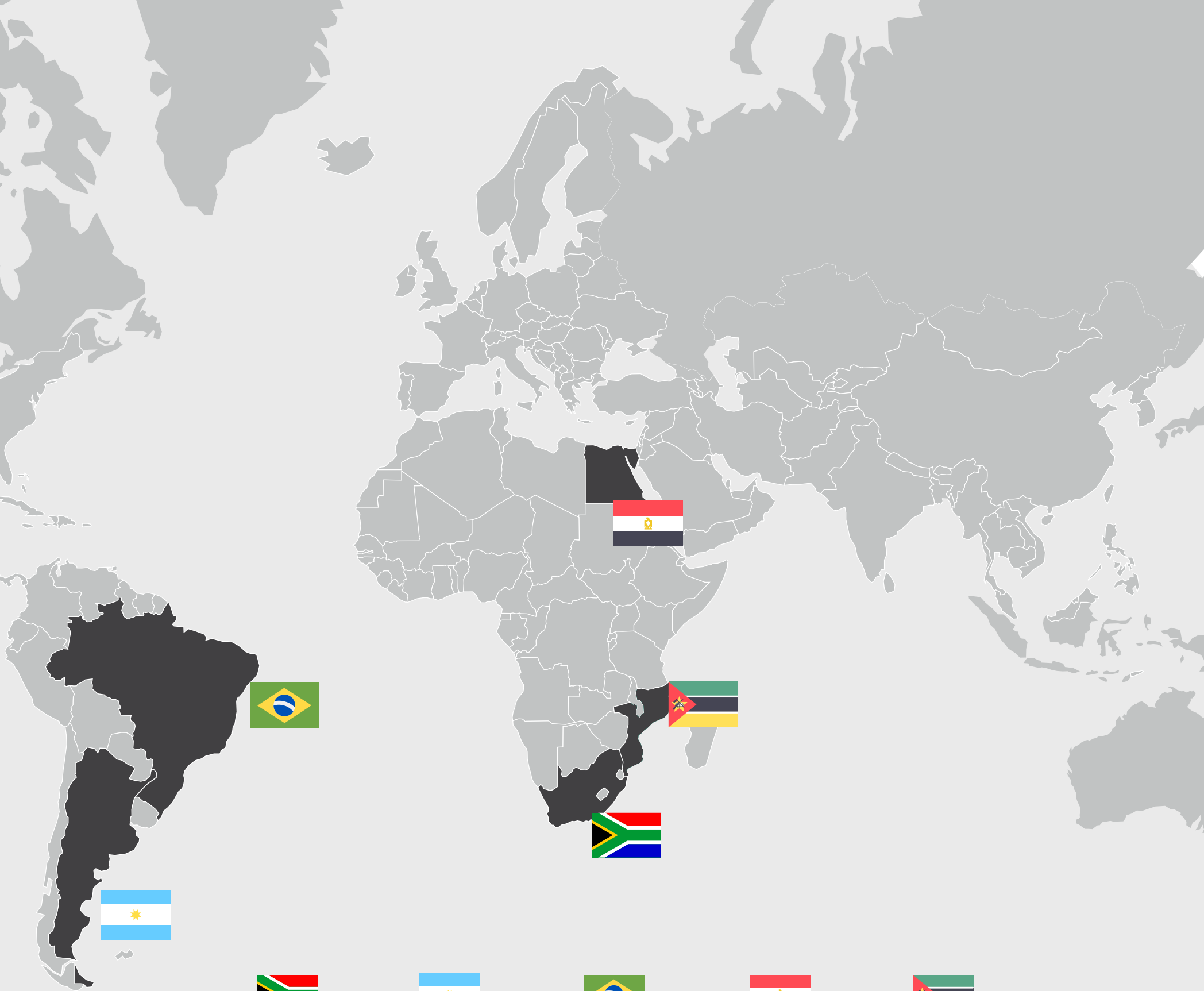
DAY OF DOING  
GOOD

31  
municipalities

2,235  
volunteers

86,841  
recipients

\* There was no involvement of volunteers  
due to the conditions of the pandemic.



**SOUTH AFRICA**  
4 municipalities  
75 volunteers  
276 recipients



**ARGENTINA**  
8 municipalities  
1,047 volunteers  
51,203 recipients



**BRAZIL**  
15 municipalities  
1,112 volunteers  
18,792 beneficiaries



**EGYPT**  
1 municipality  
1 volunteer  
80 recipients



**MOZAMBIQUE**  
3 municipalities  
0\* volunteers  
16,490 recipients





Learn more below about the main programs of each business unit.

## South Africa

In the country, the focus of NPC's social activities is education. Thus, on the Day of Doing Good, virtual lectures on careers and entrepreneurship were given to young students, as well as a cultural contest among elementary school children, impacting 276 children and young people through the work of 75 volunteers.

## Argentina

Through the Loma Negra Foundation, social development in the regions where the company operates focuses on youth. The initiative focuses on four programs that, in 2021, totaling 122 projects, with the participation of 412 volunteers - 8% more than in 2020.



Social action at the Amélia Rodrigues Institution (São Paulo) Brazil



## Ponte (“Bridge”) Program

With the purpose of increasing the number of young people and adults with the technical and professional skills necessary to have access to employment and decent work, the program includes three axes of action: labor market and professional practices, guidance, and professional training.

In 2021, in alliance with Associação Consciência, refresher courses were offered to teachers in technology and Industry 4.0, new jobs, and agile methodologies, including the development of an online portal with training content in entrepreneurship and actions carried out with students, which include visits to operational plants, professional internships, and the mentoring program in institutional projects coordinated by the Argentine Business Association (AEA), alongside the Board of Technical Schools of Buenos Aires Province.

In cooperation with the Ministry of Education of Catamarca, the implementation of a women’s training project was started – a professional technical course, which aims to improve the training of young women in the industrial, electrical and maintenance areas.

## Raíces (“Roots”) Program

It aims to contribute with policies for the development of production activities, generation of decent employment, entrepreneurship, creativity, and innovation. The formalization and growth of micro-enterprises are also encouraged through access to financial resources, as well as the generation of inductive businesses. In this sense, advice and technical training and easy access to financing are provided, especially for young entrepreneurs.

Additionally, under the Revolving Loan Funds (FIR) program, a total amount of \$110,000 was invested to help 60 entrepreneurs generate installed capacity in their territories. Thus, the project Foundations for Entrepreneurship (“Fundações para o Empreendedorismo”) could be advanced, alongside the Association for the Development of Catamarca (ADEC) and the Ministry of Production of that province, and the San Nicolás Revolving Fund, in agreement with the Development Agency location, the Entrepreneurs Club and the Municipality. During 2021, a training and financing project was also started in partnership with Fundación de Estudios Patagónicos, followed by the establishment of the partnership with the Municipality of Zapala.

In all, five Revolving Funds were implemented, with \$6.32 million in credits granted, 57 entrepreneurs financed, and 335 entrepreneurs trained.

## Compromisso (“Commitment”) Program

It seeks to establish transformative alliances in the public, private and civil society spheres, in order to foster volunteer projects and initiatives for the development of social capital based on the institutional strengthening of grassroots organizations.

In 2021, 205 alliances were established to develop 62 volunteer projects, implement 13 Day of Doing Good projects, and strengthen 36 grassroots organizations.

## Transformar (“Transform”) Program

It seeks to mobilize the investment capacity of large companies in profitable businesses, articulating alliances with NGOs and communities, with the objective of building innovative approaches to social, environmental and economic problems.

In 2021, the Loma Negra Foundation strengthened its microcredit fund to improve the homes of residents of the Barracas district, in Buenos Aires, to whom we also provide technical assistance in partnership with the Housing *Dignity* association.

Simultaneously, a virtual training cycle was implemented on topics related to construction, with the participation of 21,000 people

Innovation sessions were also held alongside the University of Buenos Aires and Vivienda Digna, which included four open workshops and a hackathon, with the aim of developing innovative solutions to housing problems, district-related issues, and industrial waste recycling.

**Click here** to learn more about Loma Negra’s social activities.





## Brazil

With the InterCement Institute's operations starting to focus exclusively on Brazil as of 2021, the strategic action with the communities was revisited alongside the business unit's leaders, being then translated into the Integrated Social Impulse (ISI). This vision strengthens the actions that InterCement Brasil, through its sophisticated governance model, has been translating into a positive social impact in the communities where it operates, involving, whenever possible, employees and their families, customers, and suppliers, integrating this action into the ESG Journey, with a follow-up plan for the year 2022.

Through the Institute, the Brazilian unit collaborates for the development of communities in four pillars: child care; productive inclusion and entrepreneurship; leaders who transform; and volunteering, as shown below.

Including InterCement Brasil's own resources, donations from shareholders and other partners, projects financed with tax incentive laws, in addition to resources from the Operations Sustainability Board for carrying out the emergency campaign of the SER+ Solidário program, we invested \$513,922 in communities, 5.1% more than the amount invested last year.



## Childhood Care

Baby Week, Papi and Na Mão Certa ("In the Right Hands") are the programs make up the "child care" pillar.

With the theme "all together for early childhood," the Baby Week is an intersectoral articulation program based on a systematized initiative by UNICEF, with the aim of ensuring adequate care for children up to 6 years of age, making the right to survival and child development a priority on the agenda of Brazilian municipalities. From this articulation, it was possible to obtain key *insights* and information that inspired the parenting project (PAPI) and the support actions for mothers of InterCement (AMI).

Na Mão Certa is a program against the sexual exploitation of children and adolescents on Brazilian highways, launched in 2006 by Childhood Brasil, to which the company has been a signatory for 14 years. In 2021, InterCement Brasil participated in the Solutions and Tools - Na Mão Certa Communities project, which aims to improve the performance of companies by encouraging and supporting the engagement of internal and external audiences regarding the commitment to respect the human rights of children and adolescents.

## Productive inclusion and entrepreneurship

As a strategy to promote community development, opportunities linked to the value chain are sought, contributing to greater capillarity and sustainability of projects aimed at productive inclusion, training for the job market, support for small producer cooperatives, and stimulus and support for entrepreneurship in a wide variety of areas. With this goal in mind, the Institute has SER+ Empreendedor - a training and microcredit program for self-employed workers or individual microentrepreneurs (MEI); the Junior Achievement program, which focuses on the personal and professional development of young people in the community; Biomassa Brasil ("Biomass Brazil"), which connects the co-processing area to the purchase of waste from family farming; and ReformuLAR, focused on improving housing conditions.

## Leaders who transform

This pillar seeks to create conditions for employees and community representatives to be agents of change, who are prepared to face their challenges and contribute to the development of the community where they live. In addition to the work developed through Civicos, the Incentiva+ program is also part of it. In 2021, Incentiva+ focused on offering training and individualized advice to 20 civil society organizations, seeking to provide these institutions with the conditions to prepare projects that could be inscribed in state laws in order to encourage culture and sport. Consequently, the Sports Association of Southwestern Bahia (AESB) has already had its project registered and approved in FazAtleta, receiving a grant to carry out the 22nd Ecology Race from Brumado to Rio de Contas, Bahia (BA). Throughout 2022, other projects developed by the organizations will be registered.

## Volunteering

Thanks to the engagement of Gaivs, who are a key part of the transformation process in their respective locations, we had 1,112 voluntary participations, benefiting 18,792 people directly and indirectly, in 15 municipalities.

The mobilization included the holding of virtual events, which made it possible to consolidate an agenda of actions in Brazil, even in light of the pandemic situation; engagement of colleagues from other business units by participating in the *live* sessions, making donations and sharing experiences; use of internal and local talents to participate and carry out the agenda items, including former employees as volunteers, with lectures on entrepreneurship and engagement in the initiatives; and strengthening of public policies, providing information and giving visibility to the services offered, as well as improving service spaces. The engagement of the board as "sponsors" of the actions of the municipalities was also a great advance, validating the action.

**Click here** to learn more about the InterCement Institute's social activities.





## Egypt

In 2021, five projects focused on community development were carried out, benefiting over 20,000 people.

### **Webinar on Female Genital Mutilation**

Faced with the reality of the country where 87% of women, aged between 15 and 49 years old, suffer genital mutilation, the webinar, held in partnership with *Ashoka Arab World* and the Association for the Development and Enhancement of Women (ADEW), sought to make employees' families and stakeholders aware of the dangers of the practice.

The event was attended by Dr. Sahar Al-Sunbati, Secretary General of the National Council for Childhood and Maternity, Dr. Hanan Gerges, Deputy Executive Director of the Egyptian Center for Public Opinion Research, and Dr. Iman Bibars, Regional Director of *Ashoka Arab World* and Vice President of Ashoka Global.

### **Bags of Goodness - Food donation during Ramadan**

To honor the community of Borg El Arab, an area in the outskirts of the city of Alexandria, with a population heavily impacted by the economic repercussions of COVID-19, over 100 volunteer collaborators organized and distributed more than 1,500 food baskets during the holy month of Ramadan. In addition to the voluntary participation of employees, the action had the support of five of the main customers, who acted as guides to ensure the delivery of donations to those in need.

### **Day Doing of Good**

In partnership with the United States *Agency for International Development* (USAID), the company held a series of online career coaching sessions, voluntarily taught by mentors and company professionals to undergraduate students who wish to learn more about the cement industry, learn how to prepare for the job market after graduation, and meet young leaders.

### **Innovation Factory Award and transforming parents**

In partnership with *Ashoka Arab World*, the program seeks to encourage social entrepreneurship among the children of employees aged 14 to 18 years old, with the goal of developing them as agents of transformation in their communities. In teams, young people are challenged to create and present creative solutions to social problems. Parents are also engaged in action: those most involved in the work are acknowledged.

### **Sterilization booths**

Continuing with the 2020 project, employees from the maintenance area made monthly visits to inspect the conditions of the sterilization cabins donated to public institutions, making the necessary repairs in order to keep them in perfect working order.

## Mozambique

At Cimentos de Moçambique, the Day of Doing Good is the main instrument for social action. In 2021, 27 actions were carried out, benefiting 16,703 people from seven institutions.

For the second time, the company also participated in the Baby Week - intersectoral articulation systematized by UNICEF - with a series of *workshops*, debates and training for teachers on early childhood care and its importance, including further addressing the theme with the media, in debates on radio and television programs in order to broaden the reach of information. After all, science shows that 75% of the human neural network is developed by the third year of life. By the sixth year, this rate reaches 90%. Acting at this stage of life, therefore, has a greater potential to ensure a significant impact on the development of more capable, productive and happy human beings. Simultaneously, economists note that for every dollar invested in early childhood, nine dollars will be saved later in the form of more wealth (better educated citizens produce more) and less spending (with lower crime and addiction rates, for example).





# Operational Performance

In our operating units, the main focus is excellence. As explicit in our goals and commitments, we aim to “be in the first quartile of international *benchmarks* of the *Global Cement and Concrete Association* (GCCA), with more than 50% of the main performance indicators.”

Whether through investments in processes, technologies, or equipment, we seek to bring the concepts of Industry 4.0 to ensure the continuous improvement of our *performance* in all aspects – after all, this is what helps us

guarantee the best product for our customers, a safe environment for our employees, and the least impact on the environment, while guaranteeing the continuity and sustainability of the business.

In 2021, we took an important strategic change to the industrial area, which has brought this pursuit even closer to the core of our business. With the goal of giving more autonomy and responsibility to the units and extracting the most from each of our operations, we have reduced our corporate structure focusing



on the industrial area, incorporating professionals directly in each country. In this way, the corporate structure becomes centered on guidelines and governance.

With the new format, our *performance* program - the Plant Performance Improvement Plan (PPIP) - has gained more focus, shifting from just a mere corporate program to a program shared with the business units.

The plan was created from a diagnosis based on the main *performance* indicators of all operating units gathered in a digital tool evaluated by the world's leading cement specialists. Based on this survey, the critical topics for which actions were planned with a short-, medium- and long-term vision were mapped. With annual review, this well-structured, data-based plan is a key tool for requesting CAPEX or unique investments.

Thus, in 2021, we had an increase of 12% in clinker production and 6% in cement production, reaching 12.70 and 19.39 million metric tons, respectively, compared to the previous year, with a thermal consumption of 881 kcal/kg clinker, compared to 884 kcal/kg clinker obtained in 2020. Additionally, cement mills operated at 97.1% of the scheduled time, without downtime due to failures, accounting for an evolution of 2.2% in relation to the reliability calculated in 2020.

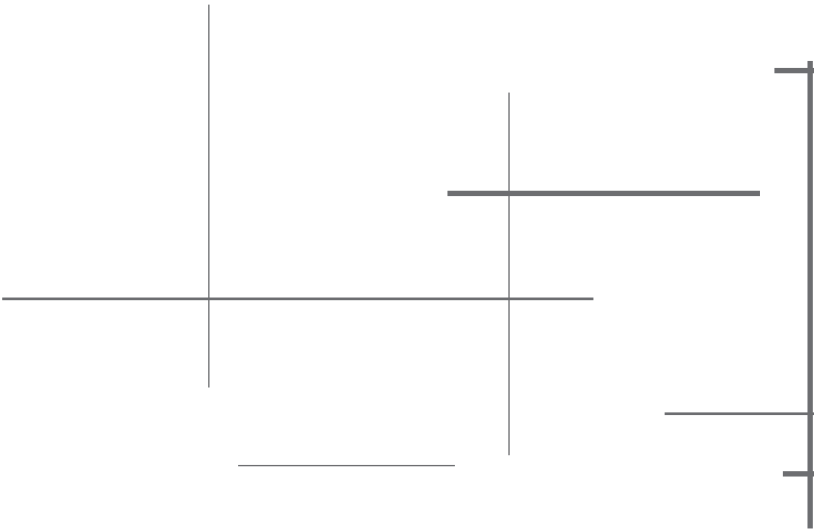
In cement production, South Africa stood out, achieving the second

highest annual production of clinker through kiln 1, at Simuma, in the last 12 years - an increase of 23% compared to 2020 - in addition to maximizing the productivity of the Simuma cement mill, which represents the most profitable production of the South African operation.

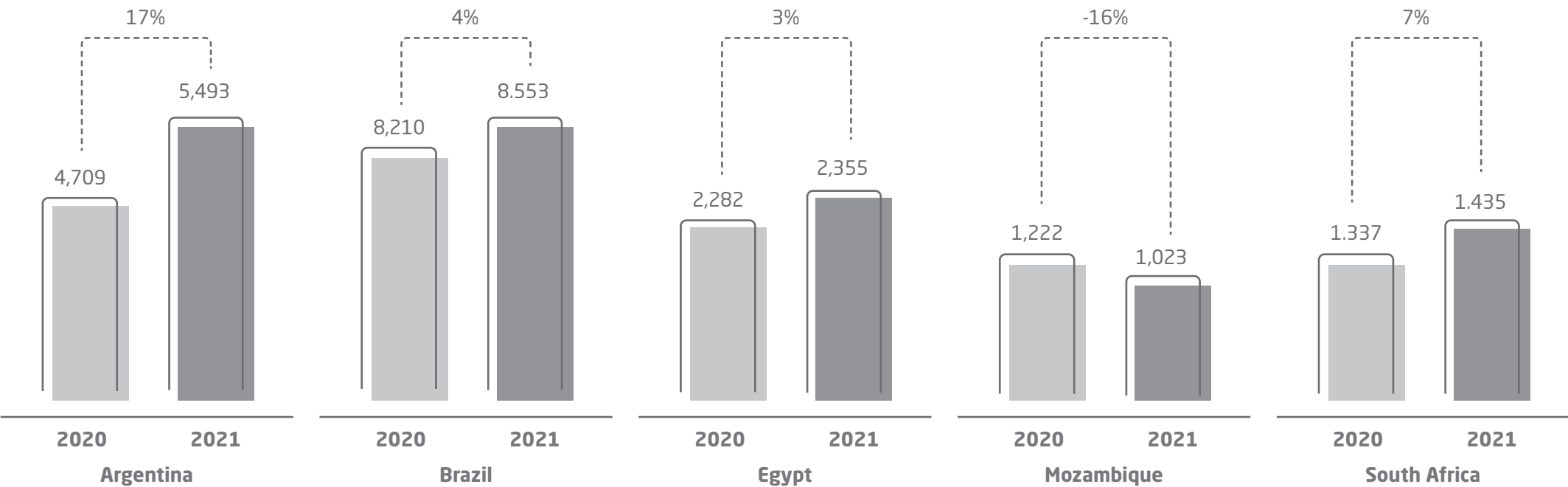
The cement clinker factor decreased from 69.9% in 2020 to 69.7% in 2021. At this point, we highlight our clinker quality control system, which includes controlled additions and the use of alternative materials, enabling of materials that emit more CO2.

Bringing the concepts of Industry 4.0 is also a strategic pillar disseminated across our business units, as they are crucial tools for the provision of greater assertiveness in information, generating clearer, more accurate and faster information for decision-making and contributing to efficiency gains. A case in this regard was the implementation of *software* and infrastructure to apply the concepts of Industry 4.0 in Brazil through Fábrica Forte 4.0 Sustentável ("Strong Sustainable Plant 4.0") Project. BrainCube, for example, is a suite of Internet of Things (IoT) and cloud computing platforms, integrating business applications specifically designed for industry. Consequently, we now have an Industrial Monitoring Center (CIM) with all processes

*online* and the possibility of accessing the main variables in real time, including by *smartphone*. The commitment of the teams involved, the agility in the implementation and the results obtained have led the solution supplier to award InterCement Brasil as the best implementation case of 2021.



Cement production by business unit







Olavarría Unit  
Argentina

## Development and technology

Innovation, research and development (R&D) initiatives are oriented towards applied research at a high level of maturity so that they can be scaled in the short and medium term and aligned with the objectives of the business units. The strategy consists of monitoring the main technological trends, assessing the ones that are relevant, estimating their impacts on operational, commercial and environmental *performance*, and verifying the ones that are feasible for implementation in our operations.

The main drivers for defining projects are climate change (circular economy, energy, materials, and environmental efficiency) and meeting the product demands of the cement consumer market. At this point, we highlight the operation in Egypt, which developed pozzolanic cements, which are made from ceramic waste and have a lower carbon footprint.

In Argentina, investment in development and technology is reflected in the \$350 million dedicated to L'Amalí Line 2, opened in late 2021. The project increases the company's production capacity by 40%, taking the industry to a new level in terms of efficiency and sustainability, with equipment that consumes less fuel and less electricity, as well as an infrastructure that allows for the co-processing of waste.

In 2021, we also hired a consulting firm that helped us expand our vision and understanding of carbon capture and storage technologies, opening a new path for evolution.

While transformational innovation projects are handled by the Innovation or R&D areas, incremental innovation (continuous improvement) is managed within the scope of Management Systems (Variable Cost Matrix Management, Daily Routine Management, for example), PPIP (*Plant Performance Improvement Program*) and R&D (search for knowledge in research institutions). Effectiveness, in this case, is monitored by operational and/or environmental performance indicators so that the initiatives create connections with the business.

In both cases, we also have startups or institutions that, in addition to research, promote technical training events for our professionals. In South Africa, we have a partnership with the *Artisan Training Institute*. In Brazil, this partnership has been established with the Federal University of Rio Grande do Sul (UFRGS), Federal University of Minas Gerais (UFMG), Federal University of Rio de Janeiro (UFRJ), and University of São Paulo (USP). In Egypt, we have partnered with the School of Engineering at the University of Alexandria.





# Economic Performance

Economic performance is one of the pillars that guide our operations. Its main levers are monitoring and encouraging greater operational efficiency and, mainly, the efficient use of cash resources (working capital and investments in CAPEX, among others), improved in recent years through adjustments in management and governance, as well as a cultural change, which has repositioned us as a strategic manager of the assets that make up our portfolio.

Another major focus of our management is the management

of consolidated debt and cash, aiming to preserve adequate liquidity, without risk to the continuity of operating activities and the investments planned for the year. Simultaneously, we seek not only to ensure compliance with contractual obligations with creditors, but also to consistently reduce financial leverage. Through this focused and transparent work, we have evolved in this direction, making clear our commitment to this goal. The trend of financial deleveraging demonstrated in recent years is an indicator in this regard. From 2019 to 2021,



our leverage ratio (measured by consolidated net debt/adjusted EBITDA) dropped significantly, from 5.28 to 2.76, mainly thanks to the improvement in the operating result.

Despite the year 2021 being marked by major challenges, such as the second wave of the COVID-19 pandemic and the pressure on input costs driven by global inflation, it was possible to achieve a 33% increase in net revenue, reaching \$1,694 million, and 37% in Adjusted EBITDA, with a margin of 27.7% - an increase of 0.9 p.p. compared to 2020. This performance positions us as one of the most profitable companies in the sector, ranking in the first quartile.

We also had an increase in the volume of cement produced (6% compared to 2020) which, along with a healthy price trend in most regions, resulted in the aforementioned 33% expansion in

sales. The improved performance of operating activities also contributed to positive free cash flow of \$151 million in 2021, despite higher tax disbursements, which is a natural process as operations become more profitable.

This performance also allowed us to increase our value distributed to society by 9%.

Indicator \$ million	2019	2020	2021
Net sales revenue	1,484	1,278	1,694
Cost of sales and services	-1,279	-1,042	-1,254
Gross profit	205	236	440
EBITDA	238	277	461
Adjusted EBITDA	303	343	470
Net profit (loss)	-178	8	187
Free cash flow	344	121	54
Net debt	1,571	1,360	1,298
Net debt without adjusted EBITDA (x EBITDA)	5.18	3.97	2.76

% Margin	2019	2020	2021
Gross	14%	18%	26%
EBITDA	16%	22%	27%
Adjusted EBITDA	20%	27%	28%
Net	-12%	1%	11%

#### Value-Added Statement (VAS)

Indicator \$ million	2019	2020	2021
<b>Value generated</b>	<b>2,124</b>	<b>1,679</b>	<b>1,977</b>
Revenues	2,124	1,679	1,977
<b>Distributed value</b>	<b>2,056</b>	<b>1,712</b>	<b>1,858</b>
Operating costs	1,346	1,087	1,166
Employee salaries and benefits	225	180	213
Payments to capital providers	259	211	180
Payments to the government	224	233	298
Investments in the community	2	1	1



## Brazil

Regarding the socioeconomic scenario, the main drivers for the growth of the Brazilian business unit were the continuity of constructions and renovations through self-construction and, especially in the South and Center-West regions, the positive dynamics of agribusiness, benefiting the income of the population, which also boosts the civil construction activity.

In turn, global inflation pressured the cost structure, mainly impacting fuel costs - petroleum coke, the main source of thermal energy, had a price increase of more than 90% between December 2020 and 2021, in addition to the pressure in electricity costs due to the water crisis faced in the country. Even so, the continuous expansion of net revenue favored operating leverage, through which the increase in revenue is amplified in the result, as total costs grow at a lower rate, due to greater operational efficiency and scale

gains. Consequently, recurring EBITDA reached \$169 million compared to the \$125 million achieved in 2020 - an improvement of 35%, reaching a margin of 28.8%.

The positive balance can also be seen in terms of net income, reversing losses from previous years into a significant profit of \$231 million in 2021, thanks to the improvement in operating income and deferred tax asset recognition (arising from the revaluation of the recovery of deferred taxes). This *performance* allowed the distribution of anticipated dividends and interest on equity totaling \$202 million, which enabled the partial amortization of our issued debentures. Simultaneously, the same amount in debentures was raised by the Brazilian business unit, as part of the strategy of deleveraging *holding* and concentrating debts in the business areas, optimizing its capital structure.

## Argentina

In Argentina, retail demand remained high, benefiting from consumer perception of real estate as a safe haven to guarantee the appreciation of its resources in the face of high inflation, in addition to ensuring attractive construction costs. Additionally, the recovery in demand for bulk cement also contributed to the performance of Loma Negra, which increased its production of cement, mortar and lime by 18.7% and that of concrete by 73.4%.

Recurring EBITDA increased by 47.6%, reaching \$240 million, driven by operating leverage, as a result of strong revenue performance, which increased by 51.4% in the period. Conversely, inflation, especially fuel, pressured margins to 32.3 - a 0.8 p.p. decrease compared to 2020.



Candiota Unit  
Brazil



## South Africa

After a year of reduced economic activity in 2020 due to the effects of the COVID-19 health crisis, the country's economy resumed growth in 2021, with NPC reporting an 11% expansion in cement sales. Alongside this recovery, prices also rose in local currency and – driven by the appreciation of the ZAR (the official currency of South Africa) – had an increase of 17% U.S. dollars in the year. Simultaneously, a number of measures to review contracts, reduce costs, and promote efficiency were implemented. Thus, benefiting from a better cost structure and strong revenue expansion, operating cash generation as measured by recurring EBITDA grew by 51% over the 2020 result, reaching its highest value in the last 10 years

and taking the margin to 23.6% – 3.5 percentage points higher than in 2020. This result was not even better due to the violent protests that took place in July 2021, which forced the stoppage of plants for a week, in addition to momentarily reducing the pace of economic activity across the country, particularly in the region where the company operates.

From a financial standpoint, the year 2021 was also favorable for NPC, which obtained approximately \$31 million in long-term financing in local currency and carried out capital remittances to its shareholder *holding* company in the amount of \$34 million.

## Egypt

In Egypt, despite the still challenging competitive environment, the industry showed signs of improvement thanks to the increased small- and medium-scale construction activity, as well as the resumption of infrastructure projects that had been stalled due to the pandemic.

There was also an improvement in the competitive dynamics promoted by the production quota system implemented for the entire cement industry since July 2021, under the coordination of government agencies. Consequently, Amreyah reported an expansion of 4.7% in its sales volume, while the price in local currency increased by 16.8%, leading to a growth of 24% in revenue. Conversely, pressured by cost inflation, recurring EBITDA increased less, reaching a 11% rate, with its margin reduced by 1.7 percentage points.

## Mozambique

In Mozambique, Cimentos Moçambique reported a 15.8% drop in sales volume, reflecting the new competitive scenario, which resulted from the entry of a new *player* in the South region in the second quarter of 2021. Due to this new competitive dynamic, there was also a price compression, resulting in a 38% decrease in recurring EBITDA. Faced with the adverse scenario, the company appointed new executive leaders, revised its cost structure and started a *turnaround* work that, by the end of the year, had already shown satisfactory results, while prices also recovered.



Cezarina Unit  
Brazil





# ANNEXES





# GRI Summary

GRI 102-55





GRI Standard	Reference page or disclosures	Omissions	SDG
<b>Standard disclosures</b>			
GRI 101: Foundation 2016			
<b>Organizational Profile</b>			
GRI 102: Standard disclosures 2016			
GRI 102-1	Name of the organization	Page 25, Indicator Handbook 2021	
GRI 102-2	Activities, brands, products and services	Page 25, Indicator Handbook 2021	
GRI 102-3	Location of headquarters	Page 25, Indicator Handbook 2021	
GRI 102-4	Location of operations	Page 25, Indicator Handbook 2021	
GRI 102-5	Ownership and legal form	Page 25	
GRI 102-6	Markets served	Page 25, Indicator Handbook 2021	
GRI 102-7	Scale of the organization	Page 25, Indicator Handbook 2021	
GRI 102-8	Information on employees and other workers	Pages 25, 88, 90, Indicator Handbook 2021	8.8, 10.3
GRI 102-11	Precautionary principle or approach	Indicator Handbook 2021	
GRI 102-12	External initiatives	Indicator Handbook 2021	
GRI 102-13	Membership of associations	Indicator Handbook 2021	
<b>Strategy</b>			
GRI 102: Standard disclosures 2016			
GRI 102-14	Statement from senior decision-maker	Page 19, Indicator Handbook 2021	
GRI 102-15	Key impacts, risks and opportunities	Pages 18, 67, Indicator Handbook 2021	
<b>Ethics and integrity</b>			
GRI 102: Standard disclosures 2016			
GRI 102-16	Values, principles, standards, and norms of behavior	Pages 48, 55, Indicator Handbook 2021	16.3
GRI 102-17	Mechanisms for advice and concerns about ethics	Page 17, Indicator Handbook 2021	16.3
<b>Governance</b>			
GRI 102: Standard disclosures 2016			
GRI 102-18	Governance structure	Page 50, Indicator Handbook 2021	
GRI 102-22	Composition of the highest governance body and its committees	Page 50	

GRI Standard	Reference page or disclosures	Omissions	SDG
<b>Stakeholder engagement</b>			
GRI 102: Standard disclosures 2016			
GRI 102-40	List of stakeholder groups	Page 11, Indicator Handbook 2021	
GRI 102-41	Collective bargaining agreements	Page 25, Indicator Handbook 2021	8.8, 8.8.2
GRI 102-42	Basis for identification and selection of stakeholders with whom to engage	Page 11, Indicator Handbook 2021	
GRI 102-43	Approach to stakeholder engagement	Page 11, Indicator Handbook 2021	
GRI 102-44	Key concerns and topics raised	Pages 11, 12, Indicator Handbook 2021	
<b>Reporting practices</b>			
GRI 102: Standard disclosures 2016			
GRI 102-45	Entities included in the consolidated financial statements	Indicator Handbook 2021	
GRI 102-46	Definition of report content and topic boundaries	Page 11, Indicator Book 2021	
GRI 102-47	List of material topics	Page 11, Indicator Handbook 2021	
GRI 102-48	Restatements of information	Indicator Handbook 2021	
GRI 102-49	Changes in reporting	Indicator Handbook 2021	
GRI 102-50	Reporting period	Page 6, 2021 Indicator Handbook	
GRI 102-51	Date of most recent report	Page 6, 2021 Indicator Handbook	
GRI 102-52	Reporting cycle	Page 6, Indicator Book 2021	
GRI 102-53	Contact point for questions regarding the report	Page 6, 2021 Indicator Handbook	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Page 6, Indicator Handbook 2021	
GRI 102-55	GRI content summary	Page 137	
GRI 102-56	External assurance	Page 6, Indicator Handbook 2021	



GRI Standard	Reference page or disclosures	Omissions	SDG
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## Economic Disclosures

Material topic: Economic performance				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Pages 50, 55, 67, 68, 88, 98, Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Pages 50, 67, 88, 98, Indicator Book 2021		
GRI 201: Economic performance 2016				
GRI 201-1	Direct economic value generated and distributed	Indicator Handbook 2021		8.1, 8.2, 8.2.1, 9.1, 9.4, 9.4.1, 9.5, 17.1.2
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Indicator Handbook 2021		13.1
Material topic: Anti-corruption				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 205: Anti-Corruption 2016				
GRI 205-1	Operations assessed for risks related to corruption	Indicator Handbook 2021		16.5.2
GRI 205-2	Communication and training about anti-corruption policies and procedures	Page 55, 2021 Indicator Handbook		16.5.2
GRI 205-3	Confirmed incidents of corruption and actions taken	Indicator Handbook 2021		

GRI Standard	Reference page or disclosures	Omissions	SDG
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## Environmental Topics

Material topic: Materials				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	Page 80, Indicator Handbook 2021		
301-2	Raw input materials used	Indicator Handbook 2021		
Material topic: Energy				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	Management approach and its components	Indicator Handbook 2021		
GRI 103-3	Assessment of the management approach	Indicator Handbook 2021		
GRI 302: Energy 2016				
GRI 302-1	Energy consumption within the organization	Pages, 80, 83, Indicator Handbook 2021		
GRI 302-3	Energy intensity	Pages 80, 82, Indicator Handbook 2021		
GRI 302-4	Reduction of energy consumption	Page 76		



GRI Standard		Reference page or disclosures	Omissions	SDG
Material topic: Water and effluents				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 301: Water and effluents 2018				
GRI 303-1	Interactions with water as a shared resource	Page 80, Indicator Handbook 2021		6.4
GRI 303-2	Management water-discharge related impacts	Indicator Handbook 2021		6.5, 14.2, 15.1, 15.5
GRI 303-3	Water withdrawal	Page 85, Indicator Handbook 2021		6.4, 6.4.2
GRI 303-4	Water discharge	Indicator Handbook 2021		3.9, 6.3, 6.4, 12.4, 14.1
GRI 303-5	Water consumption	Indicator Handbook 2021		6.3, 6.4.1, 8.4, 12
Material topic: Biodiversity				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 304: Biodiversity 2016				
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Indicator Handbook 2021		
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	Indicator Handbook 2021		
GRI 304-3	Habitats protected or restored	Indicator Handbook 2021		

GRI Standard		Reference page or disclosures	Omissions	SDG
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Indicator Handbook 2021		
Material topic: Emissions				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		9.4, 12.4, 12.5, 13.1, 13.3, 14.2, 14.3, 15.1
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 305: 2016 Emissions				
GRI 305-1	Direct (Scope 1) GHG emissions	Page 76, 77, Indicator Handbook 2021		3.9, 9.4.1, 12.4, 14.3, 15.2
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Pages 76, 78, Indicator Handbook 2021		3.9, 9.4.1, 12.4, 13.1, 14.3, 15.2
GRI 305-4	GHG emissions intensity	Page 76, 79, Indicator Handbook 2021		
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Page 84, Indicator Handbook 2021		
Material topic: Waste				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 306: Waste 2016				
GRI 306-1	Waste generation and significant waste-related impacts	Indicator Handbook 2021		
GRI 306-2	Management of significant waste-related impacts	Page 86, Indicator Handbook 2021		



GRI Standard		Reference page or disclosures	Omissions	SDG
GRI 306-3	Waste generated	Indicator Handbook 2021		
GRI 306-4	Waste diverted from disposal	Indicator Handbook 2021		
GRI 306-5	Waste directed to disposal	Indicator Handbook 2021		
Material topic: Environmental compliance				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Pages 50, 55, 67, 88, Indicator Handbook 2021		9.4, 12.4, 12.5, 13.1, 13.3, 12.2, 14.3, 15.1
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 307: Environmental compliance 2016				
GRI 307-1	Non-compliance with environmental laws and regulations	Indicator Handbook 2021		16.3

GRI Standard		Reference page or disclosures	Omissions	SDG
<b>Social Topics</b>				
Material topic: Employment				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 301: Employment 2016				
GRI 401-1	New employee hires and employee turnover	Pages 88, 90, Indicator Handbook 2021		5.1, 8.5, 8.6, 10.3
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 88, Indicator Handbook 2021		3, 5.4, 8.5
Material topic: Occupational health and safety				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 302: Occupational health and safety 2018				
GRI 403-1	Occupational health and safety management system	Page 98, Indicator Handbook 2021		3.8, 8.8
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Indicator Handbook 2021		3.8, 8.8
GRI 403-3	Occupational health services	Indicator Handbook 2021		3.8, 8.8
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Indicator Handbook 2021		3.8, 8.8



GRI Standard		Reference page or disclosures	Omissions	SDG
GRI 403-5	Worker training on occupational health and safety	Indicator Handbook 2021		3.8, 8.8
GRI 403-6	Promotion of worker health	Indicator Handbook 2021		3.8, 8.8
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	Indicator Handbook 2021		3.8, 8.8
GRI 403-8	Workers covered by an occupational health and safety management system	Indicator Handbook 2021		3.8, 8.8
GRI 403-9	Work-related injuries	Pages 98, 99, Indicator Handbook 2021		3.8, 8.8, 8.8.1
GRI 403-10	Work-related ill health	Indicator Handbook 2021		3.8, 8.8
Material topic: Training and education				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 302: Training and education 2016				
GRI 404-1	Average hours of training per year per employee	Page 92, Indicator Handbook 2021		4.3, 4.3.1, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
GRI 404-2	Programs for upgrading employee skill and transition assistance programs	Page 92, Indicator Handbook 2021		8.2, 8.5
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Pages 92, 94, Indicator Handbook 2021		5.1, 8.5, 10.3

GRI Standard		Reference page or disclosures	Omissions	SDG
Material topic: Diversity and equal opportunity				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 405: Diversity and equal opportunity 2016				
GRI 405-1	Diversity in governance bodies and employees	Page 97, Indicator Handbook 2021		5.5.2, 8.5, 16.7.1
GRI 405-2	Ratio of basic salary and remuneration of women to men	Indicator Handbook 2021		8.5, 10.3
Material topic: Non-discrimination				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 406: Non-discrimination 2016				
GRI 406-1	Incidents of discrimination and corrective actions taken	Indicator Handbook 2021		5.1, 8.8



GRI Standard		Reference page or disclosures	Omissions	SDG
Material topic: Forced or compulsory labor				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 409: Forced or compulsory labor 2016				
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Indicator Handbook 2021		8.7
Material topic: Local communities				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 413: Local communities 2016				
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Page 104, Indicator Handbook 2021		

GRI Standard		Reference page or disclosures	Omissions	SDG
Material topic: Public policy				
GRI 103: Management approach 2016				
GRI 103-1	Explanation of the material topic and its boundary	Indicator Handbook 2021		
GRI 103-2	The management approach and its components	Indicator Handbook 2021		
GRI 103-3	Evaluation of the management approach	Indicator Handbook 2021		
GRI 415: Public policy 2016				
GRI 415-1	Political contributions	Indicator handbook 2021		16.5



# GCCA Charter





L'Amalí Unit  
Argentina



## Pillar 1. Health and safety

Indicator	Unit	2021
1. Fatality rate, direct employees - reported as a rate per 10,000 direct employees	Rate	0
2. Number of fatalities (direct employees, subcontractors and *third parties)	Number	3
3. Frequency rate, direct employees - number of lost-time accidents per 1,000,000 hours worked	Rate	2.6
4. Frequency rate, contractors and subcontractors (within the company) - number of lost-time accidents per 1,000,000 hours worked	Rate	1.4
5. Severity rate, direct employees - number of days lost caused by lost-time accidents per 1,000,000 hours worked	Rate	92.85

\* The fatality values reported in item 3 refer to the third party (third party services provided outside the manufacturing units).

## Pillar 2. Climate change and energy

Indicator	Unit	2019	2020	2021
1. Total CO2 emission - gross	million metric tons	10,554	9,562	10,622
2. Total CO2 emission - net	million met-ric tons	10.145	9.183	10.265
3. Specific CO2 emission - gross	kg /t of ce-mentitious	581	568	560
4. Specific CO2 emission - net	kg /1 of cementitious material	558	545	541

## Pillar 3. Social responsibility

There are no specific sector KPIs related to the topic according to the GCCA standard.

The topic is addressed in the Integrated Report 2021 in the “Social Performance” section, starting on page 69, and in the Indicator Handbook, in the GRI Standard.



# Pillar 4. Environment and nature

## Air quality

Indicator	Unit	2019	2020	2021
1. Total coverage rate: Percentage of clinker produced with monitoring of all pollutants mentioned in the guideline	%	100%	100%	95%
2. Coverage rate by continuous monitoring: Percentage of clinker produced with continuous monitoring of the main pollutants PM, NOx and SO2	%	95%	94%	94%
3. Dust - absolute emissions	t/year	2,003	1,894	1,416*
3. NOx - absolute emissions	t/year	33,310	23,003	25,623
3. SO2 - absolute emissions	t/year	4,778	3,500	4,095
3. VOC/THC - absolute emissions	t/year	401	237	170**
3. Dust - specific emissions	g/t clink-er	158	167	109*
3. NOx - specific emissions	g/t clink-er	2,629	2,027	2,144
3. SO2 - specific emissions	g/t clink-er	377	308	343
3. VOC/THC - specific emissions	g/t clink-er	33	23	18
4. Dust - Coverage rate	%	100%	100%	100%
4. NOx - Coverage rate	%	100%	100%	100%
4. SO2 - Coverage rate	%	100%	100%	100%
4. VOC/THC - Coverage rate	%	100%	100%	95%

\* Due to a measurement problem, the monitoring of kiln 1 in South Africa was not included.

\*\* According to the GCCA protocol, the measurement of VOC/THC in kiln 3 in Egypt was not carried out.

## Biodiversity

No data were collected.

## Water

The volume of water consumed was not calculated according to the GCCA, as we do not measure the volume of water discharged across all business units.

The topic is addressed in the 2021 Integrated Report in the “Environmental Performance” section, and in the Indicator Handbook, in the GRI Standard.

# Pillar 5. Circular economy

Indicator	Unit	2019	2020	2021
1. Thermal Substitution Rate by alternative fossil fuels	%	10.7	10.9	9.5
2. Thermal Substituion Rate by biomass	%	7.5	6.4	5.5
3. Replacement with alternative raw materi-als	%	15.8	18.3	13.9
4. Clinker/cement factor	%	70.6	69.3	69.1



Olavarría Unit  
Argentina







SASB (*Sustainability Accounting Standards Board*) is a non-profit organization that sets financial reporting standards. Founded in 2011 to develop and disseminate sustainability accounting standards, it has developed a complete set of 77 standards relating to various industry sectors.

In November 2018, SASB published industry-specific standards, applicable globally, which identify a minimum set of financially relevant

sustainability topics and associated metrics for each industry. In the case of InterCement, the structure of building materials EM-CM was used.

InterCement's 2021 SASB indicators for the EM-CM-Construction Materials framework summarize financially relevant sustainability performance and provide, where possible, three-year performance trends in SASB metrics. Data changes and revisions

may occur throughout the year due to improved collection methods.

Please refer to the Integrated Report 2021 for more details on the reporting methodology.

For more information about SASB, please visit [www.sasb.org](http://www.sasb.org)



## EM-CM BUILDING MATERIALS

### Topic: Greenhouse gas emissions

Accounting metric	Category	Measurement Unit	SASB Code	2019	2020	2021
Scope 1 gross emissions, percentage of emissions covered by regulatory limits	Quantitative	Metric tons (t) CO <sub>2</sub> e and Percentage (%)	EM-CM-110a.1	10,145,559	9,183,358	10,265,296
				4%	8%	7%
Discussion about long-term and short-term strategy or plan for managing Scope 1 emissions, emission reduction targets, and a review of performance versus those targets	Discussion and Analysis	n/a	EM-CM-110a.2	InterCement Participações defined targets and commitments at the end of 2021, with a first analysis scheduled for 2022.		

### Topic: Air quality

Accounting metric Atmospheric emissions of the following pollutants	Category	Measurement Unit	SASB Code	2019	2020	2021
(1) NO <sub>x</sub> (excluding N <sub>2</sub> O)	Quantitative	Metric tons (t)	EM-CM-120a.1	33,310	23,003	25,623
(2) SO <sub>x</sub>				4,778	3,500	4,095
(3) Dust				2,003	1,894	1,416*
(4) dioxins/furans				—	—	—
(5) volatile organic compounds (VOCs)				401	237	170
(6) polycyclic aromatic hydrocarbons (PAHs)				—	—	—
(7) heavy metals				—	—	—

\* The Simuna kiln 1 in South Africa was not considered in the calculations due to measurement uncertainty.

### Topic: Energy management

Accounting metric	Category	Measurement Unit	SASB Code	2019	2020	2021
(1) Total energy consumed	Quantitative	Giga joules (GJ)	EM-CM-130a.1	55,267,884	49,773,623	54,581,700
(2) Percentage of electricity from the grid		Percentage (%)		14%	14%	14%
(3) Percentage of alternative energy (biomass + waste)		Percentage (%)		18%	17%	15%
(4) Percentage of renewable energy (biomass)		Percentage (%)		7%	6%	6%

### Topic: Water management

Accounting metric	Category	Measurement Unit	SASB Code	2019	2020	2021
(1) Water withdrawn	Quantitative	Thousand cubic meters (m <sup>3</sup> )	EM-CM-140a.1	4,747	4,461	4,410
(2) Percentage of recycled water		Percentage (%)		—	—	—
(3) Percentage in water stress regions		Percentage (%)		—	—	—

### Topic: Waste management

Accounting metric	Category	Measurement Unit	SASB Code	2019	2020	2021
(1) Amount of waste generated	Quantitative	Metric tons (t)	EM-CM-150a.1	92,291	69,835	55,362
(2) Percentage of hazardous waste		Percentage (%)		78%	68%	82%
(3) Percentage of recycled waste*		Percentage (%)		12%	17%	21%

\* Recycled hazardous waste was considered in the calculations.



Topic: Impacts on biodiversity

Not reported.

Topic: Worker health and safety

Accounting metric	Category	Measu- rement Unit	SASB Code	2021
Total recordable incident rate (TRIR)	Quantitative	Rate	EM-CM-320a.1	0.2
Near miss frequency rate (NMFR) for (a) full-time employees				1.0
Total recordable incident rate (TRIR)				0.2
Near miss frequency rate (NMFR) for contract employees				0.8
Number of reported cases of silicosis		Number	EM-CM-320a.2	0

Topic: Product innovation

Accounting metric	Category	Measu- rement Unit	SASB Code	2021
Percentage of products that qualify for sustainable construction credits and certifications	Quantitative	Percentage (%) of annual revenue	EM-CM-410a.1	0
% of products that address the following issues: reduction of energy, water, and/or material impacts during use and/or production		Reporting currency, percentage (%)	EM-CM-410a.2	0

Topic: Integrity and transparency

Accounting metric	Category	Measu- ment Unit	SASB Code	2021
Total monetary losses as a result of legal proceedings associated with cartel activities, price fixing and antitrust activities		Reporting currency	EM-CM-520a.1	R\$0.00

Activity metrics

Accounting metric	Category	Measu- ment Unit	SASB Code	2021
Production of the largest production line - total cementitious products		Metric tons (t)	EM-CM-000.A	18,968,893



Olavarría Unit  
Argentina





# Credits

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Project Management, GRI Indicators, SASB, GCCA Charter and Cement Industry Indicators  
**Combustech Tecnologia da Combustão**

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