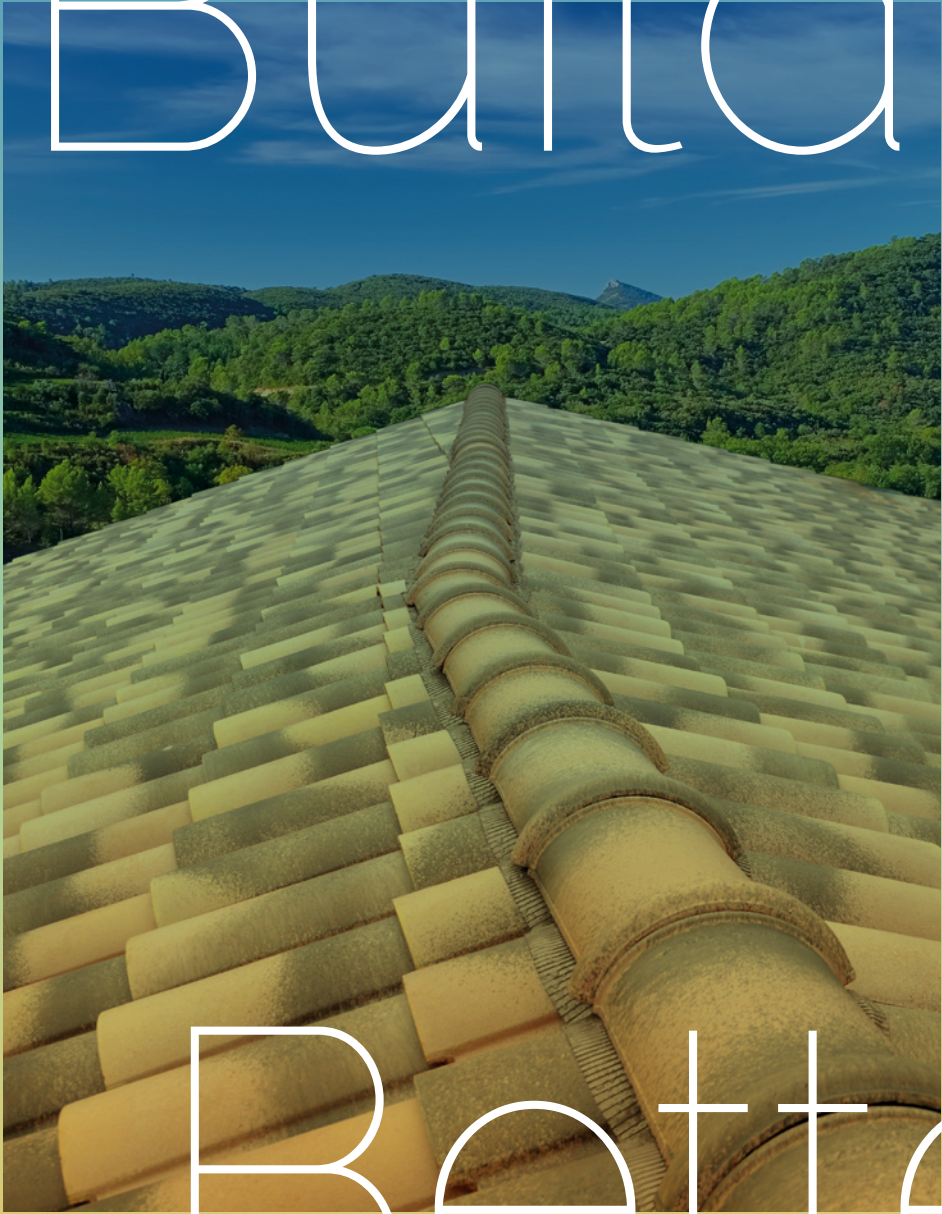


#Build



Better

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## Editorial

Within TERREAL we are truly committed to sustainable development, today and tomorrow. Ensuring the well-being of our employees and the customer satisfaction while reducing our energy consumption and protecting local resources have always been our core concerns. While the environmental, social and societal challenges we must collectively face are increasingly numerous, it is our responsibility to contribute to building a more sustainable and inclusive world.

Constantly striving to take on our responsibility means that we can never stand still. Continuous improvement is at the heart of our approach to Corporate Social Responsibility. We must keep on defining opportunities to further enhance our Group's economic and human performance. This is always done in close partnership with the communities where we live and work.

This report is the first which really captures CSR across the whole Group formed by the merger of TERREAL and CREATON in 2021. Named #BuildBetter, it is based on three pillars of building a better company, building better solutions and building a better planet. Containing a great number of inspiring cases, it shows that we as a Group have taken great steps forward towards jointly building a better, more sustainable and beautiful place for us and for future generations to live. Though non-exhaustive, this report gives a comprehensible and clear overview of our commitment to making sustainable development a reality. This mapped against the targets and aspirations we set for ourselves, in a context of environmental, economic, industrial and socio-cultural change.

**Laurent Musy**, CEO of TERREAL



**Sebastian Dresse,**  
CEO of CREATON



**Laurent Musy,**  
CEO of TERREAL

# Leading the change

Laurent Musy, CEO of TERREAL and Sebastian Dresse, CEO of CREATON discuss how far the group has come, and what to expect next.

## #BuildBetter is your first CSR strategy as a Group, what are the main principles and how did the teams receive it in the different subsidiaries?

**Laurent Musy:** Soon after forming the new Group following the merger of TERREAL and CREATON we formalized a new corporate strategy with CSR as a key lever. #BuildBetter is a strategy that unites all our teams and is based on a strong commitment. We believe that #BuildBetter is an active part of our personal and professional lives. The goals and values that we bring to work are those that drive us in our daily lives. I think our employees and other stakeholders understand well the main themes of building a better company, providing better solutions and building a better planet because they see our actions in those fields on a daily basis. The CSR strategy, objectives and roadmap are clearly embedded in the overall Group strategy. The relative importance and sensitivity to the various themes may differ from one country or business line to the other, but the overall driver is the same.

**Sebastian Dresse:** #BuildBetter was and is indeed the ideal strategy to show our commitment in taking on our environmental responsibility and staying credible at the same time. Of course, we had numerous discussions with our stakeholders on the why and how. It only gives us a stronger basis to work on different fields such as the eco-design of our products, our use of solar energy, biodiversity and natural resources protection, safety, well-being and our attractiveness as an employer.

We want to make significant and noticeable progress across our CSR dimensions, but while improving our business performance – and especially our credentials as a partner for pitched roofs in Europe.

**Sebastian Dresse**

## What challenges did you encounter & overcome?

**LM:** The level of maturity around certain themes is different from one country to the other. Although we do have a strong sense of our first stages/objectives, our role is to be well prepared for the next steps, from now on! We need to anticipate as much as possible and be prepared for all contingencies. Our role as top management is to find a good balance between a high degree of ambition and the realism required to effectively engage people. It is necessary to have a very long-term vision with long-term policies.

**SD:** One key challenge is our perspective as a group and the economic downturn in East and Central Europe. Nevertheless we have to keep our targets, because in every kind of future our performance in CSR-dimensions will count.

## In terms of CSR, what are the challenges of the sector and where does the Group stand in this ecosystem?

**LM:** The building industry is a major contributor, both in terms of socio-economic benefits and environmental impacts. It is very fragmented, made up of many small actors offering different products and solutions implemented by a very large number of installers and builders. As an industry, we need to offer better systems and solutions from a lifecycle point of view.

**SD:** That's right. And our Group can help lead the way. As a producer of clay products, we are using natural resources as energy and emitting a corresponding amount of CO2.

I think our people well understand the main themes of building a better company, providing better solutions and building a better planet, because they see our actions in those fields on a daily basis.

**Laurent Musy**

But we also manufacture sustainable products with a long life and the option of recycling. It's up to us to reduce our need for energy and to look for CO2-neutral sources of energy, and much more. We want to make significant and noticeable progress across our CSR dimensions, because the challenges are multiple (human, work related, environmental, societal...) while improving our business performance and responsibility.

**LM:** Our Group has a valuable role to play in the industry's transition. It is important that we maintain our momentum and achieve our ambitious goals. This includes reducing our CO2 emissions, improving the energy efficiency of our sites, our product performance and sustainability, and our R&D programmes to become climate neutral. We must show solidarity with the smallest companies in the regions where we are located, take everyone on board to progress in this exciting journey.



## OUR MANIFESTO

At TERREAL CREATON,  
we always strive for better.

As a leading company in the building envelope industry, our ambition to build beauty for the next generations is inseparable from our responsibility to do it right.

That's why better is at the heart of everything we build.

Because a workplace that cares for safety, skills and diversity, because eco-designed solutions that contribute to sustainable homes, because relentlessly reducing CO2 emissions for the planet, will always be better.

**#BuildBetter**

## Our CSR vision and strategy



Julien Chnebierk, Director of Strategy, Business Development and ESG, explains the thinking behind the Group's new CSR strategy.

### Why deploy a CSR strategy in your company?

**Julien Chnebierk:** TERREAL is right at the heart of major social and environmental challenges, and it is therefore our responsibility to engage into an ambitious ESG programme. Our CSR strategy #BuildBetter is strongly embedded and is an enabler of our Group Strategy. Our ESG programme outlines 3 pillars, and we defined several objectives for 7 key initiatives for 2030.

### How was the CSR strategy developed?

**JC:** Following the merger with CREATON, we entered a strategic review at the (new) Group level, and that integration work focused on CSR. We did an inventory of all on-going actions, which were very much aligned. We also performed a materiality matrix with our stakeholders so that we could update our priorities and set our objectives. The result is #buildbetter.

As you will see in the following pages, we are committed to developing a Better Company by offering a safe and inclusive working environment to our employees; Better Solutions that contribute to sustainable buildings and communities; and a Better Planet by improving our carbon footprint and protecting biodiversity.

We are committed to developing a Better Company by offering a safe and inclusive working environment to our employees.

**Julien Chnebierk**

### How will the CSR strategy be implemented and managed?

**JC:** Our CSR strategy is fully endorsed and strongly backed by our Executive Committee. It is managed by our CSR Team, led by Aurélia Bianco-Guevin and Katrien Weytjens. We also have a comprehensive and highly motivated network of CSR referents and count on the involvement of all our employees to contribute to our CSR effort daily. Because it is essential that all our stakeholders take the full measure of the changes underway, we have launched a far-reaching Communication Plan to share our ambitions and responsibilities with our internal and external partners. We are very proud to share this new CSR report with you today.



# Introducing our new CSR strategy

## ORIGIN

Our new CSR strategy was developed in response to global challenges around climate change, resource scarcity and social change, as well as government and market evolutions – and in line with stakeholders' expectations.

## Focus

We add value through continuous improvement, bringing real benefits for customers, employees, biodiversity, and local communities. By taking responsibility for the entire value chain, we aim to provide beautiful, responsible and sustainable places to live. We are committed to safety, diversity, and reliable governance.

## MATERIALITY MATRIX

Our materiality matrix was developed between 2020 and 2021, in co-construction with all our internal and external stakeholders. We launched a survey that gathered more than 1 270 responses from our customers, suppliers, public authorities, etc. It was important to us that our entire value chain be involved in this process and that our matrix would reflect our commitment to achieving the Sustainable Development Goals:

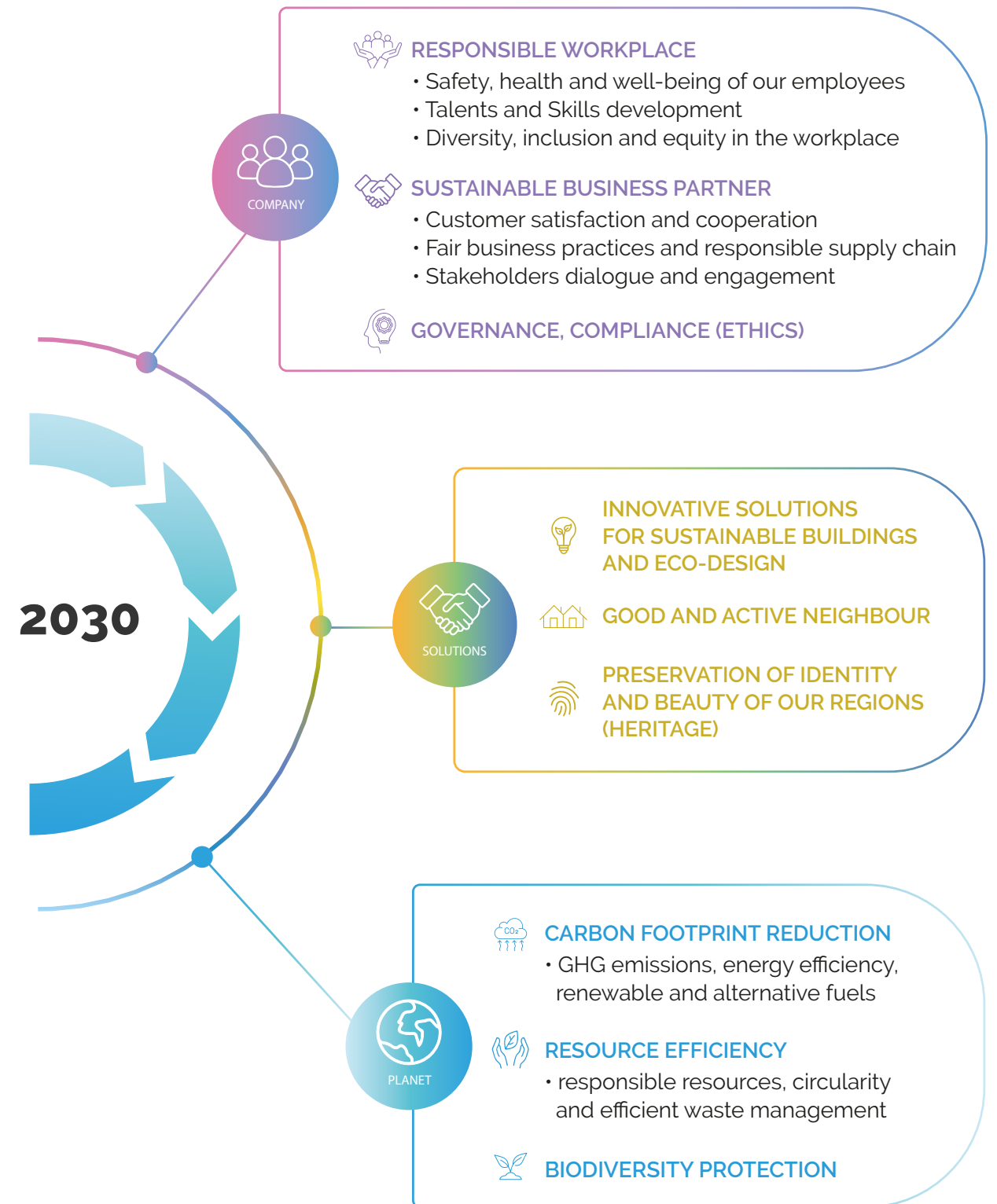
- 3. Good health and well-being
- 8. Decent work and economic growth
- 5. Gender equality
- 9. Industry, innovation and infrastructure
- 11. Sustainable cities and communities
- 12. Responsible consumption and production
- 13. Climate action
- 15. Life on land

## STRUCTURE

Developed by internal and external experts, our strategy was validated by the Board of Directors in 2022. The CSR Team is led by our Director of Strategy, Development and ESG, under the supervision of the Executive Committee. Everyday activities are carried out by more than 35 CSR referents across the Group. 2 CSR Committees and 2 CSR Councils are organised every year to monitor the progress in our action plan.

# Our roadmap to 2030

3 pillars to achieve our transition to a more sustainable business



# Build a better company



At the heart of a responsible company sits a work culture that genuinely respects, values and supports the development paths of each employee in a safe environment. We are constantly striving for greater equity and inclusion to promote the well-being of our teams. As a responsible company, we are building a trusting relationship with our external partners, founded on transparency and collaboration. We are developing a strong culture of compliance throughout the Group and strengthening our governance system to achieve our goals. Finally, we believe that listening to the needs of all stakeholders is key to becoming a better company.

## Our 3 pillars to build a better company

### RESPONSIBLE WORKPLACE

We wish to reinforce the fight against work related accidents and create an inclusive work environment that promotes equity and well-being for all employees.

AMBITIONS FOR 2030



TRIR\*  
**<3**



**15**

training hours per employee annually



**25%**

females among managerial and professional positions

\* Total Recordable Incident Rate

### SUSTAINABLE BUSINESS PARTNER

We develop a sustainable business partnership based on a trusting relationship with customers and an enriched dialogue with all our stakeholders.

### GOVERNANCE COMPLIANCE

We develop a strong culture of compliance throughout the Group and strengthen our governance system through different initiatives.



# Ensure the safety, health and well-being of our employees

At TERREAL CREATON, ensuring the health, safety and well-being of our employees, contractors and visitors is our priority. Our processes are designed to achieve this objective and we are committed to a continuous improvement process to strengthen our safety culture and behavior.



## PLACING AN EMPHASIS ON OSH



Thanks to continuous improvement of technical safety, we are proud to report five consecutive years with no lost-time accidents in Lenti (Hungary). This achievement reflects our commitment to occupational safety and health. For example, we have launched a new medical center in our CREATON SEE factory, with all the necessary instruments and equipment. An occupational doctor supports employees on a weekly basis, helping them to maintain a healthy lifestyle.

A company's welfare programme directly influences the level of employee commitment and their sense of belonging, while also attracting new talent. For employees, it includes a range of additional services and benefits that, by increasing their financial capacity, can improve working conditions and daily life. We only used to offer traditional services such as meals. In recent years we have diversified our offer to meet the changing needs of employees. Our Welfare Platform now provides a wide choice of personalized goods and services, ranging from support for studies, parenting, health protection, and proposals for free time and other family benefits. In 2022 we have improved our health care offer and in 2023 we aim to continue these achievements.

Roberto Gualco, Human Resources Director Italy

In Rieusseque (France), improper lifting techniques can place strain on the lower back and result in lumbar discomfort. We have therefore introduced an ergonomic device called the Ergoskeleton that reduces the load on the lumbar vertebrae by 20kg when the operator bends down. The weight is distributed from the arms and back to stronger muscles in the legs. Energy is stored in the cords of the device every time the operator stoops and then given back to help the lift when returning upright. The result is greater quality of life at work, less physical tiredness and a reduced risk of injury, which can lead to time off.



## Understanding safety

Corinne Feres, Safety & Environment coordinator (France, Spain, Italy and US) and Bartosz Snela, Head of Strategic Processes Support Team (CREATON)

### What does your job as Safety Coordinator entail?

**Corinne Feres:** My role is to define, steer and run the health, safety and environment approach on our sites. That means protecting employees, visitors and subcontractors, by finding new ways to reduce and control risks, such as working at heights, and by staying compliant with regulations. It's my duty to develop the safety culture of all our employees so they become actors of their own safety and that of others.

### What are the challenges you face in your daily work?

**Bartosz Snela:** I can underline what Corinne said and confirm that one of our biggest challenges is to develop sustainable health & safety culture. To do that we are working very intensive

on the awareness of all employees. Beside that technical aspects are investigated and improved day by day as well. Reducing the risks (slips, falls, the development of musculoskeletal disorders or a slightly too high noise level) and improving the working conditions of our teams are among our major challenges.

### What major actions have you implemented this year? What were the results?

**CF:** Prevention, raising awareness and training remain important levers for developing a culture of safety among all Group employees. In 2022, in France, we introduced the "Safety Manager" approach with complete training in safety coaching, while revamping our VMS (Management Safety Visits) and QHS (Safety Quarter-Hours) and deploying daily safety briefs in the teams.

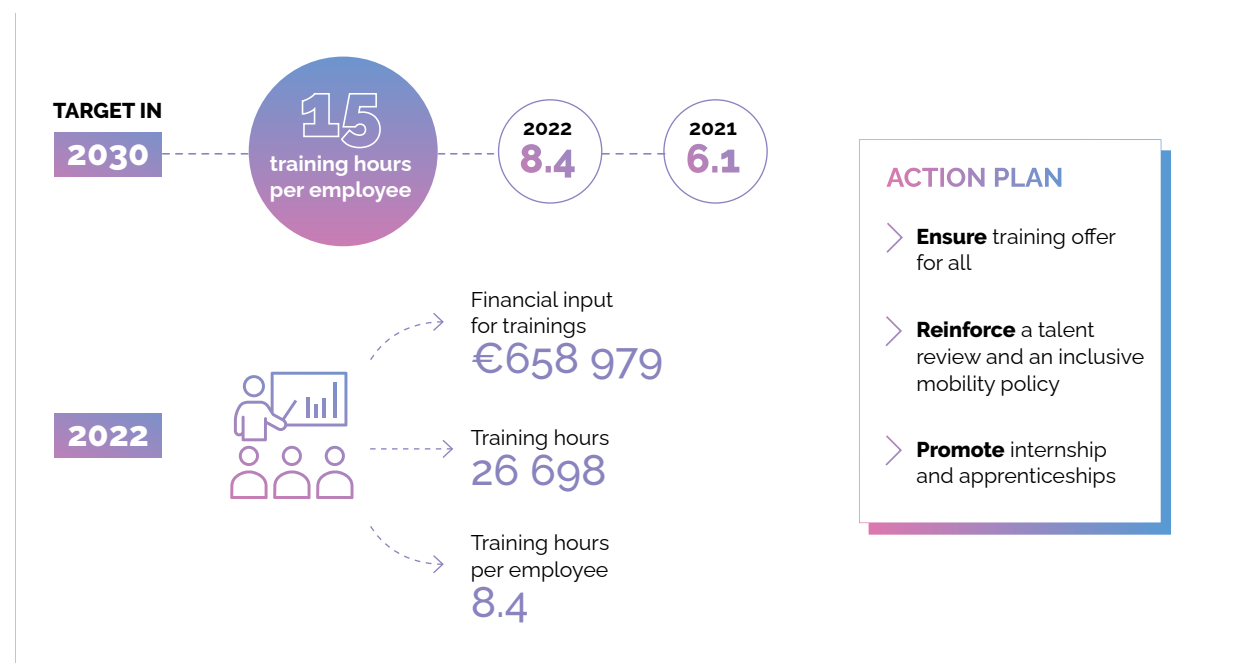
In addition, in France, we proposed this year a completely new formula for the safety week which captured the "9 Golden Rules" of safety: simple, clear, concrete, common to all sites and applicable by all. This helps to reinforce the safety managerial actions expected at each level of hierarchy.

**BS:** Among the dozens of other solutions implemented we are very proud of the very deep CREATON Health&Safety team integration who works right now together on a daily basis sharing best practices and helping each other. In addition we developed a very pragmatic near miss system including rewarding on site and country level. To build the bridge between operational and non-operational parts of the organisation in Germany, we appointed health & safety ambassadors.



# Talent development

In a context of increased competition and technological progress, our Group is committed to developing human capital. We have therefore set up a series of training programmes to advance the development of skills and employability of our employees. This range of certificates or diplomas contains measures that are designed to strengthen and consolidate long-term know-how in core industrial skills, both technical and managerial. We are also promoting internships and apprenticeships.



## ZOOM ON OUR FOUR KEY ELEMENTS TO BOOST THE SKILLS OF EMPLOYEES IN FRANCE

### PROFESSIONAL QUALIFICATION CERTIFICATE (CQP)

> A certificate for four training courses tailored specifically to our trades.

### THE MANAGEMENT SCHOOL

> A 9-month professional training pathway as part of our continuous development process, enabling site workers and technicians to become the supervisors of the future by teaching them the fundamentals of management and project management.

### GREEN BELT TRAINING COURSES

> Designed for those leading improvement projects that fall under our "BoosTER" operational excellence programme.

> Our "BoosTER" business performance course is aimed at our sales representatives, enabling them to acquire methodologies and practice in both marketing and business negotiation to better understand and analyse their sector.

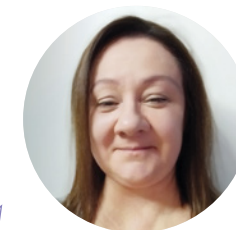
### EXPANDING ON-THE-JOB TRAINING

> In France, in 2022, the deployment of AFEST (on-the-job training) is strengthening our training processes aimed at sharing and safeguarding our core skills. In 2022, a pilot was rolled out on three sites and the programme will be deployed across other sites in 2023.

## DEVELOPING SKILLS

TERREAL CREATON has introduced a 15 training hours per employee annual target, as part of our commitment to improve employees lives through meaningful skills and decent job opportunities.

We aim to grow recognition for our industry, by providing new skills and looking to the future. Professional skills training ensures employability over the long-term, as well as the new knowledge and skills that are needed in this time of technological transition. We are also convinced that the transfer of core competencies is key to strengthening the Group and maintaining its level of expertise by drawing on our pool of highly technical skills.



I've worked on the accessories line for four years and I thought I knew it well. However, the AFEST training programme has allowed me to understand how everything works in greater depth. My work is therefore made easier. In addition, I can better explain it to newcomers. The training was demanding but also rewarding and motivating.

Sylvie Bordet, Stacking Installation Driver, U7 (France - Chagny)

## Close connections with schools and universities

Passing on expertise to the next generation is vital for the future success of our industry. Our Group is therefore committed to knowledge transfer, undertaking technical training for young fitters and roofers.

In **Italy**, we have launched a partnership with the training and safety body Formedit, as well as YACademy on their Master of Architecture 3<sup>rd</sup> level course. We help to network VIP architects and teachers and support architecture students by collaborating on innovation. To this end, we allow these students access to our factories to learn about production techniques and we organise workshops.

In **France**, our Technology and Innovation department ("CRED") encourages research in the Grandes Ecoles and universities involved in the development of the products and solutions of tomorrow, including projects around the circular economy, land improvement and virtuous architecture.

In **Hungary**, our company works with students in the fields of logistics, procurement and finance, with the aim of boosting the number of skilled workers in the industry.



## "How the company helped me grow"

Plant manager Béla Antal describes his career evolution in Hungary.

My career started in 2008 at CREATON, where I trained as a programming electrical engineer in the maintenance team. Alongside operating the machines, I gradually got to know the amazing possibilities of clay.

In 2009 I became the manufacturing manager of our new plant unit, Lenti II. Then, in 2013, I expanded my experience and knowledge as interim production manager in Widziszewo (Poland).

The framework put in place by CREATON allowed me to rise rapidly to production manager of the Lenti factory and the manager of the Energy Management System. In the spring of 2018, I was awarded the Young Energy Developer of the Year award in Parliament, and from the end of this year I will be responsible for the entire production as technical director in Lenti.

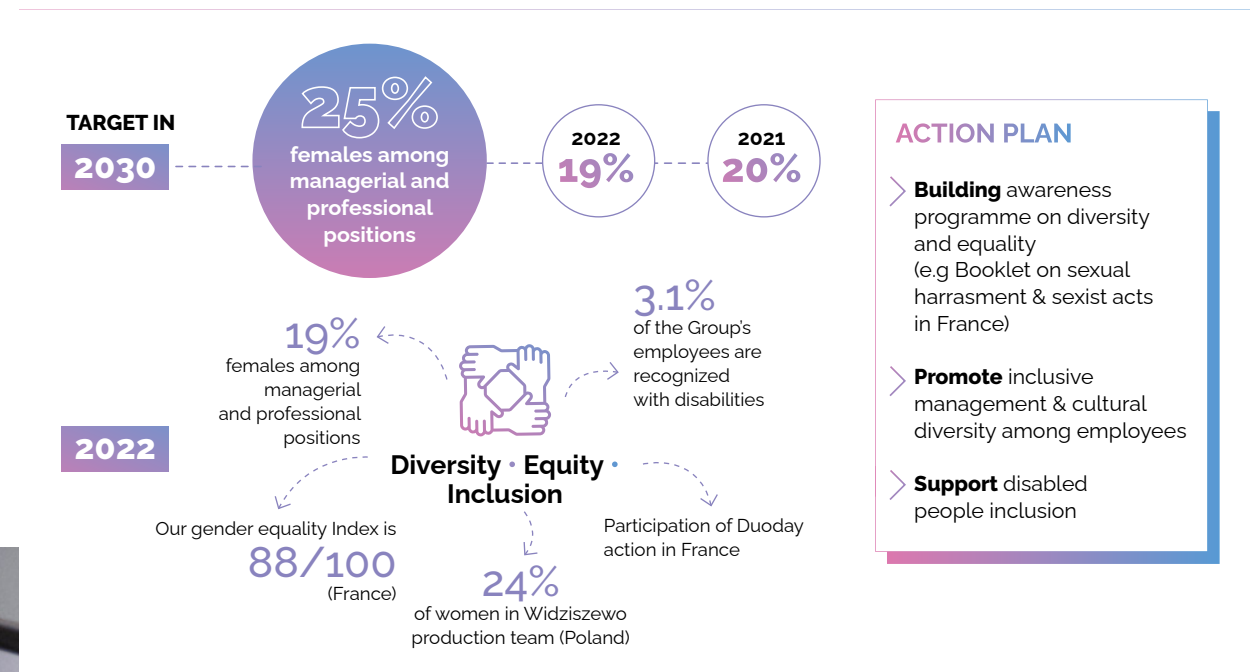
Thanks to the support I have received throughout my career, I won a ministerial award for my work in the construction industry in 2021. In addition to these personal achievements, I am especially proud of my team, because we achieve extraordinary results together.





# Diversity & inclusion at the forefront

Guaranteeing diversity and professional equality is at the heart of our human resources policy. Whether in the form of collective agreements or commitments to partners and associations, our initiatives demonstrate our commitment to these vectors of transformation and progress.



## PROMOTING WOMEN IN ENGINEERING

In France in 2019, we launched a partnership with the association EllesBougent to promote scientific and engineering professions to young girls and women – and so break down stereotypes that this is a male-only world. Our own women in scientific and technical jobs act as mentors throughout the year to participate in special events.

This year, we took part in the second edition of the "Elles bougent pour l'orientation" event, when 22 000 young girls discovered scientific, technological, and technical courses and careers. Three of our mentors joined schools to talk about their job and their career. We also contributed to a workshop on "how to prepare for your job interview".

Following one event, we attracted a first hire in our Technology and Innovation department ("CRED") team. We also participate in other events such as "Le Carrefour des Carrières au Féminin".



It's always a pleasure to participate in this type of event and to answer questions from high school girls. The message we want to convey each time is: be bold!

Laure Dupuy-Naulet, Project Management Officer

## Acting ethically in a collective way

HR Director Karine Goudy introduces our "Fight against sexual harassment booklet", as part of the company's Whistleblowing System.



### What are the main principles of the strategy?

**Karine Goudy:** The TERREAL CREATON Code of Conduct is at the centre of our behavioural engagement. It's the translation of our values, namely transparency, respect, team spirit and fairness. We are convinced that acting ethically is a requirement for the success and longevity of our company. In the frame of this ethical statement, we have designed a sexual harassment booklet and a Whistleblowing System.

### How does the new whistleblowing initiative work?

**KG:** We have established a Whistleblowing System for the whole Group (Europe, USA, Asia). A conduct

booklet – which is designed to prevent, train, report, support victims and punish whenever necessary – was presented to our employee representatives and deployed within all our French sites. There is an alert system with a dedicated mailbox and phone, hosted on independent servers, and only the Chief Compliance Officer and the General Counsel have access. The confidentiality of the process is paramount. Once the facts are considered admissible, an internal investigation is carried out.

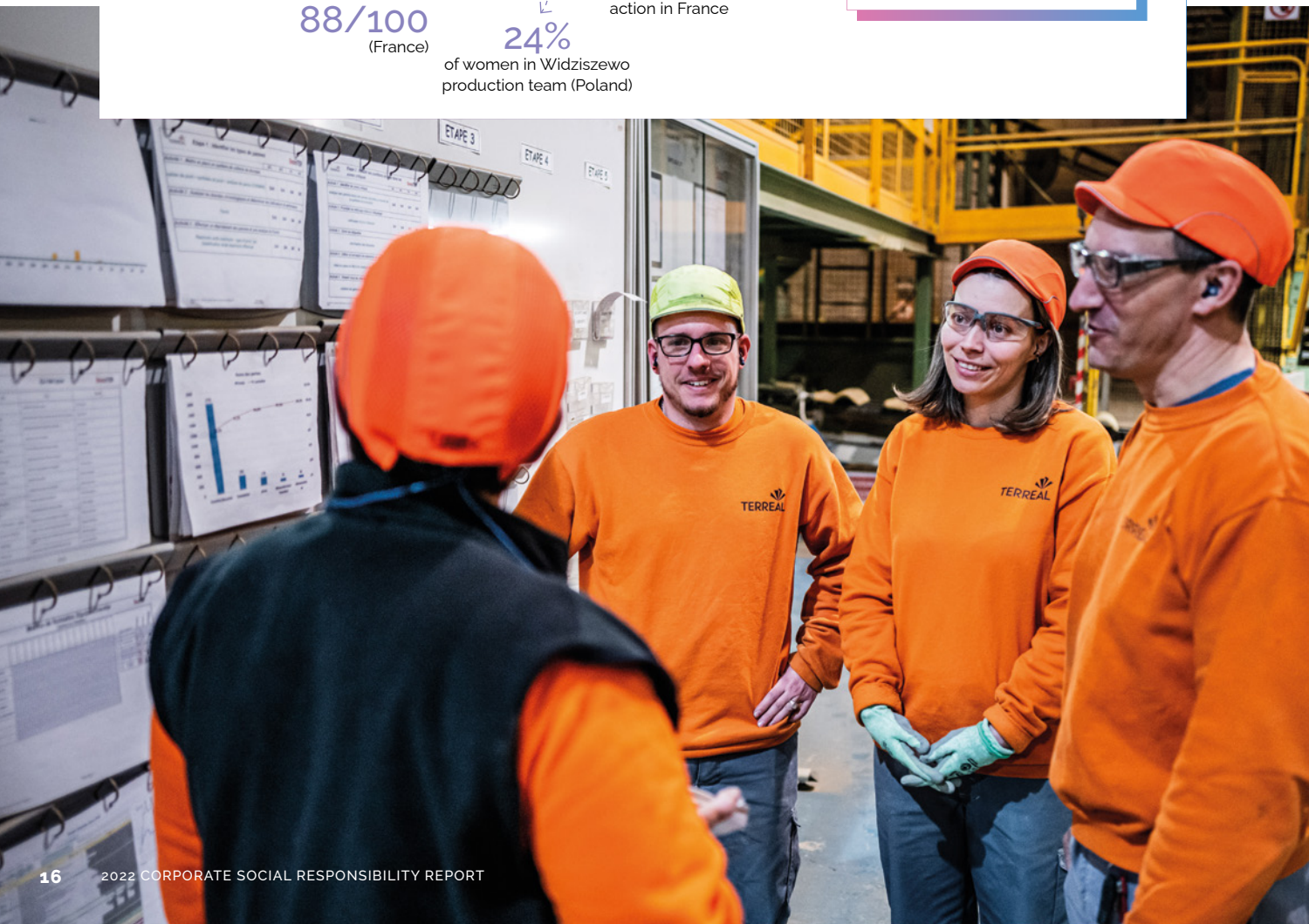
### In the context of the fight against sexual harassment, what further initiatives have you deployed? And what are the objectives?

**KG:** TERREAL CREATON is resolutely committed to eradicating sexual

harassment and sexism in any form. Our policy to promote inclusion and gender equality is championed by the Executive Committee and we will involve all our employees in this worthy cause. In 2019, we appointed an equality advisor at France level to lead and support local representatives. In 2020, these representatives and HR managers received training to increase company-wide knowledge, while a booklet was distributed to all employees in France in 2022.

### What are the objectives for 2023?

**KG:** In the frame of our global Gender Diversity initiatives, we will continue our actions for raising awareness with dedicated and interactive training.





# The need to be a sustainable partner

In all our interactions, from suppliers to customers, we are bound to fair practices and the pursuit of responsible relationships.



## Pass on the flame

As an actor of traditional and modern roofing skills, we have a responsibility to ensure these aptitudes carry on to the next generation of experts. For example, in France, three members of our customer service team trained young people throughout 2022 in the techniques of roofers and masons as part of the Trades Olympics (Olympiade des métiers) and Apprentice Training Centers (CFAs in French).

Likewise, in Poland, our CREATON Training Academy is an important educational initiative geared towards roofers, technicians, sales representatives, distributors. In 2022, a total of 84 courses attracted more than 500 participants, with a focus on modern roofing techniques, while the center formed valuable training partnerships. More than 6 000 specialists have been trained since the beginning of this project in 2012.

## BRINGING COOPERATION TO LIFE

Building sustainable relationships with suppliers is critical for sharing expertise, while gaining positive impacts in terms of quality, total cost and protecting the environment.

Since 2018, TERREAL France has carried out diagnosis on its suppliers, focusing in particular on the ethical, social and environmental aspects of their business. In 2022, we launched our Responsible Purchasing Charter, which is mandatory for all suppliers. The agreement shares our CSR approach and encourages partners to continue and strengthen their commitments.

In Hungary, our compulsory Purchase Policy evaluates suppliers on a yearly basis, while our procurement team gives preference to local companies and those employing workers with disabilities. Contracted partners must be licensed where necessary to demonstrate operational competency.

## BUILDING STRONG RELATIONSHIPS

At all stages of our product development, we aim to maintain strong relationships with our various partners based on mutual respect and cooperation.



### DIALOGUE WITH LOCAL ELECTED REPRESENTATIVES

Through our **Local Consultation and Monitoring Committees**, elected representatives, local authorities and the DREAL (Regional Directorate for the Environment, Planning and Housing in France)



### WITH THE SUPPLIERS

Launched in 2022, the **French responsible purchasing charter** is mandatory to be signed by our supplier



### ON SITE

Priority access to an **online service** for the collection of express orders 24/7 (France)

**ECOPAL:** Pallet collection and consignment service in France



### WITH THE INSTALLER

#### Sharing knowledge

**CREATON Future Day (Germany):** 10 lectures from experts on current issues related to the roofing industry with a focus on digitalization, recruitment, climate change and megatrends

#### Trainings

Through the **Technical and Customer Support Service**, we support our customers in developing further skills. 450 installation support training sessions in solar products trained more than 1 600 roofers in 2022.

#### Awareness

Of our customers regarding health and safety risks. In France, we have an **Environmental Product Declaration** which is more favorable (2 times for tiles, 3 times for Calibric), compared to ministerial default data.

#### Business services and support

- > To **make work sites safer**, drones are used to take shots of roofs
- > **Dedicated websites and online quotation** to facilitate the administrative aspect of the commercial relationship

#### After-sales service

Request processing, traceability and response time tracking



### WITH DISTRIBUTORS & INFLUENCERS

#### Sales service

Regional sales managers and sales representatives specialising in individual areas of activity

#### New technologies in use

Strong territorial coverage



### FUNDRAISING

- > Pottery event for Ukrainian kids in Germany
- > House from the heart in Poland



# Governance at the heart of transparency

We understand the importance of robust governance. We have created the core of a well-structured framework which is aligned with our stakeholders' expectations on conducting our business both ethically and responsibly.

The priorities of our organisational governance cover accountable leadership, effective company policies, fairly conducted business, transparent information flow, and ensuring that operations remain compliant.



As a Group, we are extremely proud of our values and develop our business around them to foster economic development in a responsible way. We aim to be a market leader that promotes fair, open and transparent competition, protects the personal data entrusted to us, and prevents fraud or corruption. In other words, we are a corporate citizen of the world.

Our Code of conduct, the policies, the risk assessments, the trainings, the audits and the Whistleblowing System provide the tools to create a tangible, ethical culture built on four pillars (anticorruption, competition, personal data, international sanction).

We are pleased to report that our commitment to compliance will deepen further in 2023 with the announcement of a 5th pillar – the protection of human rights within the Group and our suppliers (in line with the CSDD Directive) as we move towards ISO 37301 standardization.

Roxane Roger-Deneuille, Chief Compliance Officer

- > **1** unique Code of Conduct
- > **11** policies in 8 languages
- > **1 826** employees trained in competition/anticorruption
- > **1** mock dawn raid
- > **2** compliance networks: Competition and Personal Data
- > **1** unique whistleblowing system

## Introducing our new Regulatory Compliance Support System in Hungary

In 2022, we introduced the RCSS, which helps the organisation to stay up to date on legislative changes, allowing smoother management and monitoring of compliance at an organisational level. Benefits include reducing time spent on administration and manual work, as well as the risk of non-compliance. The RCSS is connected to a legal database that not only contains Hungarian and EU legal materials, but also legal materials of other regulators (e.g. tax documents).





# Build better solutions

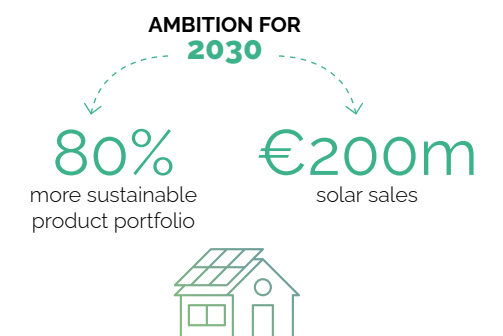


Our strong local presence requires us to be as close as possible to partners and manufacturers so we can design sustainable products. We are committed to developing innovative solutions for homes, such as our mounting systems for solar panel. Our products are designed for building efficiency and to preserve the beauty of our architecture. At heart, we are a good neighbour who wants to participate in the socio-economic prosperity of our communities.

## Our 3 pillars to build better solutions

### INNOVATIVE SOLUTIONS FOR SUSTAINABLE BUILDINGS & ECO-DESIGN

Designing sustainable products and meeting the demands of society and our customers is our mission. By developing innovative and eco-designed solutions for sustainable buildings we contribute to shape the cities of tomorrow.



### GOOD & ACTIVE NEIGHBOUR

We are committed to building and maintaining trusting relationships with local stakeholders to ensure the long-term sustainability of our activities and contribute to the development of the territories.

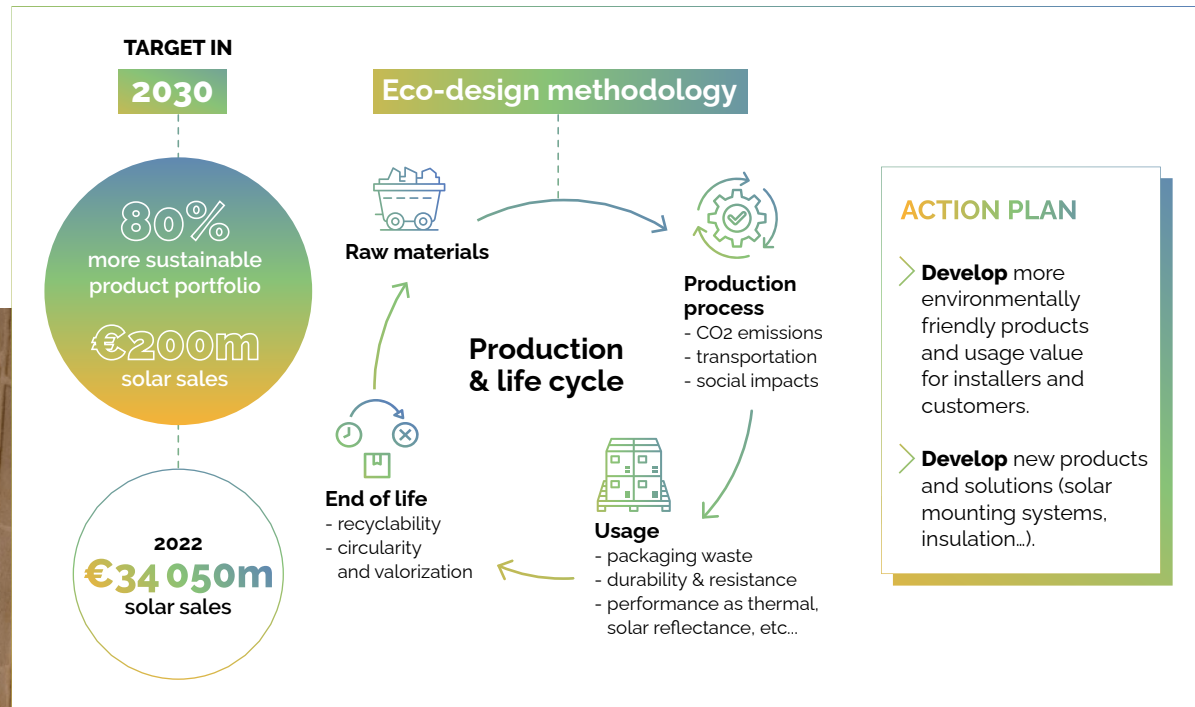
### PRESERVATION OF IDENTITY & BEAUTY OF OUR REGIONS

Preserving the identity and aesthetics of the territories is one of our key values. It is expressed through the production of tiles that adapt to their specific architectural features, therefore helping to maintain the richness of their heritage.



# Innovative solutions for sustainable buildings and eco-design

We aim to create value for customers and installers by conceiving offers to fit an evolving market, with its rising need for low-carbon and circular products, also higher-performance roof tiles, innovative solar solutions and insulation.



## What's the secret to effective eco-design?



Philippe Male (Products & Systems Department Manager at TERREAL) and Malte Petersen (Head of Product Management at CREATON) discuss recent steps to make products more sustainable.

### How does roofing become more sustainable?

**Philippe Male:** When we think of the habitat of tomorrow, it goes without saying that it will only happen if products and materials become more respectful of the environment.

**Malte Petersen:** That's true. It is also necessary to rethink how we account for the challenges for manufacturers (that's us), customers (installation companies and roofers), and the end users (the homeowner or business). With this in mind, rethinking product development for buildings and its environment is a priority.

### How are TERREAL and CREATON meeting these challenges?

**PM:** Based on our expert knowledge of products and buildings/works/housing, we have recently conducted a joint review on this subject, defining the different elements of eco-design that impact sustainable building, such as virtuous raw materials, lighter products, energy contribution for the building and resistance to climate change.

**MP:** We also cross checked this with relevant criteria for installation companies, such as installation comfort, safety, reuse and recyclability of materials and products.

### How did you choose where to start?

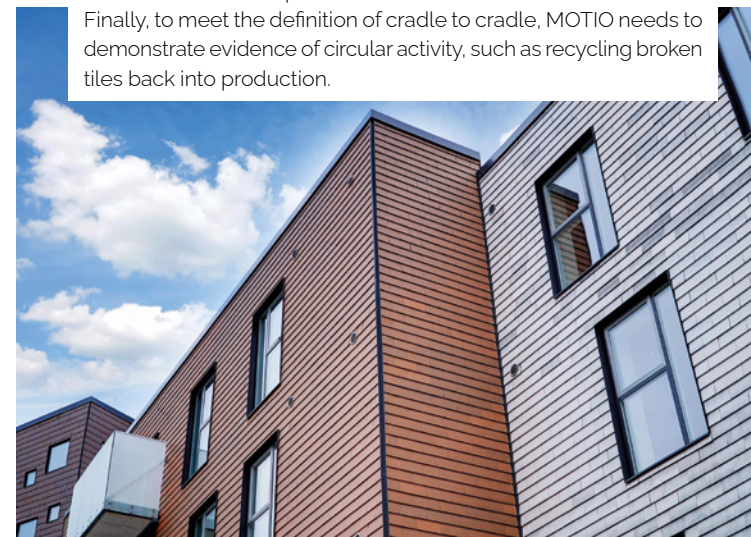
**MP:** We used a materiality matrix to identify priority areas to work on certain tile models (MAGNUM, FUTURA), developing eco engobe for tiles, reducing packaging film and recycling pallets..

**PM:** ...and don't forget the development of a new, healthier Califix for mounting bricks and improving tile reflectance to reduce heat islands.

## MOTIO TILES: FROM CRADLE TO CRADLE

In response to the demand of customers in Denmark, CREATON achieved cradle-to-cradle certification for our high standard MOTIO façade clay tiles. This accreditation, from the certifier Quality Austria, reflects the sustainability and circularity of the tiles. All raw materials (such as clays, loams, glazes and engobes) and additives must be declared through chemical analysis, with no toxic compounds.

As part of best practices for circularity, production water is 100% reused in our Guttau plant, with all harmful substances removed. Finally, to meet the definition of cradle to cradle, MOTIO needs to demonstrate evidence of circular activity, such as recycling broken tiles back into production.



## Recycling brick materials in Italy

Our environmental footprint is a major concern for us. Reducing it relies on lowering greenhouse gas emissions, managing the product lifecycle, and implementing sustainable solutions for end-of-life waste management. These considerations help create a more holistic approach to consumption that will reduce environmental impact at every stage of the process.

In line with Italy's legislation to regulate product design and production, we have taken steps to meet the challenges of the circular economy and the objectives of industrial and territorial ecology by minimizing the use of primary natural resources.

All our brick production in Italy integrates at least 10% of recycled material, made from inert ceramic waste.



# Solar solutions

To face the challenges of climate change we are committed to develop constantly innovative solutions for homes, such as our systems for the solar solutions which are a major part of our CSR strategy. Our objective: €200m solar sales by 2030.



## Why the sun is shining on Solar?

**Krasimir Yordanov, Group coordinator for Solar, explains the latest developments in this fast-growing field.**

### Quickly, what is your role?

**Krasimir Yordanov:** My job is to coordinate the strategic actions carried out in all the Group's countries in terms of Solar development, but also to support all the market players in this major changes in the building sector.

### Thanks. What's the company's mission for Solar?

**KY:** In simple terms, we want to make it easy for anyone to get into the solar system. We are thinking about how we could create a real smart solution that they cannot say 'no' to.

### Is solar on the rise?

**KY:** Definitely. The adoption of residential solar grew by nearly 40% in 2022 across Europe, driven by rising electricity prices, future energy price fluctuations, the growth of large household electrical appliances (batteries, EV, heat pumps) and the higher daytime home electricity demand, as more people are working remotely than before the pandemic. Adopting a rooftop installation allows individuals to take control of their electricity bill.

### What makes TERREAL attractive in this space?

**KY:** Our PV systems are designed to facilitate the roofer's intervention.

Electrical connections at roof level are plug and play and require no electrical qualification. We empower installers to manage their businesses and enable them to leverage their activity with training, easy-to-use planning tools, technical assistance and rapid response to address issues before, during and after the installation.

Also, our prospects for development and innovation are oriented towards solutions with a lower carbon footprint, adapted to the roofer's profession and which bring immediate ecological and economic gains to the end customer.

### Are you optimistic about the future?

**KY:** For sure. The fight against climate change is a critical issue for our planet and a major challenge for the entire building sector. The roof of tomorrow, producing local and renewable electricity, needs to play a decisive role. In most EU countries, half of the residential stock was built before the first thermal regulations (before 1970) and therefore needs to be renovated to achieve the objective of carbon neutrality. More than ever, customers are aware of the need to reduce their environmental impact. The construction of responsible buildings is therefore at the forefront of the energy transition.

## Taking the heat out of city living

The Solar Reflectance Index (SRI) is an indicator of the ability of a roof surface to return solar energy to the atmosphere. Roofing material surfaces with a higher SRI will be cooler than surfaces with a lower SRI under the same solar energy exposure, especially on a sunny day.

SRI has a direct impact on "Heat Islands" whereby metropolitan areas experience higher temperatures than nearby rural areas. This phenomenon will prove a huge challenge in the coming years for citizen well-being – and so reflecting materials, also known as cool materials, are increasingly in demand.

TERREAL Italia has tested its range of product colors to identify, measure and calculate factors related to SRI. Each color and product receives a certificate, depending on its performance in low, medium and high wind conditions. While darker colors contribute more to heat islands, tests showed that the use of natural clay is a low emitter of heat compared to other materials.

The next step is to roll out our methodology across the Group, presenting a full list of SRI values for the concrete and clay tile range. Working on SRI is a win-win-win for the company, as it answers global warming challenges, customer demands, as well as standards for sustainable (LEED, BREEM) building certifications.

# A good and active neighbour

We are committed to building and maintaining trusting relationships with local stakeholders to ensure the long-term sustainability of our activities and to contribute positively in the communities where we are located.



## Ludowici Community Foundation makes a splash

For several years, our US teams have helped the most disadvantaged families in Perry County, with "warm clothing" drives, food donations and school supplies – as well as the 2022 launch of a popular splash pad, funded by \$14 990 of donations from 1 500 local families. In addition, in 2020, the Ludowici

Community Foundation sponsored the Ohio Federal Programme to improve literacy and access to education for children up to the age of five. To date, the programme has delivered a free book every month to the homes of over 1 800 children.

## Ongoing dialogue with local stakeholders

Going above and beyond regulatory requirements, TERREAL France has established Local Consultation and Monitoring Committees in 2011 that canvas the views of elected representatives, local authorities, the DREAL (Regional Directorate for the Environment, Planning and Housing), associations and local residents.

These events provide an opportunity to share our company news, discuss our results and broadcast our forecasts for the years to come. The aim is to prevent misunderstandings and respond to disruption caused by our activities by putting in place remedial measures. To this end, we set up two local consultation and monitoring committees in Colomiers and also Saint-Papoul & Bordeneuve.

## NOBLE GIFT CAMPAIGN

In 2022, CREATON Polska, for the fourth year in a row, provided help to those in need as part of the Noble Gift campaign, one of the most recognizable social programmes in Poland. Our team bought, packed and delivered care packages to four families, including essential items such as electronic devices, furniture, clothing, food and cleaning products. Additional help was offered by the company's employees, who donated other gifts, such as food, toys and clothing.



# Preserving the identity and beauty of our regions

We care about the way things look. That's why looking after the aesthetics of territories is one of our key values. This commitment comes to life through the production of tiles that adapt to their specific architectural features, therefore helping to maintain the richness of their heritage.



## TAKING PRIDE IN HERITAGE

TERREAL has been a partner of Maisons Paysannes de France and a sponsor of "Fondation du Patrimoine" over many years. By engaging with these two heritage organisations, TERREAL can financially contribute to restoration projects of ancient buildings, participate in awareness and communication campaigns about monument preservation, and even bring our technical expertise.

In 2023, we will maintain our commitments and participate in multiple events for building heritage, creating further relationships in our regions and participating in its economic development. This work falls within our CSR pillars and commitments, contributing to sustainable buildings and communities, and developing responsible organisational practices and relationships.

^ The restoration works of the pavement of the III Order of the Flavian Amphitheatre (Colosseum, Rome)

THE GROUP HAS ALMOST **900** VARIATIONS OF MODELS / SHAPE / COLORS OF TILES AVAILABLE IN EUROPE.

Renovation of Notre-Dame de Clémence Monastery at La Verne >



< Pennsylvania State Capitol Building (Harrisburg / Pennsylvania)



^ New York Life Building

^ Roof renovation at Branitz Castle - Sophisticated decontamination and historical reconstruction

Branitz Park in Cottbus is one of the most important landscape gardens in Europe. As part of the "Branitz Master Plan 2021-2028" of the Fürst-Pückler-Museum Park and Branitz Castle Foundation, the baroque complex is currently being restored. The initial focus is on renovating the roof and covering it with Creaton plain tiles.



## MODERN COMPETITIVE ARCHITECTURE?

Found on roofs dating back a thousand years, clay tiles in France are an integral part of a region's identity and a reminder of its architectural past. Yet, clay tiles have never been more in vogue. "La Tuile Terre Cuite Architendance", an annual competition launched by the French Federation of Tile and Brick Manufacturers in 2012, recognizes innovative building projects. Many of the winners used TERREAL products to showcase their contemporary and original use of tiles.

Meanwhile, CREATON Hungary founded a scholarship for students. The successful projects stood out among applicants for their high-quality architectural solutions and future-oriented ideas.



# Build a better planet



**A**ware of the impact of our activities on natural resources, we make every effort to preserve the environment and ecosystems developing a strict environmental management. We are taking a range of specific actions to reduce the carbon footprint of our solutions and products.

## Our 3 pillars to build a better planet

### CARBON FOOTPRINT REDUCTION

We are reducing the carbon footprint of our products and solutions by improving our energy efficiency, strengthening our environment policy and using renewable sources.

**-30%**

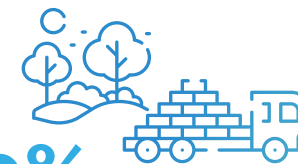
CO<sub>2</sub> emissions per m<sup>2</sup> of clay products by 2030 (scope 1)  
Path to carbon neutrality in 2050.

### RESOURCE EFFICIENCY

To ensure a successful transition to the a circular economy we are focusing on quarry extraction optimization, raw material utilization and production processes on each plant.

**100%**

of our activities (plants + quarries) covered by an environmental management system.



### BIODIVERSITY PROTECTION

Having a positive impact on ecosystems through a strong biodiversity management (raising awareness among employees, partnership with local organisations and development of a biodiversity monitoring management & compensation system).

**100%**

of our quarries certified 'good' biodiversity management and at least 7 of them 'best in class'  
Enrich the biodiversity with a compensation factor at least more than 1:1.



\*maturity B for "Cap Environnement" guidelines \*\*maturity A "Cap Environnement" guidelines



# Action plan for Change



Martin Piotte, Director of Technology and Innovation, explains how we're tackling carbon reduction.

### What's the overall objective?

**Martin Piotte:** As a Group aware of the issues and challenges related to CO2 emissions, we need to decarbonize our industry and products, and so contribute to the global effort to reduce these emissions. Ten years ago, R&D projects were initiated to explore various options (microwaves, syngas from pyrogazification of biomass, introduction of biomethane...) for increasing energy efficiency and alternative energy sources. In the last 4 years and

particularly during 2022, we have accelerated projects to decarbonize our processes. In this period we appointed energy managers who played a major role in structuring actions in our plants and raising awareness at all levels. People directly involved in the projects or in decisions understood not only the importance for industry and for our customers to move fast but, on top of everything, the importance of everyone's contributions to the climate changes. To this end, we design solutions to promote environmentally friendly development and ensure customer satisfaction.

### What are our commitments?

**MP:** Our key priorities are to improve the energy efficiency of our facilities, accelerate the use of renewable energy sources, reduce our waste, and continue to produce eco-designed product solutions. For instance, we plan to reduce 30% less CO2 per m<sup>2</sup> of clay products by 2030 compared to 2015 levels and to be on path to carbon neutrality by 2050. Our roadmap is the result of a combination of matching ideas initiatives, ambitions with business reality, product shortage, resource availability, product development priorities, plant modernization.

Our key priorities are to improve the energy efficiency of our facilities, accelerate the use of renewable energy sources, reduce our waste, and continue to produce eco-designed product solutions.

Martin Piotte

Over the longer-term, the Group has dedicated resources towards energy efficiency, heat transfer and recovery, H2 combustion and CO2 capture.

### A few words about your low-carbon strategy?

**MP:** Our actions related to energy efficiency are of 3 categories:

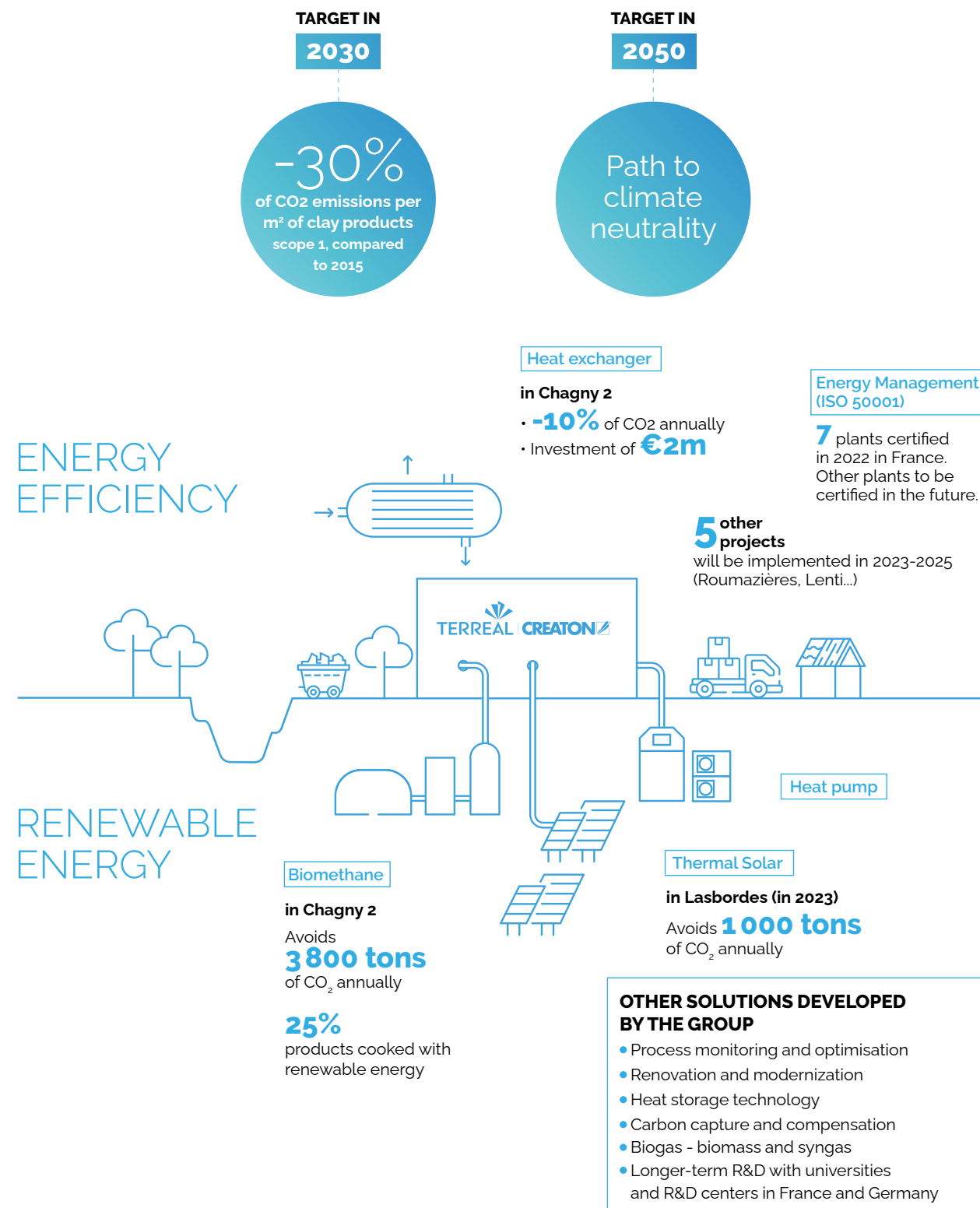
- > Those corresponding to a strategy of continuous improvement (waste reduction, machine efficiency, burner adjustment, exchanges on best practices...). These initiatives are supported by ISO 50 001 certifications. Our project to move toward the industry 4.0 is also supporting our energy efficiency initiatives.
- > Those which require investments (CAPEX). It includes changes in grinding methodology, heat exchangers, new technologies for burners, heat pumps to recover the heat from water condensation from the driers, etc... They are defined with the highest level of priority in the Group CAPEX portfolio.
- > Finally, we are also accelerating our use of low-carbon energy with actions that relate particularly to solar heat panels for the driers and syngas from biomass for the kilns.

### Any progress of note?

**MP:** In 2022, we saw the outcomes of work that begun several years ago, as the waste heat recovery installation at Chagny and Roggden, which are delivering significant CO2 emissions reduction (> 2000 t CO<sub>2</sub>/year for Chagny 2). Also in 2022, we saw the results of a complex project that moved productions from a low energy efficient kiln toward a much more efficient one.

## TERREAL CREATON CO2 roadmap

### A KEY OBJECTIVE OF OUR CSR STRATEGY







## STRATEGIC USE OF RENEWABLE ENERGY

We want to contribute to the fight against climate change and develop an offer that is adapted to market changes and our customers' expectations. Replacing fossil fuels with low-carbon and renewable energies is an imperative for the Group to achieve these objectives. In 2022, 17% of the electricity used by our French and Italian plants were covered by solar panels installed on plant roofs and in quarries – with more sites planned for 2023. TERREAL France has entrusted TotalEnergies Renewables to convert eight sites, including former quarries, into ground-mounted photovoltaic power plants for 2024, with the aim of offsetting 100% of our electricity consumption by 2030.

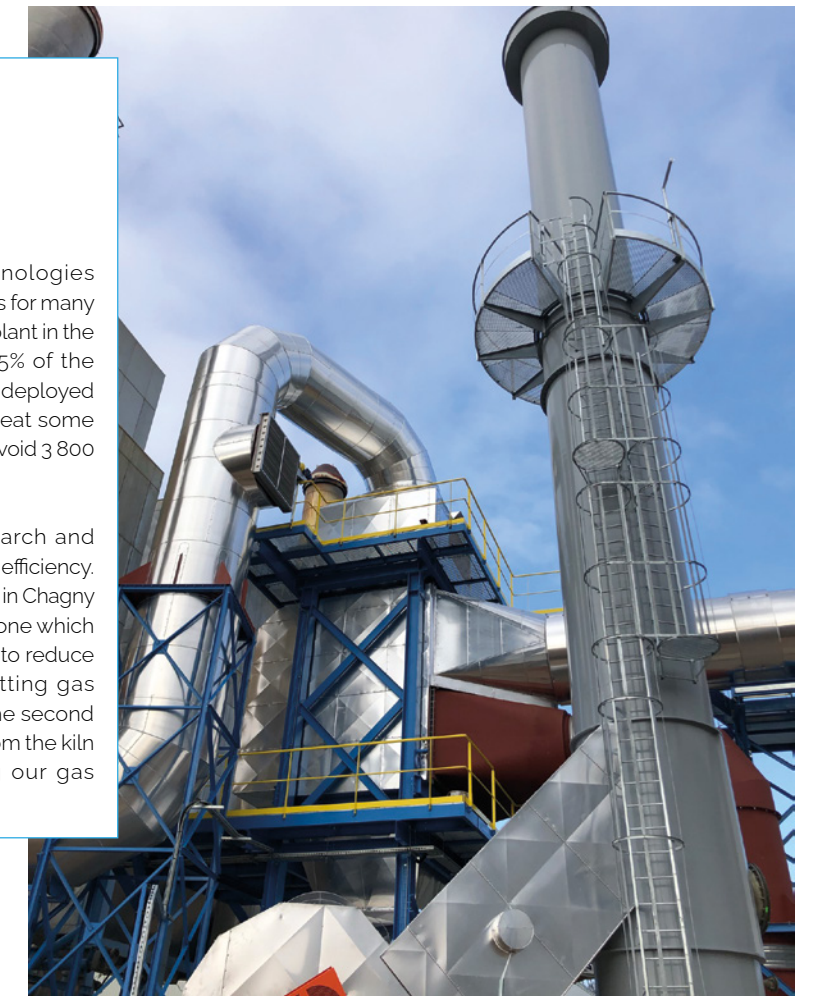
Simulation following the installation of the thermal photovoltaic field in 2023-2024 (Lasbordes - France).

© Newheat et Thomas Borie Architecture

## Real progress in reducing energy consumption

We have been committed in new technologies development to reduce our energy emissions for many years. In 2013, Chagny 2 was the first roof tile plant in the world to fire tiles with biomethane (i.e, 25% of the production). This solution which is now being deployed by other players in the sector, allowed to treat some 7 000 tons of waste annually and allow us to avoid 3 800 tons/year of fossil-based CO2 waste.

Since then, we have continued our research and development roadmap policy to improve our efficiency. In this context, we now have 2 heat exchangers in Chagny 2 (France) and Roggden (Germany). The first one which recovers heat from kiln exhausts allowed us to reduce 10% of the plant CO2 emissions and cutting gas consumption of the pendular mill by half. The second one, cools down the exhaust temperature from the kiln and transfers it to our dryers reducing our gas consumption by 13%.



5

OF OUR PLANTS ARE PART OF THE **10% MOST EFFICIENT CLAY TILES PLANTS IN EUROPE IN TERMS OF GHG EMISSION INTENSITY**\*

\*based on the ETS system - tiles reference.

## Decreasing our carbon footprint along the value chain

Goods transportation is a key element of our Scope 3 commitment to lower CO2 emissions. With many plants located in the heart of our customers' catchment areas, we must ensure an eco-efficient territorial network. In this perspective, we have optimised our brick deliveries in the South of France, which means fewer trucks on the road and so, less CO2 emissions due to truck transportation. In 2022 compared to the 2016 scheme, the new distribution scheme has reduced volumes by 44%. We plan to deploy similar measures across France.

In Germany, our logistics team together with partner carriers, has promoted sustainable transport by reducing the number of unloading kilometers, using non-fossil fuel trucks and developing a tree-planting compensation programme. This compensation programme is subject to strict rules and the rehabilitation of damaged land in northern Germany, the reforestation of land and the replanting of trees in several regions of the world.

### FORWARD THINKING

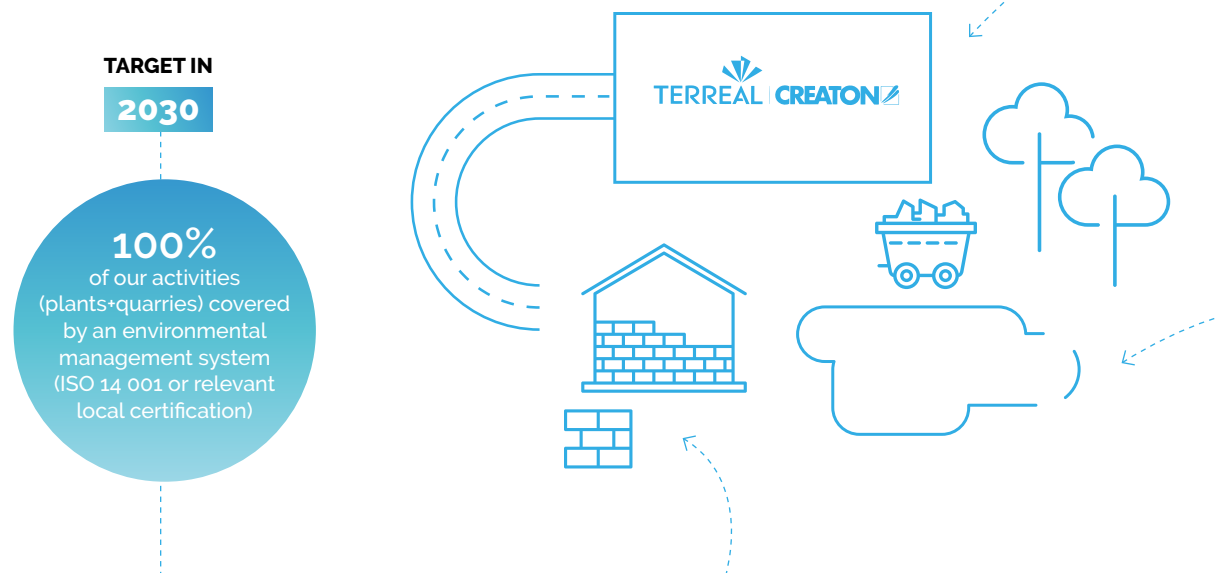
Our Scope 3 CO2 emissions are an estimated one third of the Group's total. In 2024-2025, we will report data and reduce emissions in line with the Green Deal Directive.



# Improving resource efficiency

With a focus on getting the most from quarry extraction, raw materials, and production processes in each plant, we seek to make a successful transition to the circular economy. We are also committed to reducing the generation of waste on construction sites and we work on an end-of-life management system for products.

## Zoom on resource efficiency



**TARGET IN 2030**

**100%** of our activities (plants+quarries) covered by an environmental management system (ISO 14 001 or relevant local certification)

**2022**

**25%** of the 100% expected

### INSIDE OUR PRODUCTION PROCESS

**Scraps**

- > Our Group plants have reduced the scrap rate by **8.6%** in 2022 compared to 2021, avoiding almost **2 700 tons** of CO2 emissions.
- > **Optimisation of clay utilization** along the production process (focus on dry and green scraps). For example in Widziszewo (Poland) around **3.8%** of the total mass used in the production comes from reusing scraps. In Italy, **10%** recycled material from inert ceramic waste in the composition of bricks.
- > **Optimisation of coloration/engobe** use and other raw material (steel, lead...).

**Water**

- > **Terracotta products** needs little water consumption. *Our Group ratio water per ton produced decreased by 1% in 2022 vs 2021.*
- > **Reporting on water consumption** on main and ancillary sources.
- > **Water reuse on construction sites** and implementation of water treatment and storage systems to avoid pollution. Example in Roumazières (France):
  - Increase of our storage and treatment capacities for runoff water
  - Installation of a wastewater recovery pump
  - Continuous treatment of suspended solids (SS) is provided by piping, collection, storage and remediation work...

### WASTE ON CONSTRUCTION SITE

**Pallets**

Elimination of single-use pallets in favor of **reusable pallets** as part of the French ECOPAL programme, which avoided **6 200 tons** of CO2 and the destruction of **10 000 m³** of wood. In Germany, pallets are also not single-use.

**Product end of life management**

- > Building deconstruction recycling rate, **94%** for **solar panels** and **95%** for tiles (in layers of roads, pathways, tennis court, floors and landscaping).

**Plastic**

- > **60% to 70%** reduction of waste thanks to **plastic banding**, instead of traditional wrapping (France).
- > **Reduction of plastic** use in pallet manufacturing (Germany).
- > All our GSE In-Roof integration frames are made of **80% recycled polypropylene**.
- > **Recycled plastic banding** in Valenza (Italy).

### QUARRY EXTRACTION OPTIMISATION

- > **Get the largest possible amount** of material out of the quantities we extract.
- > **Research the best solution** to valorise each quarry level in a circular economy loop.

## Doing more with less



**Operations Director, Central and Eastern Europe, Jürgen Hartmann reveals the Group's resource efficiency achievements and goals.**

“The golden formula for resource efficiency is to reduce the input of raw material without losing final product quality. That's a never-ending task but one that we are pursuing with focus and determination. We're progressing by reusing scrap in production and value them in the production process...”

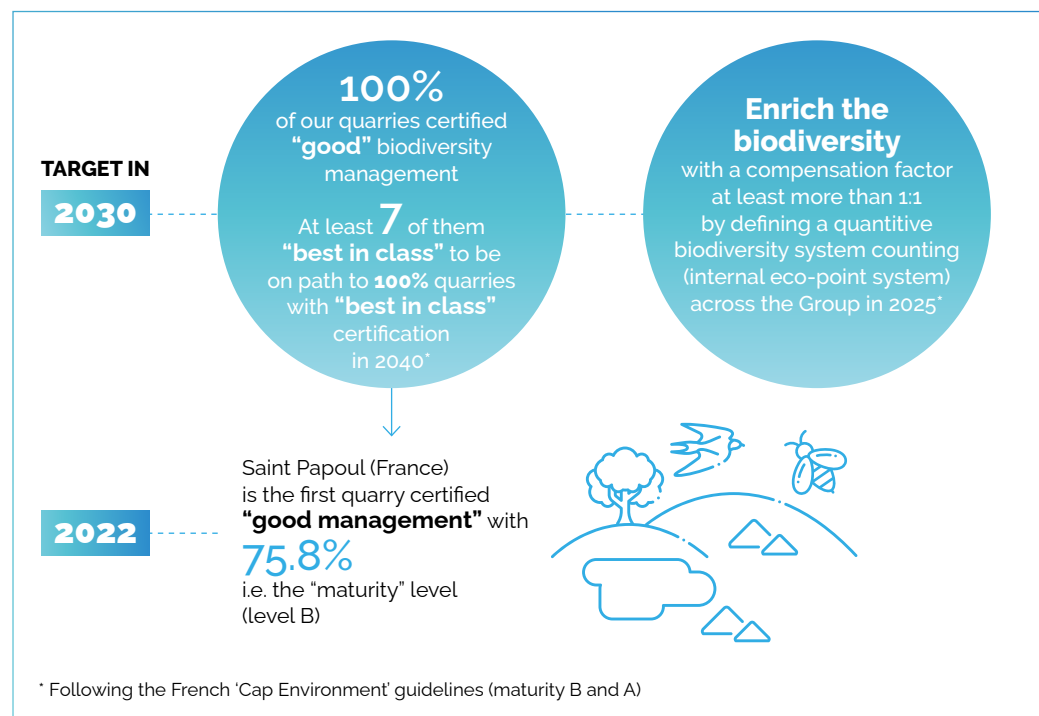
We are working continuously for environmental improvements in our raw material extraction processes and waste reduction. Several of our sites are already certified with the management system ISO 14001 and our goal is to have all of them audited by third parties and certified by 2030.





# Biodiversity protection

We aim for a positive impact on ecosystems through strong biodiversity management. This ambition requires awareness raising among employees, partnerships with local organisations and the development of a monitoring and compensation system. Our target is for 100% of our quarries to be certified 'good' for biodiversity management, with at least seven 'best in class'. We will enrich biodiversity with a compensation factor.



## Protecting endangered species

Reducing our impact on ecosystems is a major stake for several years. In addition to mandatory environmental impact studies, we work with elected officials and local authorities and we carry out complementary initiatives at our quarries with the aim of furthering our knowledge of biodiversity and, where necessary, implementing mitigation actions.

The challenge to reduce our impact on ecosystems has been an issue at the center of what we do for a number of years. In addition to mandatory environmental impact studies, we carry out complementary initiatives at our quarries with the aim of furthering our knowledge of

biodiversity and, where necessary, implementing mitigation actions. Focus on two of our initiatives to protect endangered species and recultivate sites at the end of their life cycle.

In France, we installed two artificial wooden nesting boxes for kestrels, to entice this endangered bird to prey back to its ideal habitat. This collective and voluntary mission launched in 2021 was successful with one male seen leaving this box in 2022. Moreover, we transposed a tree trunk that showed evidence of the protected Capricorn beetle from our Chagny 2 (France) quarry to another safe place.



## Going back to nature

When a site reaches end of life, we believe the local biodiversity should be left in a better condition than when we first found it. This is a compensation package for nature which is key for the Group.

The challenge to reduce our impact on ecosystems has been an issue at the center of what we do for a number of years. In addition to mandatory environmental impact studies, we carry out complementary initiatives at our quarries with the aim of furthering our knowledge of biodiversity and, where necessary, implementing mitigation actions. The Langenreichen loam pit in Germany will be closed in 2023 after 20 years. To that end, we have followed an "ecopoint" action plan that will allow us to make the site 1.9 times richer than when it opened in 2003, bringing valuable diversity to an area of monoculture forestry. Keys to this success? Early planning of the project to ensure that the best solutions are in place. In this logic, applying this methodology is now part of the process followed in all quarries across the Group.

## Developing effective ways to protect biodiversity is essential



Olivier Butel, Operations Director, Western Europe, explains why.

**Why did you set up a biodiversity protection policy and what does it involve?**

**Olivier Butel:** Biodiversity is intertwined with major environmental concerns such as climate change and resource scarcity. These are issues to which we pay particular attention and which concern us all, beyond our own business. Therefore, we are following an Avoid-Reduce-Compensate approach to make a positive impact on biodiversity, strengthen relationships with stakeholders and raise awareness on biodiversity preservation.

**What are your key achievements and next steps?**

**OB:** In line with the previous CSR strategy, we will continue to rigorously monitor natural resources extraction, by making regular audits on our quarries and taking specific actions to protect biodiversity and/or endangered species locally. By 2030 we plan to implement of a Group-wide biodiversity management system, monitored with the French "Cap Environment" guidelines. Moreover we will quantify and enrich biodiversity in local ecosystems.



## ANNEXES – ESG INDICATORS

ESG data in this report is provided in response to the need for information and transparency in terms of CSR. A tool for measuring the effectiveness of CSR actions, it reveals the social, environmental and societal impact of the Group's activities. As it is structured on the basis of certain principles, namely clear and relevant indicators and a secure data collection process, it constitutes a faithful, reliable record. It covers all of the Group's business units, including both extraction sites (quarries) and

manufacturing sites (plants). This report covers Group activities that spanned the whole of 2022.

This report is prepared every year under the supervision of the CSR Department. It is drafted in the interests of continuous improvement and may evolve in the pursuit of greater relevance.

SOCIAL INDICATORS					
	Indicators	Group Total			
STAFF MEMBERS		2021	2022	Unit	
Total staff numbers and breakdown of employees by gender and age	SC 01-1.1: Average annual staff numbers (incl. apprenticeship / interns contracts)	3 218	3 262	number	
	SC 01-2.1: Total number of employees at year end (incl. apprenticeship/ interns contracts)	3 239	3 269	FTE	
	SC 01-3.1: Proportion of women among the staff	15%	15%	%	
	SC 01-4: Average age of staff	45	45	years	
	SC 01-5: Breakdown of staff at year end by age groups				
	< 25	4%	4%	%	
	25 < 34	16%	17%	%	
35 < 44	26%	25%	%		
45 < 55	32%	31%	%		
> 55	22%	23%	%		
Hiring	SC 02-1: Number of apprenticeship/professionalization/interns contracts	2.6	2.4	%	
HEALTH AND SAFETY					
Work-related accidents	SC 07-1: Frequency rate of work-related accidents	LTRIR <sup>(1)</sup>	10	8.2	
		TRIR <sup>(2)</sup>	12.5	10.1	
	SC 07-2: Severity rate of work-related accidents	SIR <sup>(3)</sup>	0.34	0.27	
TRAINING					
Training policies implemented	SC 010-1: Total educational expenditure associated with training	576 497	658 979	euros	
	SC 010-2: Total educational expenditure associated with Health & Safety training	206 670	229 290	euros	
	SC 10-1.2: Total educational hours associated with training	19 254	26 699	hours	
	SC 10-2: Total educational hours associated with Health & Safety training	35 375	35 453	hours	
	SC 11-1: Training hours per employee	6.1	8.4	hours	
EQUAL TREATMENT					
Measures taken to promote equality between men and women	SC 12-1.1: Proportion of women in the ExCom	1/8	1/8	number	
	SC 12-1.2: Proportion of women in the GLC <sup>(4)</sup>	3/19	2/19	number	
	Proportion of women among managerial and professional positions	20%	19%	%	
	Gender equality index <sup>(5)</sup>	87	88	point	
Measures taken to promote employment and integration of people with disabilities	SC 13-1: Proportion of employees recognized as disabled	3.4 %	3.1 %	%	

ENVIRONMENTAL INDICATORS				
	Indicators	Group total		
SUSTAINABLE USE OF RESOURCES		2021	2022	Unit
Water consumption and water supply based on local constraints	E 08-1: Total water consumption	329 063	321 157	Cubic meters (m <sup>3</sup> )
	E 08-2: Breakdown of water consumption by source types			
	Mains water	82%	82%	%
	Non-mains water	18%	18%	%
	E 08-3: Water consumption per good ton	0.15	0.14	m <sup>3</sup> per good ton (m <sup>3</sup> .t-1)
Energy consumption, measures taken to improve energy efficiency and the use of renewable energies	E 10-1: Energy consumption	1 978 295 723	1 927 349 400	Kilowatt hour (kWh)
	E 10-2: Electricity consumption	221 189 608	219 791 885	Kilowatt hour (kWh)
	E 10-3: Gas consumption	1 731 471 172	1 681 742 945	Kilowatt hour (kWh)
	E 10-4: Fossil fuel consumption	25 634 943	25 814 569	Kilowatt hour (kWh)
	E 10-5: Energy consumption per good ton <sup>(6)</sup>	876	833	Kilowatt hour per good ton (kWh.t-1)
	E 10-6: Proportion of renewable energy <sup>(7)</sup>	1.0%	1.0%	%
CLIMATE CHANGE				
Large sources of greenhouse gas emissions generated by the company's activities, in particular through the use of the goods and services that it produces	E 11-1: Total CO <sub>2</sub> emissions (in CO <sub>2</sub> equivalents) <sup>(8)</sup>	370 396	358 485	Tons of CO <sub>2</sub> equivalent (t CO <sub>2</sub> eq.)
	E 11-2: CO <sub>2</sub> emissions (in CO <sub>2</sub> equivalents) per good ton	179	170	Kilogram of CO <sub>2</sub> equivalent per tons produced (tCO <sub>2</sub> eq/t)

SOCIETAL INDICATORS				
	Indicators	Group total		
SOCIETAL INDICATORS		2021	2022	Unit
Sponsorship	ST 04-2: Number of sponsorship agreements	125	118	number
	ST 04-3: Sponsorship expenditure <sup>(9)</sup>	311	346	thousand euros

NB: the calculation of social data excludes temporary employees. Asia sales offices (Shanghai and Singapore) are include.

(1) LTIR = number of lost-time accidents/number of hours of work x 1 000 000.

(2) TRIR = number of total accidents/number of hours of work x 1 000 000.

(3) SIR = number of days of lost work time/number of hours of work x 1 000.

(4) Group Leadership Committee = ExCom members + country directors and key group functional directors.

(5) For France only.

(6) Energy consumption per good ton includes the gas and electricity consumption required for the product manufacturing process. E10-5 and E11-1&2 only include production sites that produce clay products.

The two metal component plants do not require gas for the production process.

(7) This indicator is calculated for all Group sites based on the "process energy" consumed (gas + electricity).

Renewable energy includes only energy that we produce and consume on our premises.

NB: For France and Italy, the proportion of renewable electrical energy represents 17%.

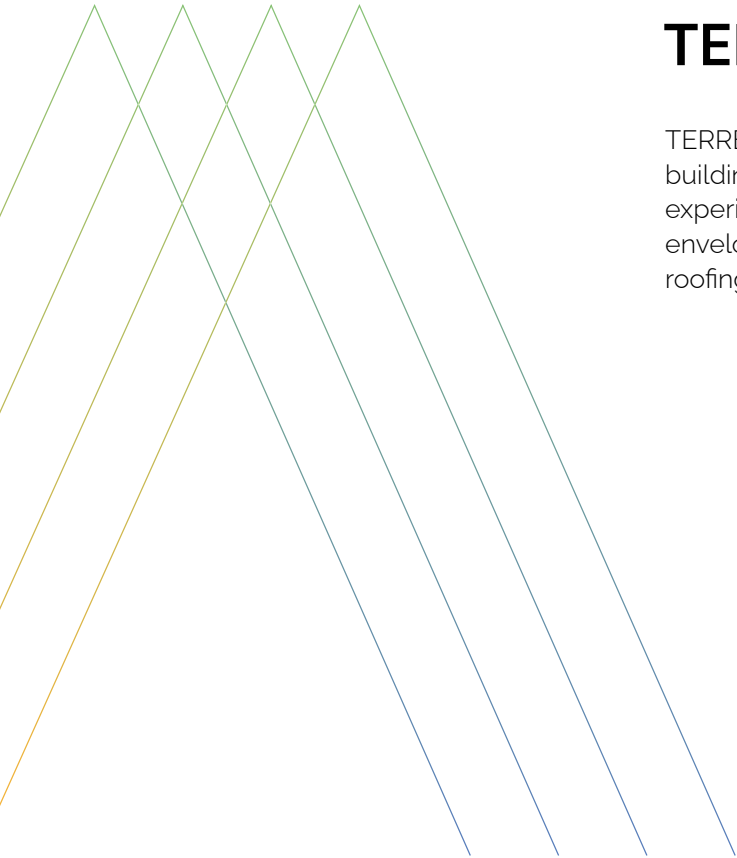
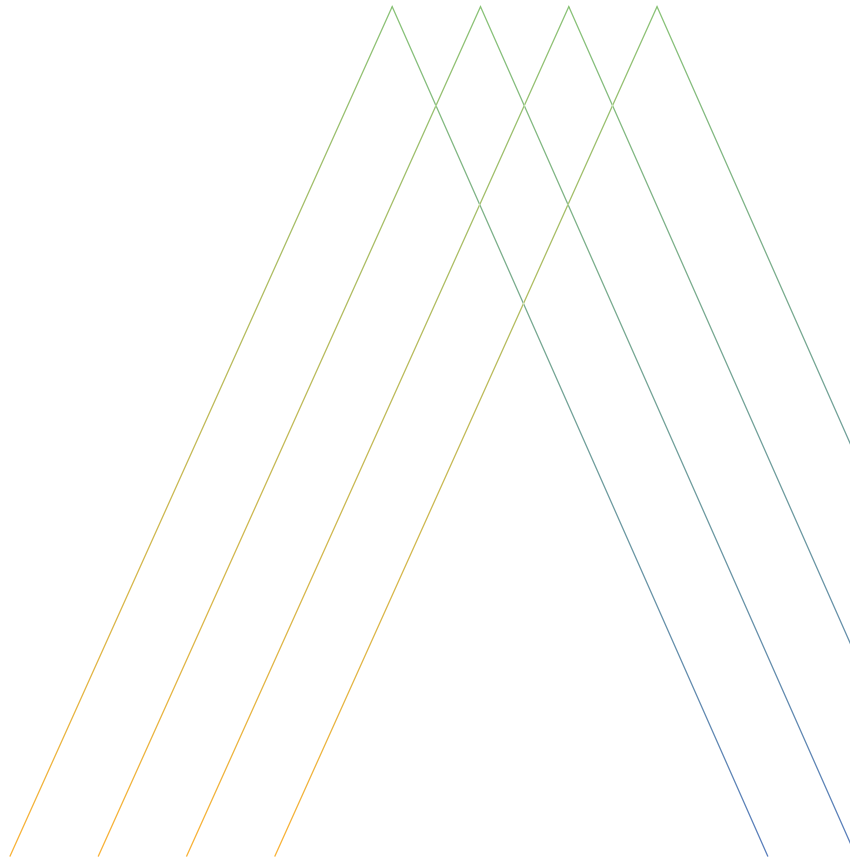
(8) Direct CO<sub>2</sub> emissions from combustion of gas and processing of raw material.

(9) Conversions into euro were made using the exchange rate in effect on December 31, 2022.









**TERREAL**

TERREAL has been a key player in the field of terracotta building materials for over 150 years. Drawing on this unique experience, our Group comes up with innovative building envelope solutions through its four core activities: roofing, solar, structure and façade/decoration.