

Part of the solution

ESG REPORT 2023



ABOUT THIS REPORT

This is the Environmental, Social and Governance (ESG) Report of Aalborg Portland A/S. The report covers Aalborg Portland's activities in relation to the Aalborg Portland cement plant situated in Rørdal east of Aalborg, Denmark. Activities in other legal entities within the Aalborg Portland Holding Group, owned by the Cementir Holding Group (hereinafter referred to as "Cementir" or "the Group"), are not covered in this report. All information

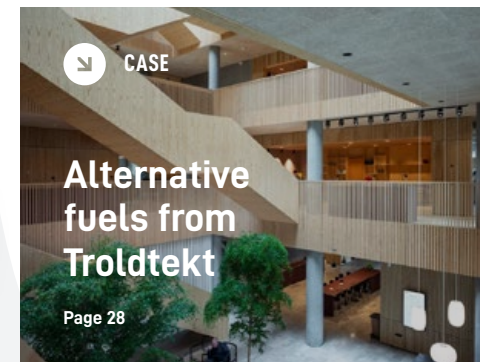
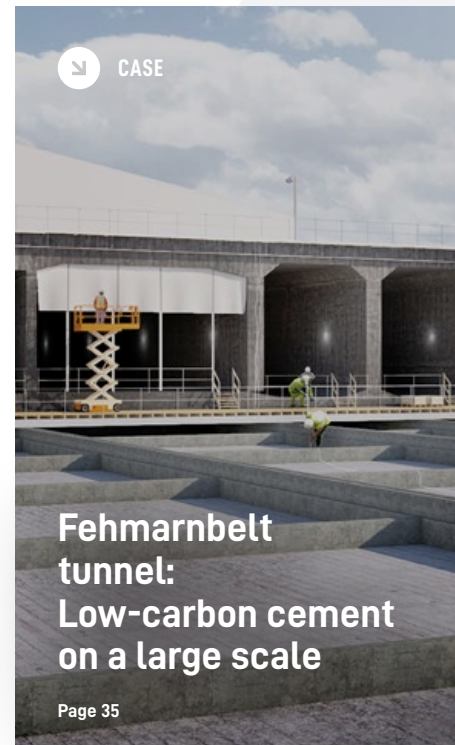
in this ESG report is in accordance with the consolidated sustainability statements of the Group given in Cementir's Sustainability Report 2023, which also constitutes Aalborg Portland's compulsory statement on corporate social responsibility, cf. section 99a of the Danish Financial Statements Act.

The report covers the financial reporting year from 1 January 2023 to 31 December 2023.



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Letter from management

Despite challenging market conditions in 2023, Aalborg Portland delivered strong financial results while we continued to deliver the largest CO₂ reduction in Denmark and showing we are part of the solution.

In 2023, Aalborg Portland's scope 1 CO₂ emissions decreased by 275,000 tonnes (14%). Since 2021, emissions have dropped by more than 0.5 million tonnes of CO₂ (24%), surpassing our expectations. These reductions demonstrate our commitment and ability to achieve a 73% reduction of our CO₂ emissions by 2030.

Continued phase-out of fossil fuels

The first track in our climate plan is to phase out traditional fossil fuels such as coal, oil and petcoke. Throughout 2023, we worked to optimise our fuel portfolio to increase the share of alternative fuels which constitutes non-recyclable waste materials from other industries and biogenic byproducts. In 2023, we increased the share of alternative fuels from 30% to 40% in line with our ambitions for the year.

A stronger and more sustainable product portfolio

The second track in our climate plan is to develop and market new and more sustainable cement products. During 2023, we reported several improvements to the CO₂ footprint of our products to the benefit of our customers and the climate.

Looking back, we can also celebrate that our low-carbon cement type, FUTURECEM®, now constitutes more than 35% of the market for ready-mixed concrete in Denmark, which is a remarkable result.

Going into the new year, we were also pleased to inform our customers that we in 2024 will be ready to offer a new white cement product named D-Carb® which will have a 15% lower CO₂ footprint compared to our existing white cement offering.

Historic day in the name of Carbon Capture

The third track in our climate plan is to launch a large-scale carbon capture facility and capture at least 400,000 tonnes of CO₂ in 2030. Last year, we announced that Aalborg Portland has joined the Greenport Scandinavia consortium, which is one of the most ambitious projects in Northern Europe.



"27. November 2023 marked a historic day in Aalborg Portland's 135-year history as His Majesty The King of Denmark inaugurated a new pilot facility for Carbon Capture at our cement plant."

The goal is to establish a hub at the Port of Hirtshals for import and transport of captured CO₂.

We also announced that Aalborg Portland and Fidelis New Energy had signed a letter of intent related to deliveries of more than 400,000 tonnes of CO₂ from Aalborg Portland to the Norne Carbon Storage in Aalborg through a direct pipeline connection.

27. November 2023 marked a historic day in Aalborg Portland's 135-year history as His Majesty The King of Denmark inaugurated a new pilot facility for Carbon Capture at our cement plant. The Carbon Capture pilot facility is operating at our plant as part of the EU Horizon 2020-project ConsenCUS. We are proud to participate in such ambitious projects which will hopefully bring new knowledge on how to make Carbon Capture more efficient and less costly.

Safety is always first

Following a positive trend in our health and safety performance, 2023 turned out to be a challenging year with minor improvements.

In 2023, a declared focus area was to increase the safety awareness and compliance among our contractors and subcontractors. As a result, the Lost Time Injury (LTI) Rate among contractors decreased from 18.0 to 11.4. However, the LTI for our own employees increased slightly from 3.6 to 5.4 which is not satisfactory. Safety is always first, and our dedication to improving health and safety at our company will continue in the years to come.

Stronger together

In recent years, we have initiated several new initiatives with the intention of improving our people inclusion, development, and engagement. This includes graduate, talent and leadership development programs, leadership conferences, engagement surveys, and different social events.

In 2023, we also hosted a Family Day for employees and their families. More than 1,200 people showed up to get a unique glimpse into the day-to-day activities at Denmark's only cement plant. Our company has a rich and proud history, often spanning multiple generations within families, and the Family Day was a fantastic moment to remember and applaud this.

Reinforcing our local roots

Since Aalborg Portland was founded in 1889, we have been closely integrated with the local community. Today, we have an international outlook and yet we are deeply integrated into our local community, and we are aware of how we can make a positive difference.

Aalborg Portland has a proud history of supporting local clubs, associations and communities. Following the relegation of the local football team, AaB, we were proud to announce our continued support with an extension of our partnership agreement for another three years. AaB's home ground will continue to be named Aalborg Portland Park at least until the summer of 2026.

Going into 2024, we will proudly announce our new Masterplan for the rehabilitation of Rørdal Chalk Pit, envisioning a recreational lake park providing the local community with opportunities for many activities such as hiking, mountain biking, and waters sports. Moreover, our Masterplan aims to ensure that Rørdal Chalk Pit thrives in biodiversity, contributing to the area's flora and fauna both today and in the years to come.

In conclusion

Aalborg Portland will continue to be part of the solution by delivering on our ESG commitments and promoting sustainable, inclusive, and compliant business practices. Together we will build a stronger, more robust company to tackle turbulent times. We would like to thank each and every one of our employees and partners for their dedicated work in a challenging yet prosperous year.

Søren Holm Christensen, CEO

Henrik Jeppesen, CFO

Peter Birkegaard, Managing Director

ESG highlights 2023

Scope 1 GHG emissions

Tonnes

↘ **24%**

Decrease from 2021 baseline.



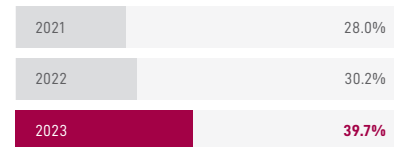
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Alternative fuels

% of thermal energy

↗ **12%**

Increase from 2021 baseline.



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Electricity consumption

MWh

↘ **20%**

Decrease from 2021 baseline.



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Water consumption

m³

↘ **23%**

Decrease from 2021 baseline.



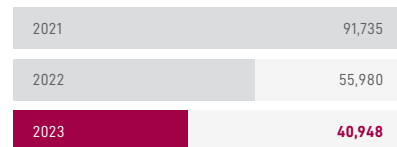
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Waste generation

Tonnes

↘ **55%**

Decrease from 2021 baseline.



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LTIR, own employees

Per million working hours

↘ **79%**

Decrease from 2021 baseline.



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Training hours

Hours

↗ **97%**

Increase from 2021 baseline.



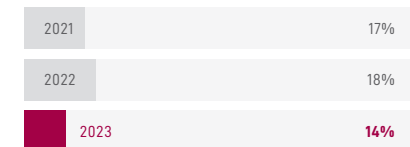
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Employee turnover rate

Percent

↘ **3%**

Decrease from 2021 baseline.



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Aalborg Portland in brief

Aalborg Portland was founded in 1889 and is the only cement manufacturer in Denmark, with its cement plant situated in Rørdal, at the east end of Aalborg. Today, Aalborg Portland is one of Denmark's largest industrial companies, owning 1,200 hectares of land in the Rørdal region, which consists of farmland, a chalk quarry, and various uncultivated areas.



1889

FOUNDED

Aalborg Portland was founded in 1889 and is the only cement manufacturer in Denmark



850

PEOPLE

Aalborg Portland directly employs more than 350 people in addition to which around 500 people are employed elsewhere as contractors and subcontractors



18

COUNTRIES

Aalborg Portland has been part of Cementir Group since 2004. Cementir is a multinational Group operating in 18 countries



3.0

MILLION TONNES CEMENT

Aalborg Portland has an annual production capacity around 3 million tonnes of cement



The cement plant consists of six cement kilns: one grey and five white. It is one of Europe's largest cement plants, boasting an annual production capacity around 3 million tonnes of cement: approx. 2 million tonnes grey and approx. 1 million tonnes white. Along with the cement plant, Aalborg Portland owns terminals in Denmark and abroad, making national and global transport of the finished cement products possible.

Aalborg Portland employs around 360 people, with an additional 500 contractors and subcontractors working on-site daily or nearby to support the plant's many activities. Aalborg Portland is therefore one of the largest contributors to the industrial workforce of the North Denmark Region.

WHAT WE DO AND HOW WE CREATE VALUE

We have supplied cement to people all over the world for more than 130 years, predominantly in Denmark and the Nordic and Baltic countries. Besides being the most used cement in the Danish construction sector for private homes, commercial buildings, public schools and hospitals, our cement was also used for many iconic national and international projects.

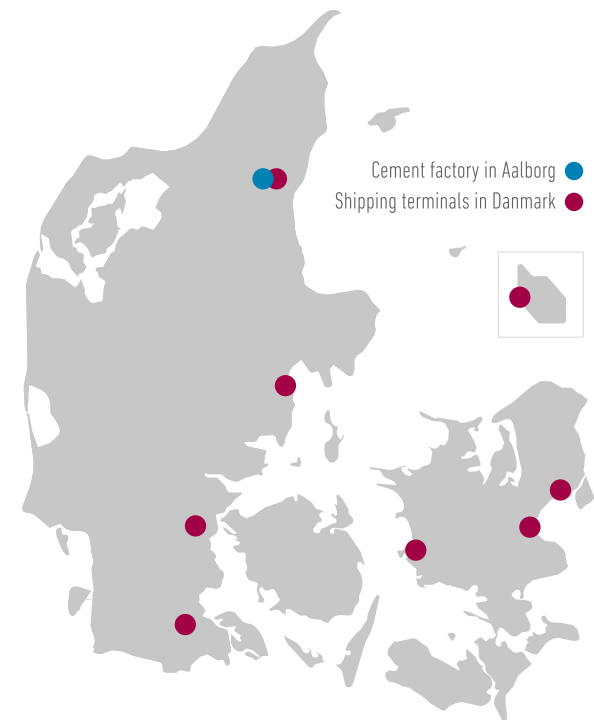
These iconic projects include Denmark's 18-kilometre-long Great Belt Bridge, London's Olympic City and New York's famous Manhattan 432 Park Avenue skyscraper. For more information on Aalborg Portland, see www.aalborgportland.dk.

PART OF CEMENTIR GROUP

Aalborg Portland is part of Aalborg Portland Holding, which Cementir Group acquired in 2004. Cementir is a multinational Group operating in 18 countries across the building materials sector, employing around 3,000 people globally. The Group's annual production capacity amounts to more

than 13 million tonnes of grey and white cement, around 10 million tonnes of aggregates and 5 million cubic metres of ready-mixed concrete. Cementir has been listed on the Milan Stock Exchange since 1955 and is one of the leading companies of the Euronext STAR Milan segment.

For more information on Cementir Group, see www.cementirholding.com, and for Aalborg Portland Holding, see www.aalborgportlandholding.com.



Aalborg Portland history



1889

Aalborg Portland founded in 1889 by Consul Hans Holm and Engineer Frederik Læssøe Smidth.



1899

The American rotary kiln, invented by Aalborg Portland's Poul Larsen, built for the first time in Europe, as two new rotary kilns are installed at the Rørdal factory. The production capacity is significantly upgraded.



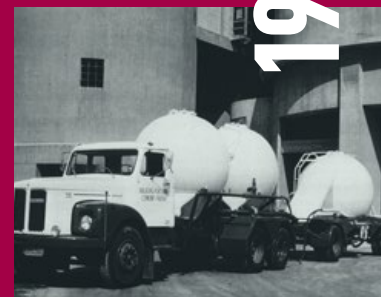
1930

Aalborg Portland starts burning white cement clinker for white cement.



1936

Engineer and director Gunnar Larsen builds a civil airport to quickly get back and forth to his home in Gl. Rye. Larsen offers Aalborg Municipality to start flights to Copenhagen, which would later become the basis for Denmark's first domestic flight route.



1975

Aalborg Portland was prepared to stop the production of white cement due to the energy crisis. However, orders suddenly began to pour in because all other cement factories had decided not to produce white cement. This contributed to the company becoming world-renowned for its white cement.

1990



Aalborg Portland builds a heat recovery plant to deliver district heating to Aalborg Municipality. Today, up to a third of the homes in Aalborg get their heating from Aalborg Portland.

2004



Aalborg Portland is acquired by the Italian cement group, Cementir Group.

2019



Aalborg Portland celebrates its 130th anniversary and presents its first 2030 roadmap for decarbonisation towards 2030.

2022



Aalborg Portland updates its 2030 roadmap with an ambition to lower emissions by 73%.

2023



His Majesty the King of Denmark inaugurates Aalborg Portland's new pilot plant for carbon capture.

Our world is built on cement

Population growth, urbanisation and sustainable development of cities and infrastructure contribute to an ever-greater need for cement and concrete.

The infographic features a stylized cityscape with various buildings and infrastructure. Red circles are placed on specific elements, with lines connecting them to text boxes. The text boxes are arranged in two rows: the top row contains five boxes, and the bottom row contains two boxes. Each box starts with a red arrow icon pointing down.

- WIND TURBINES**
Concrete - and therefore cement - is used to make foundations for wind turbines
- HOUSING & SCHOOLS**
Private homes, apartments and schools all contain cement for concrete walls, floors, pillars, beams, stairwells, and more.
- BRIDGES & TUNNELS**
Bridges and tunnels use vast amounts of cement due to the strength and longevity of concrete
- INDUSTRIAL**
Factories, offices and other industrial buildings also use cement
- HOSPITALS**
Cement is also used for hospitals and other health institutions
- ROADS**
Cement is also the binder in mortars, curbstones, and asphalt
- CONCRETE PADS & TILES**
Cement is used in concrete pads found in driveways and public places



Up to 400 tonnes of cement

It takes between 500-1,000 m³ of concrete and 200-400 tonnes of cement to erect one single onshore wind turbine.

Cement is the main ingredient in concrete

Cement is primarily used to make concrete, which is the world's second-most used substance after water. Concrete has high strength, longevity and malleability; local companies can produce it at a low cost. Both cement and concrete are part of almost everything that surrounds us in a modern world — from private homes, schools, hospitals and offices to roads, tunnels and bridges.

Cement is much more than concrete

Cement is also the binder in mortars, curbstones and asphalt. Facade, ceiling and acoustic panels also use it.

Cement is the foundation for our green transition

Cement is the foundation for a more sustainable world. Denmark has installed wind turbines since the 1970s, and the global shift towards renewable energy sources will increase dramatically in future decades. A wind turbine must withstand harsh conditions for more than 20 years. Concrete is an ideal material for turbine foundations thanks to its high strength and longevity.

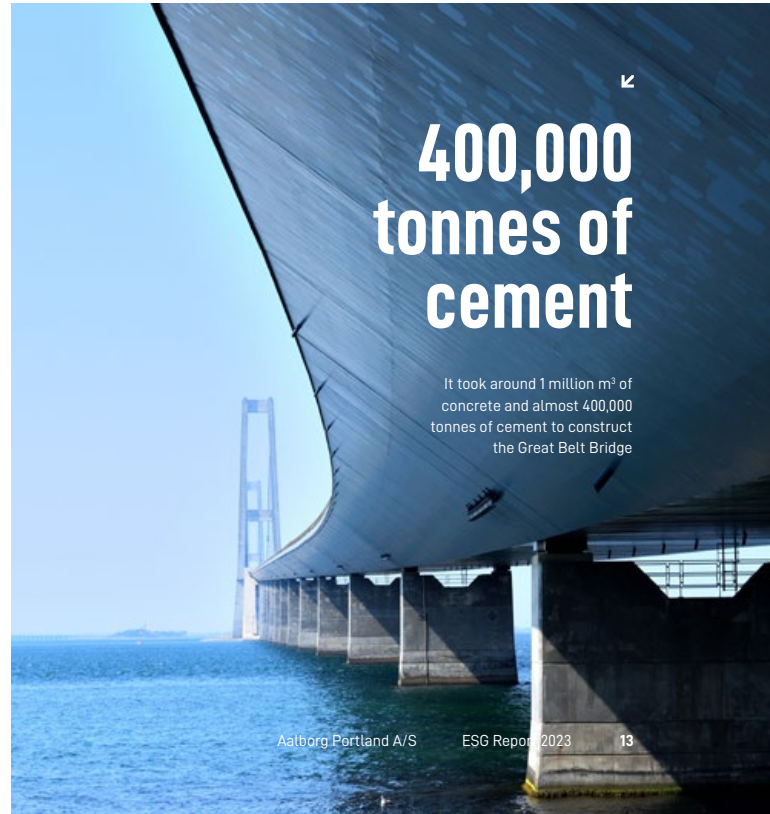
It takes 500-1,000 m³ of concrete and 200-400 tonnes of cement to erect a single onshore wind turbine. Denmark's onshore solar and wind capacity is set to quadruple by 2030, whilst offshore wind is set to increase fivefold from around 9 gigawatts to 41 gigawatts in less than eight years (Danish Ministry of Climate, Energy and Utilities). Global wind power capacity is expected to increase almost ten-fold by 2050 (IRENA). Therefore, it is obvious that we must secure materials like cement and concrete to ensure a quick, efficient green transition for society.

The world of tomorrow will need more cement

The United Nations predicts that 68% of the world's population will live in cities by 2050; the global population already reached 8 billion in November 2022. These rapid changes will require substantial development of modern housing and infrastructure that will last for decades. Estimates show that some 75% of global infrastructure needed in 2050 has not yet been built, and the world's total floor area is set to double by 2060 (Global Alliance for Buildings and Construction).

A small player playing a decisive role

Demand for cement and concrete primarily occurs outside Europe. More than 50% of the world's cement production happens in China alone. Although Denmark accounts for less than 0.1% of global CO₂ emissions from cement production, we can play a pivotal role in the industry's sustainable transition. We can lead by setting ambitious targets, developing break-through technology, and showing a clear path for profitable industry decarbonisation.

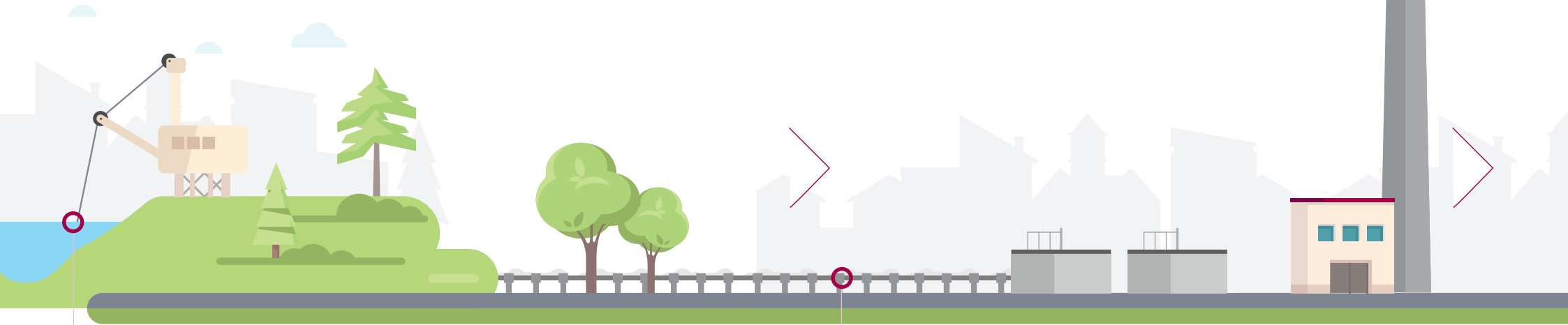


400,000 tonnes of cement

It took around 1 million m³ of concrete and almost 400,000 tonnes of cement to construct the Great Belt Bridge

Cement production from quarry to customer

Cement production is an energy-intensive process, where heavy materials are moved many kilometres in long production lines. Grey and white cement manufacturing follows an almost identical process except for kiln configuration differences.



EXTRACTION OF RAW MATERIALS

Chalk and sand are the main materials in our cement products. We only have a few natural resources in Denmark, but the ones we have are essential for cement production. Our chalk is exceptionally high-quality and comprises fossils that are upwards of 70 million years old. We use two giant excavators with a combined 2,200 tonnes per hour capacity to extract the chalk from our chalk quarry. The sand comes from dredging access channels at Aalborg Bay near Hals Barre, which is done to keep the Limfjord navigable.



INITIAL PROCESSING OF RAW MATERIALS

Our conveyor belts transport the chalk three kilometres to the plant, ready to be mixed with water in a slurry drum whilst our sand mill grinds the sand. We then combine the chalk and sand to form a kiln slurry and pump it onto the kiln system. This slurry improves the quality and quality control of the raw materials.



GRINDING OF FINISHED CEMENTS

After stockpiling, the cement mill grinds the cement clinker with other additives such as fly ash, gypsum, chalk and calcined clay. This combination creates a fine powder known as cement. We then pump the finished cement into storage silos close to our harbour, ready for packaging and distribution.



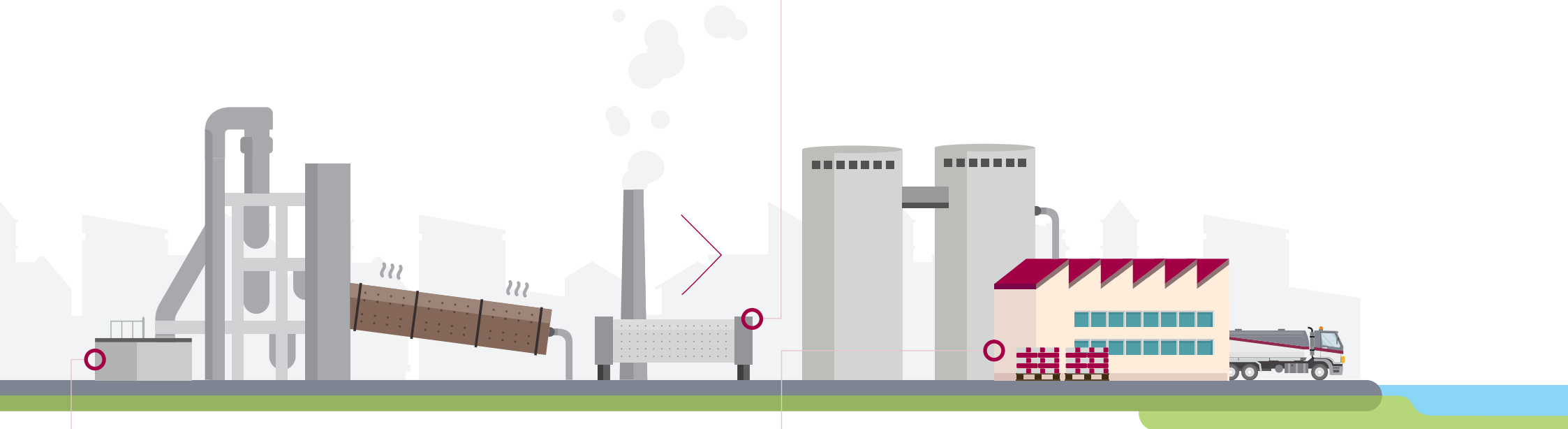
PACKAGING AND DISTRIBUTION

We market and distribute cement worldwide. We pack some of the finished cement into 25-kilogram sacks or 1,500-kilogram big bags. Our packaging facility is fully automated and fills over 7,000 sacks per hour. The harbour-side silos store the bulk cement, whereafter we ship it to our other facilities and have it driven to customers via truck transport. We have multiple silo facilities at strategic locations in Denmark that serve our customers quickly and eco-efficiently. The Group also have silo facilities in Belgium, France, Iceland, Norway, Poland, the Netherlands, and the United Kingdom, from which we can distribute the cement to our export markets.



KILN PROCESS TO CREATE CEMENT CLINKER

We inject the kiln slurry with fly ash into a dry crusher, which converts the material into a raw meal. We then convert the meal via a separating cyclone to cyclone pre-heaters heated at 750°C. From here, it moves to calciners, which heat it to 900°C, then to a 74-metre-long rotary kiln, heated gradually to 1,500°C to form cement clinker. A combination of fossil fuels, such as coal and petroleum coke, and alternative fuels, such as non-recyclable waste and biomass from other industries, powers the kiln system. As the raw material travels through the kiln system, it undergoes a series of chemical reactions, releasing the carbon that binds naturally to the chalk with the burning of fuels, which also releases carbon. One hour later, the clinker cooler cools the cement clinker and transports it to an intermediate storage facility after all chemical reactions are complete.



ESG strategy and governance

Sustainability and corporate responsibility are integral to the way we conduct business. Cement production is an energy-intensive process, which, in effect, has an evident environmental impact. However, cement is an indispensable material for modern and developing societies. Our ESG strategy focus on mitigating or minimising the negative environmental impacts so that ESG performance and business performance go hand in hand.

IN THIS CHAPTER

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- 24 Contribution to the Danish climate targets



ESG Framework

We have used the United Nations Sustainable Development Goals (SDGs) as a framework to categorise our ESG priorities and actions for many years. We have identified 11 of the 17 SDGs where we can make a positive impact for our people, local communities, and the environment. Inspired by the 11 SDGs, we have set up specific ambitions, targets and activities divided into three areas that constitute our ESG strategy.

ENVIRONMENT

GHG emissions
Product innovation
Resource efficiency and circularity
Land use and biodiversity

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS

SOCIAL

Health and safety
Diversity and inclusion
People development and engagement

4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
17 PARTNERSHIPS FOR THE GOALS












GOVERNANCE

Business ethics
Corporate responsibility
Stakeholder engagement

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS

SDG overview

This page provides an overview of the 11 SDGs we have identified, explaining why they are important to us and how we can make a positive impact.

	IMPORTANCE	WHAT WE DO
	Quality education Labour markets are under pressure and demand is increasing for skilled and non-skilled personnel within the industry.	We provide education and training for Denmark's industrial work force. We educate apprentices, trainees and interns, recruit graduates and provide training for our experienced personnel. We also work with universities to educate industrial PhDs.
	Gender equality The cement industry still struggles with an unbalanced distribution of genders in the workplace.	We enact policies and actions to promote diversity and inclusion without discriminating based on gender, ethnicity, age, religion, sexuality, or other factors.
	Clean water and sanitation Compared to elsewhere, water is generally not an issue in Denmark. But cement production consumes large volumes of water, which may strain safe water resources.	We reuse water in our production by recycling process water and by capturing rainwater from selected areas.
	Affordable and clean energy Macro-economic tensions and the need for a dramatic change towards renewable energy sources puts energy prices on a surge.	We exploit our energy-intensive production to recover waste heat from cement kilns and cold water from our chalk lake to deliver sustainable district heating and cooling at a low cost to local communities.
	Decent work and economic growth Working in the cement industry entails an increased risk of work-related injuries, illness, and even death.	We create fruitful jobs by developing safe working environments, promoting worker's rights, and by seeing the potentials in employment for people in special conditions.
	Industry, innovation and infrastructure New solutions and infrastructure need to be developed to reach a net zero society.	We invest and engage in mission-driven research and development projects to develop sustainable production practices, products, technology, and infrastructure.
	Sustainable cities and infrastructure With a history spanning more than 130 years, we are an integral part of Denmark, especially in North Jutland.	We stay in close contact with our neighbors and other stakeholders to promote local and sustainable solutions, support cultural organisations, and to give back to society.
	Responsible consumption and production Increased consumption puts a strain on natural resources, climate and the environment.	We utilize by-products and waste materials from other industries as substitutes for natural raw materials and fossil fuels in our production. We handle and recycle waste in a responsible manner.
	Climate action Cement production accounts for approximately 7% of global greenhouse gas (GHG) emissions.	We invest in the development of low carbon products, alternative fuels, and carbon capture to reduce our direct emissions by 73% by 2030 and reach net zero by 2050.
	Life on land Cement production entails extraction of raw materials and production on large areas of land.	We rehabilitate the lands on which we operate to provide recreational areas for the public with sustainable ecosystems and biodiversity.
	Partnerships for goals Achieving the SDGs requires strong collaborations and partnerships between industry, academia, public institutions, and government.	We run and participate in innovative projects and partnerships to develop new solutions and technology that can contribute to sustainable development of cement and society.

Governance model

As a local business unit in a global group, we rely on clear governance and strong alignment with the Group sustainability strategy to realise our ESG ambitions and commitments.

Our **Board of Directors** is responsible for establishing strategic direction for our business. Together with the Executive Board, it shapes the overall ESG ambitions and commitments in alignment with the business strategy.

A **Group Sustainability Committee** is formed by the Group Board of Directors to ensure that our ESG ambitions, priorities and progress are properly linked to the Group's sustainability strategy and related policies.

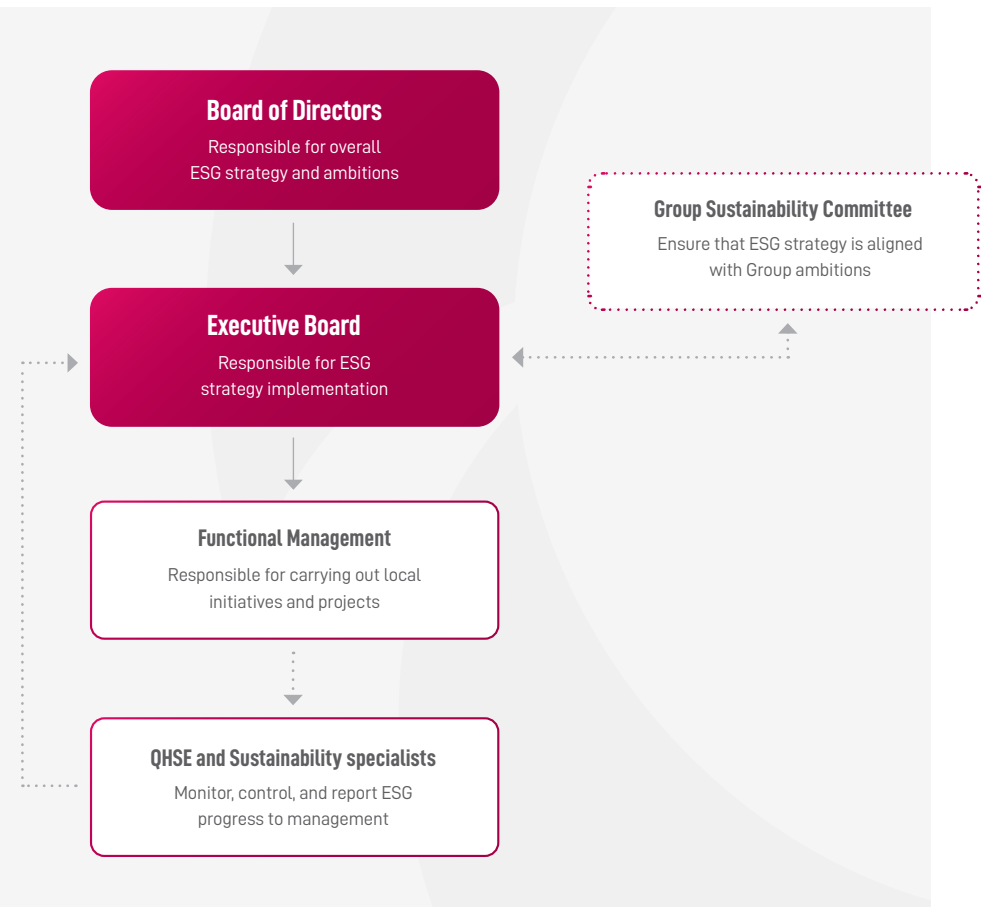
Our **Executive Board** drives ESG strategy updates and implementation in alignment with the Board of Directors.

Functional Management has the local responsibilities for implementing the ESG strategy. Quality, Health & Safety, and Environment (QHSE) and sustainability specialists support the strategy, ensuring each function focuses on relevant sustainability projects and that actions are anchored in the business.

QHSE and Sustainability specialists are responsible for regular monitoring and progress reports on our ESG priorities and KPIs to the Executive Board and relevant Group entities.

Our management system for quality, environment, energy, and health & safety
In Aalborg Portland, we manage and document our core sustainability activities through our integrated management system that embraces quality, environment, energy and health and safety.

The management system is certified by Bureau Veritas and conforms to international standards, including ISO 9001 (Quality), ISO 14001 (Environment), ISO 50001 (Energy), and ISO 45001 (Health & Safety). The management system is subject to an annual external audit to assess its effectiveness and compliance. The audit is based on objective testimony by review of business processes and analysis of data.



RISK ASSESSMENT AND POLICIES

Part of our sustainability governance is to adopt and enforce the necessary policies to address the principal risks associated with our business activities. The main risks and associated policies are highlighted below which have also informed our decisions on materiality for our ESG strategy and reporting.

THEMES	RISK ASSESSMENT	RELEVANT POLICY	KEY POLICY POINTS	
ENVIRONMENTAL	Climate change	Cement production accounts for around 7% of global GHG emissions, making a significant contribution to global warming. Reducing our emissions is fundamental to reducing our impact on the environment and mitigating carbon pricing schemes' financial and business risks.	<ul style="list-style-type: none"> • CSR Policy • Environment and Energy Policy 	We take responsibility for reducing our emissions and those taking place in our value chain. We are obligated to reducing our environmental footprint and developing new technologies and solutions that help decarbonise society. Our certified management system complies with external standards, including ISO 14001.
	Natural resources and energy	Many of the raw materials and fuels used in our production involve significant environmental impacts, namely fossil fuels like coal, petroleum coke and oil, which also have a high impact on the climate.	<ul style="list-style-type: none"> • CSR Policy • Environment and Energy Policy 	We promote sustainable development by using alternative raw materials and alternative fuels. We develop products that consume fewer natural resources and energy. Our certified management system complies with external standards, including ISO 50001.
	Water	Compared to elsewhere, water is generally not an issue in Denmark. But our water consumption is considerable, as water is used in our manufacturing processes and for cooling our production plant.	<ul style="list-style-type: none"> • CSR Policy • Water Policy 	Water consumption must be monitored, controlled, managed and reduced by recycling, reusing and minimising wastewater discharge and freshwater withdrawal.
	Waste handling	We handle large volumes of waste, including hazardous substances and chemicals. This waste poses a risk to our employees and other stakeholders regarding contamination and environmental and safety accidents.	<ul style="list-style-type: none"> • CSR Policy 	Our certified management system complies with external standards, including ISO 14001. We handle all waste in a responsible and environmentally correct manner. We sort all waste close to the source and deposit it in designated containers.
	Land use and biodiversity	Our operations involve extraction of raw materials and production on large land areas. We own 1,200 hectares of land close to the city of Aalborg and have many and close interactions with neighbours and local communities.	<ul style="list-style-type: none"> • CSR Policy • Biodiversity and Rehabilitation Guideline 	Our fundamental principles are to respect, protect, and preserve the land on which we operate, including its rich ecosystems and biodiversity. We have a Quarry Rehabilitation Plan in place, ensuring that we rehabilitate the land used for operations in an effective and responsible manner.

	THEMES	RISK ASSESSMENT	RELEVANT POLICY	KEY POLICY POINTS
SOCIAL	Health and safety	As we operate in an energy-intensive industry, there is an increased risk of work-related injuries, illness, and even death. Many of our processes are not of high risk, but accidents may occur.	<ul style="list-style-type: none"> • CSR Policy • Occupational Health & Safety Policy • Working Environment Policy 	We provide a safe and healthy working environment, preventing accidents and implementing systems to detect, avoid and respond to potential risks. All activities shall comply with legal requirements and internal standards.
	Diversity and inclusion	We are the only cement manufacturer in Denmark, working in a historically male-dominated industry. Therefore, we risk losing valuable people and talent in a pressured labour market if we do not create an inclusive working environment with zero-tolerance on discriminations.	<ul style="list-style-type: none"> • CSR Policy • Diversity, Equity and Inclusion Policy • Gender Diversity in Management Policy • Working Environment Policy 	We do not accept discriminating based on race, national or social origin, religion, disabilities, age, gender, sexual orientation, union membership, political opinions or other factors. We establish systems to avoid, report and manage discriminating actions. Likewise, we set targets for gender diversity in management and work to give all employees the same opportunities to pursue a management career regardless of gender.
	Human rights	In Denmark, human rights are generally protected by law and the risk of violations is therefore considered to be low. However, the Group has an international presence, including in countries characterised as high-risk countries. It is likely that risks may occur in connection with our value chain.	<ul style="list-style-type: none"> • CSR Policy • Human Rights Policy 	We protect human rights and treat our employees with dignity and respect. We support the protection of internationally proclaimed human rights as set out in the UN Universal Declaration of Human Rights, the European Convention on Human Rights and in the fundamental conventions of the International Labour Organization (ILO). We apply the same demands to business partners and suppliers as we do to ourselves.
GOVERNANCE	General business ethics	We are founded on strong values and the Code of Ethics to ensure all activities are conducted in a framework of integrity, correctness and compliance. The Code applies to everyone in the Group, but as we are an international company operating across countries and cultures, there is a risk that not everyone adheres to our guidelines.	<ul style="list-style-type: none"> • CSR Policy • Code of Ethics • Approval Policy • Supplier Code of Conduct • Data Ethics policy • Anti-bribery Policy 	We have enacted various codes and policies to guide our employees and business partners to comply with good business conduct and legal requirements. We ensure that anyone can safely report any violation through a whistleblower system and other channels, making fair sanctions, and periodically controlling compliance of our codes and policies.

Roadmap to deliver net zero by 2050

The Global Cement and Concrete Association (GCCA) have put forward an ambitious yet realistic plan for the global cement industry to achieve net zero by 2050 and thereby help limit global warming to 1.5°C per the Paris Agreement. At Aalborg Portland, we support this ambition and commit to a long-term plan to reach carbon neutrality by 2050 at the latest.

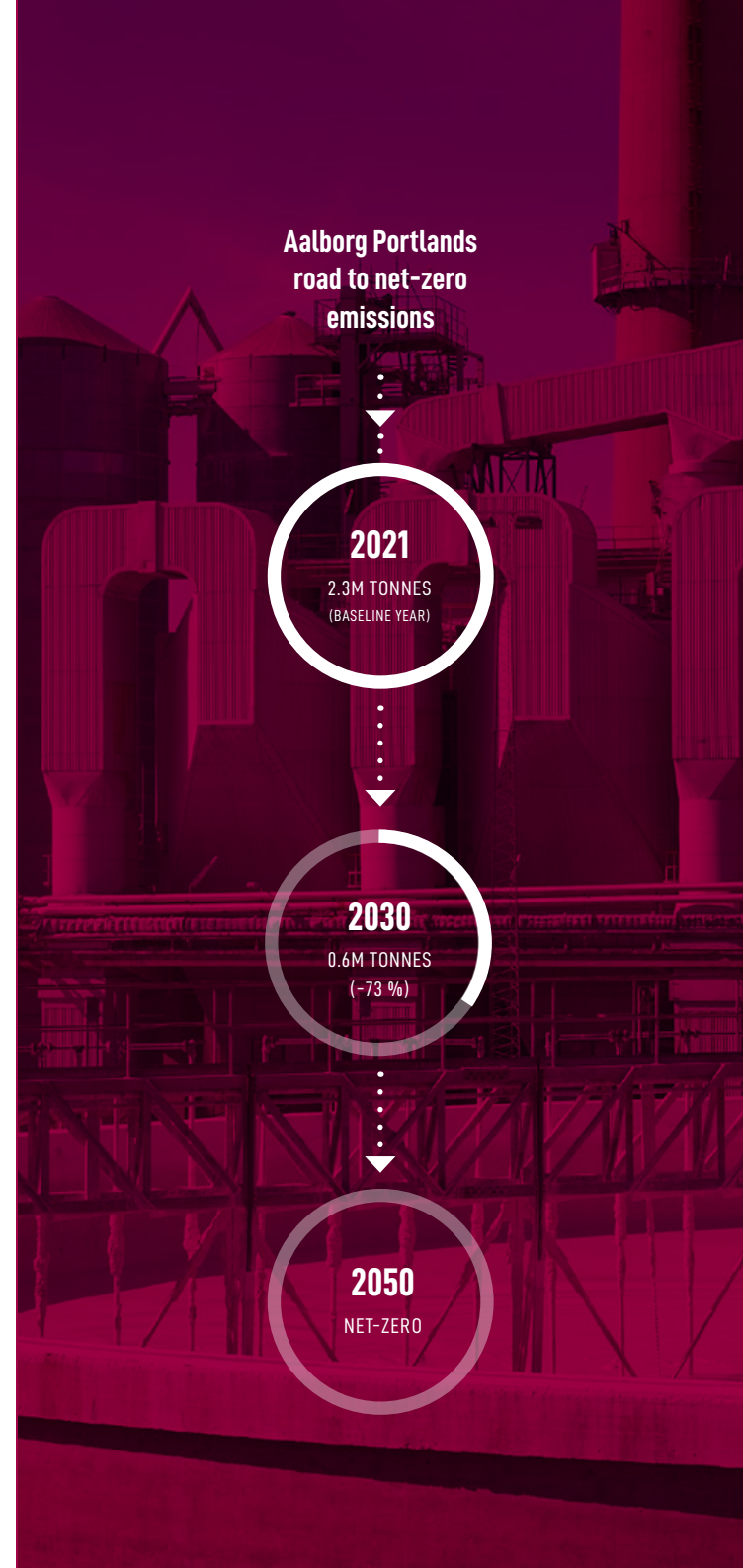
2030 PLAN TO REDUCE SCOPE 1 EMISSIONS BY 73%

The first big milestone on our net zero path is to reduce our Scope 1 emissions to a maximum of 600,000 tonnes by 2030. This reduction entails delivering a 73% reduction of Scope 1 emissions compared to 2021 levels. Our plan ensures that cement produced in Denmark will be amongst the world's most sustainable by 2030, emitting around 300 kg of CO₂ per tonne on average.

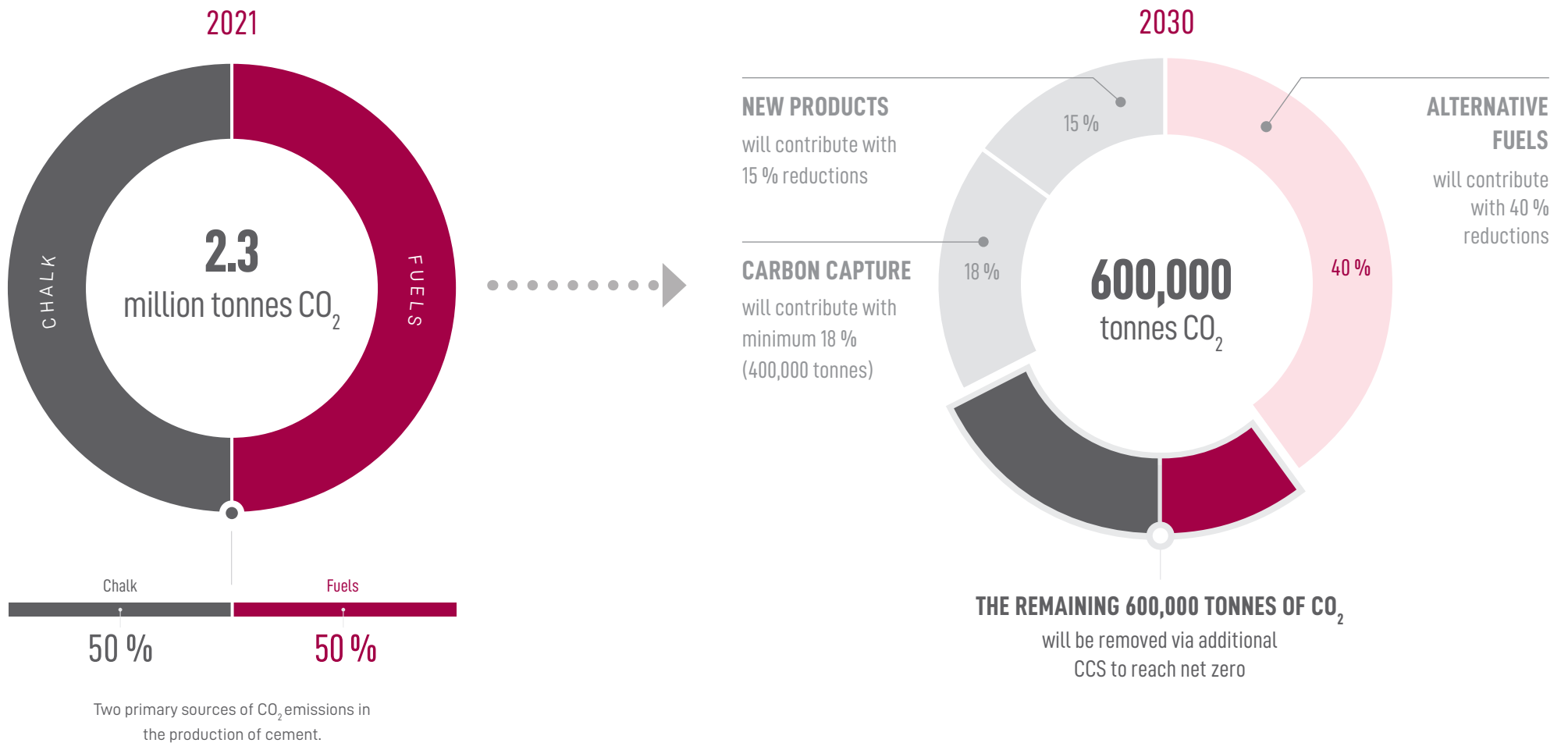
In our pursuit, we will adopt all necessary measures and the most innovative technological solutions available to minimise the impact of our business on the environment. These measures are categorised in three interlinked tracks: alternative fuels, new products and carbon capture and storage.

VALIDATED BY THE SCIENCE BASED TARGETS INITIATIVE (SBTI)

The Science Based Target initiative (SBTi) validated Cementir Group's emission reduction objectives in line with the trajectory of the Paris Climate Agreement to limiting global warming to below 1.5 degrees. Our ambition in Aalborg Portland is to spearhead the green transition across the entire Group.



This is how we plan to reduce Scope 1 emissions from 2.3 million to 600,000 tonnes



Contribution to the Danish climate targets

In 2020, the Danish Parliament passed the Danish Climate Act. The goal is to achieve 70% reduction of GHG emissions by 2030 and climate neutrality by 2050. With our new targets for 2030, Aalborg Portland will contribute substantially to the national goals by delivering the single-largest CO₂ reduction in Danish history.

Following the Danish Climate Act, a vast majority of the Danish parliament agreed on a green tax reform in June 2022. The Danish industry sector shall deliver 4.3 million tonnes of CO₂ reductions by 2030. With our new carbon reduction strategy, we aim to contribute more than 20% of the industry's total reductions.

We fully support the Danish carbon reduction targets. Our CO₂ reduction strategy is a clear testament to that. We are proud to say that we will be the single-largest contributor to the Danish reduction targets in 2030.





**"WE ARE PROUD
TO SAY THAT
WE WILL BE THE
SINGLE-LARGEST
CONTRIBUTOR
TO THE DANISH
REDUCTION
TARGETS IN 2030."**

Environment

Cement production is an energy-intensive process with an obvious environmental impact, mainly in terms of the usage of natural resources and carbon emissions to the air.

Likewise, cement production occupies large land areas for quarrying and production. We can successfully mitigate or handle these impacts with the right actions.

IN THIS CHAPTER

- 27 Greenhouse Gas Emissions
- 32 Product innovation
- 36 Resource efficiency and circularity
- 39 Land use and biodiversity



Greenhouse Gas Emissions

Reduction of greenhouse gas emissions is by far the greatest and most urgent challenge of this decade. Cement shares the same inherent CO₂ challenges no matter where it is produced.

There are two primary CO₂ sources from cement production: heating of raw materials to 1,500°C through the burning of fuels and the release of CO₂ naturally bound in chalk as it is heated. These two sources alone constitute more than 99% of our Scope 1 emissions. Therefore, our CO₂ reduction strategy centres around reducing our direct air emissions from the chimneys. By reducing our Scope 1 emissions by 73% by 2030 compared to 2021, we ensure cement produced in Denmark will be amongst the world's most sustainable by 2030, emitting around 300 kg of CO₂ per tonnes on average. This reduction will significantly contribute to UN Sustainable Development Goal 13, "Climate Action".

DIRECT GHG EMISSIONS (SCOPE 1)

In 2023, Scope 1 emissions decreased 14% to 1,707,237 tonnes. This emission reduction is an important step in our reduction strategy.

To reduce our Scope 1 emissions further, we work in three tracks: increase the share of alternative fuels, develop and market new low-carbon products and install a large-scale carbon capture facility.

Alternative fuels will deliver 40% of our CO₂ reductions

The most significant initiative to reduce our Scope 1 emissions is to increase the share of alternative fuels when heating our cement kilns, instead of burning with traditional fossil fuels such as coal and petroleum coke. By 2030, we aim to replace coal and petroleum coke with alternative sources, delivering CO₂ reductions of approximately 900,000 tonnes annually.

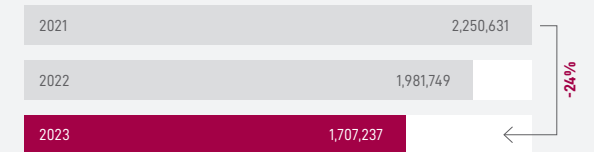
In 2023, we managed to increase the amount of thermal energy from alternative fuels from 30% to 40% in line with our ambitions for the year.

In the coming years, we will focus on increasing the share of nonrecyclable wastes and sustainable biomass in our fuel portfolio. This share will include co-processing of refuse-derived fuels (RDFs) and various biogenic byproduct streams e.g., meat and bone meal, agricultural waste and wood pellets. All bio products fully comply with sustainability and GHG emission saving criteria defined in the Renewable Energy Directive (RED II) 2018/2001/EU.

Likewise, we will introduce natural gas, which emits 40% less CO₂ compared to coal and petroleum coke. Later, we will convert natural gas to biogas, which is carbon neutral. We have entered an agreement with the Danish gas distribution company, Evida, to connect Aalborg Portland to the gas distribution grid.

Scope 1 GHG emissions

TONNES



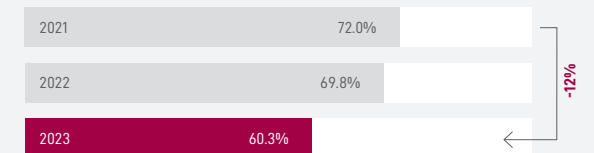
Scope 1 GHG emissions intensity

KG PER TCE



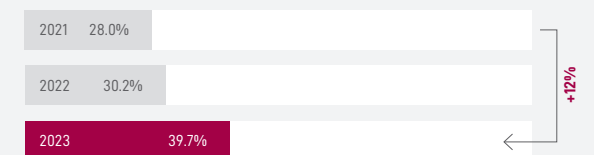
Traditional fossil fuels

% OF THERMAL ENERGY



Alternative fuels

% OF THERMAL ENERGY



▾ CASE

Alternative fuels from Troldekt

The popular Troldekt acoustic panels are based on cement from Aalborg Portland. Since 2022, Troldekt have used our low-carbon cement, FUTURECEM[®], which ensures a CO₂ reduction of 26 and 38 percent respectively compared to the use of conventional grey and white cement. At the same time, Troldekt and Aalborg Portland have initiated a circular collaboration which means that Aalborg Portland recycle waste crumbs from Troldekt's production in the production of new cement.

Cement tankers from Aalborg Portland collect the waste crumbs and bring it back to the cement plant after they have delivered cement to Troldekt's factory. In practice, the waste crumbs, a biogenic material, are used as a substitute for fossil fuels in Aalborg Portland's cement production. The ambition is to expand the collaboration to include construction and demolition waste that currently ends up at municipal recycling centres.



Get more info on aalborgportland.dk

Waste-to-energy in cement is key to circularity

As an energy-intensive industrial company, we can play a critical role in society's circular economy by co-processing non-recyclable waste and biomass. By utilising these materials to fuel our cement production, we recover energy from materials that would otherwise be landfilled or incinerated, which is worse for the environment. In 2023, we reused more than 200,000 tonnes of non-recyclable waste and biomass. When we burn processed waste, we also emit carbon, just like burning waste at an incineration plant. However, incineration plants burn waste to produce electricity, causing residues that society must deal with. In our cement kilns, we burn waste that produces heat for calcination. The remaining residue becomes part of the end-product. Likewise, we can capture the fossil fractions of CO₂ from burning the waste, storing it safely underground utilising carbon capture and storage. The biogenic fractions of CO₂ (e.g. from waste biomass) can be used to produce green methanol, and waste heat from the carbon capture facility can deliver district heating to local communities, just as we do with waste heat from our cement kilns today.

Not only does co-processing lead to significant CO₂ reductions from our cement production, but it also allows for a truly circular economy, where we recycle waste to reduce society's dependency on imported fossil energy, safely dispose of residues and deliver sustainable energy to heat local communities.

Scope 2 GHG emissions

TONNES



Developing future cement in Aalborg

The second initiative to reduce our Scope 1 emissions is to lower our cement's clinker content, which requires extensive research and development (see more in the section "product innovation"). By 2030, we expect that low-carbon cement developed in Aalborg will deliver carbon reductions of more than 300,000 tonnes per year, equivalent to 15% of our emissions in 2021.

We will capture at least 400,000 tonnes of CO₂ per year

Chalk releases naturally bound carbon when it is calcined to produce cement clinker, and we cannot produce cement without chalk. Therefore, carbon capture is inevitable to achieve sustainable cement production. Our ambition is to establish a large-scale carbon capture facility in our plant, capturing at least 400,000 tonnes of CO₂ per year by 2030, equivalent to 18% of our emissions in 2021. The potential for carbon capture at Aalborg Portland is much higher than 400,000 tonnes and will play a critical role in reaching carbon neutrality by 2050 at the latest.

We already capture CO₂ from our production

On 27 November 2023, we inaugurated a new carbon capture pilot facility in our plant. The pilot has been set up in collaboration several partners in the EU-funded ConsenCUS project.

Electricity consumption

MWH



Large-scale carbon capture is still a very expensive technology. Society needs to develop new infrastructure between the CO₂ source and point of use or storage to unlock its full potential. Therefore, we engage in various research projects to learn about the new technology, benefitting Aalborg Portland, the cement industry and society in the future.

INDIRECT GHG EMISSIONS (SCOPE 2)

Our Scope 2 emissions were 50,708 tonnes in 2023, primarily driven by the purchase of electricity to run our cement kilns and mills and to cover the plant's base power load. Scope 2 emissions are not directly linked to cement production, as it reflects electricity needed to run the entire plant while also taking into account the renewable mix of the national power grid. Our main focus is on energy efficiency in existing production units which has led to new ideas and the launch of new energy saving projects.

Own production of renewable energy

In 2023, we consumed 279,179 megawatt-hours of electricity, making us one of the biggest power consumers in Denmark. The fact that we own more than 1,000 hectares of land surrounding our plant supports on-site power generation from renewables like wind and solar.

To support this transition, we work to establish at least two wind turbines on our premises. These wind turbines will enable us to produce around 8% of our current electricity demand. The project is in collaboration with Eurowind Energy A/S.

For more information, please see www.energiparkaalborg.dk.



FACTS

- The pilot plant, ConsenCUS, can capture 2.4 tonnes of CO₂ daily.
- Aalborg Portland aims to capture at least 400,000 tonnes of CO₂ annually by 2030.
- ConsenCUS is funded by the European Union's Horizon 2020 research and Innovation programme.



Get more info on aalborgportland.dk

Pioneering Carbon Capture at Aalborg Portland

Aalborg Portland continues to push the boundaries of sustainable cement production with ConsenCUS, its second carbon capture pilot plant. Collaborating with European partners, the initiative aims to revolutionise CCUS technology by exploring an electrochemical method, potentially halving energy consumption. The new plant is also designed to optimise the utilisation of the captured CO₂ by converting it to formic acid, a valuable raw material in plastics.

The ConsenCUS plant, capable of capturing up to 2.4 tonnes of CO₂ daily, was inaugurated in November 2023 by his Majesty the King of Denmark.

Carbon capture is one of Aalborg Portland's the key initiatives in cutting CO₂ emissions by 1.6 million tonnes by 2030. Søren Holm Christensen, CEO of Aalborg Portland, emphasises the project's significance:

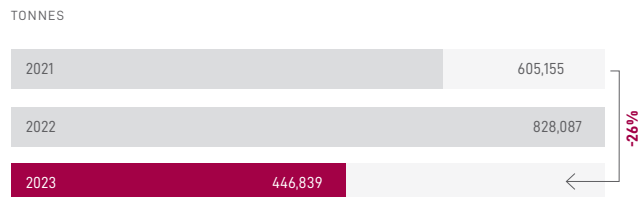
"Since December 2022, we've been gaining invaluable insights into carbon capture from cement production. With the commissioning of this new pilot plant, we're poised to delve deeper into the potential of CCUS technology and its implications for our industry."

INDIRECT GHG EMISSIONS (SCOPE 3)

Our Scope 3 emissions were 446,839 tonnes in 2023, representing indirect emissions occurring in our value chain, such as generation and transportation of raw materials and fuels, and distribution of finished products to our customers. Scope 3 emissions are therefore not directly linked to cement production. To reach carbon neutrality in our supply chain, we need to include CO₂ emissions in all sourcing decisions and promote zero-emission transportation solutions within our supply network.

In 2023, the distribution of cement from Aalborg Portland included handling and transporting nearly 2 million tonnes of product to the domestic and export markets. Our distribution of cement to export markets is limited to ship transport to terminals abroad. In contrast, we transport cement sold in Denmark via the sea and roads to Danish terminals. Distribution by ship mitigates road traffic, whilst ships have the advantage of being a more sustainable mode of transport due to the economics of scale.

Scope 3 GHG emissions



Working with carriers to decarbonise transportation

For distribution by ship, our main short-term initiative is to work with freighters that can deliver our products using newer vessels, thereby reducing fuel consumption per tonne carried. Long-term, we believe the industry will shift towards new and more climate-friendly fuels. For distribution by road, our focus is to work with our carriers to find the right balance between fleets running on electricity for short-distance transportation and green carbonaceous fuels.

OTHER AIR EMISSIONS

Other air emissions from cement production are mainly SO₂ and NO_x emissions, which stood at 577 tonnes and 2,414 tonnes in 2023, respectively. SO₂ is removed from flue gasses in white cement kilns using installed scrubbers, whereas the preheater tower on the grey cement kiln acts as a scrubber. NO_x is removed by staged combustion in the white kilns, whereas a method of selective none catalytic reaction (SNCR), which involves the injection of ammonia into the flue gasses, removes NO_x in the grey kiln.

Other air emissions		2023	2022	2021
SO ₂ emissions	TONNES	577	786	1,174
SO ₂ emissions intensity	TONNES	0.26	0.34	0.48
NO _x emissions	KG PER TCE	2,414	2,706	2,671
NO _x emissions intensity	KG PER TCE	1.11	1.18	1.09



Product innovation

Aalborg Portland is involved in research and development of various types of cement and concrete for the future. Product innovation also constitutes the third track in our CO₂ reduction strategy, as we aim to lower our cement clinker content significantly towards 2030. New products can reduce our Scope 1 emissions by more than 300,000 tonnes (15%) compared to 2021. In this way, we contribute to UN Global Goal 9, which encourages the building of robust infrastructure, promotes inclusive and sustainable industrialisation and supports innovation.

Environmental Product Declarations (EPD)

An Environmental Product Declaration (EPD) is an independently verified report on a product's environmental impact throughout its life cycle. We calculate our products' impact via a Lifecycle Assessment (LCA) following the cement from "cradle-to-gate". This term refers to the moment we extract the raw materials, transport them to the plant and ultimately manufacture them into finished products delivered at our gates. All our products have an individual EPD serving as an ob-

jective, transparent and comparable environmental label to our customers. Our EPDs are subject to external verification and published to acknowledged Scandinavian EPD platforms. All our EPDs can be found on our website www.aalborgportland.dk.

Danish cement is of the highest quality, performance, and safety

All our types of cement are of the highest quality, carrying CE approvals and conforming to national and European standards and product certification schemes. Bureau Veritas, which has certified all Aalborg Portland's products, monitors cement performance. Product properties are continuously tested by independent external laboratories in Denmark and internationally.

Declarations of Performance (DoP) accompany all our cements following the requirements in The Construction Products Regulation (CPR). The DoP ensures that professionals, public authorities and consumers can compare the performance of cement from different manufacturers in different countries.

Safety Data Sheets also accompany all our cement products, which form the basis for customers' assessment of chemical risks associated with the use of our products. The SDS are prepared in accordance with the EU Classification, Labelling and Packaging regulation (CLP).

Engaging with customers

Aalborg Portland conducts an annual Voice of the Customer (VoC) survey, engaging the majority of the customer base, and measuring customer satisfaction across various aspects.

Results from the VoC guide commercial operations, value proposition optimization, and customer satisfaction improvement initiatives. Additionally, the VoC identifies areas for strategic improvement and informs sustainability initiatives, integrated into the strategic project program and Group Sustainability Report.

In 2023, the VoC survey content was enhanced, and the surveyed population was expanded. Key focus areas have been the demand for low carbon cement and downstream value-added perception.



CASE

CALLISTE:

Advancing low carbon cement

The CALLISTE research project focus on developing the Calcined Clay-Limestone technology developed by the Cementir Group's Research and Quality Centre at Aalborg Portland.

The research project investigates how the Calcined Clay-Limestone technology can support a decarbonisation of traditional cement through lower clinker contents. This can be achieved by replacing cement clinker with a mix of calcined clay and limestone filler, potentially achieving a 50% clinker replacement. To overcome some of the potential challenges for broader implementation, CALLISTE aims to enhance the technology's performance, meeting diverse concrete application requirements and achieving higher CO₂ reductions.

The CALLISTE project includes real-life documentation of the technology in a full-scale demo in the project's final year.

FACTS

- Goal: 50% clinker reduction compared to ordinary Portland cement
- Project duration: From Oct. 2020 to Oct. 2024
- Budget: DKK 33 million
- Sponsored by Innovation Fund Denmark with DKK 22 million



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New EPDs show significant CO₂ reductions

In 2023, we updated the EPDs of three cements, FUTURECEM®, BASIS® and SOLID. All EPDs show significant CO₂ reductions which mainly reflect an increased biomass-ratio in the fuel mix.

Furthermore, we published a new EPD for a new white cement type named D-Carb®, which will go to market in 2024. D-Carb® has a CO₂ footprint of 828 kg CO₂ per tonne which is 15% lower than our traditional WHITE® cement (which has a new EPD published in early 2024 at 974 kg per tonne).

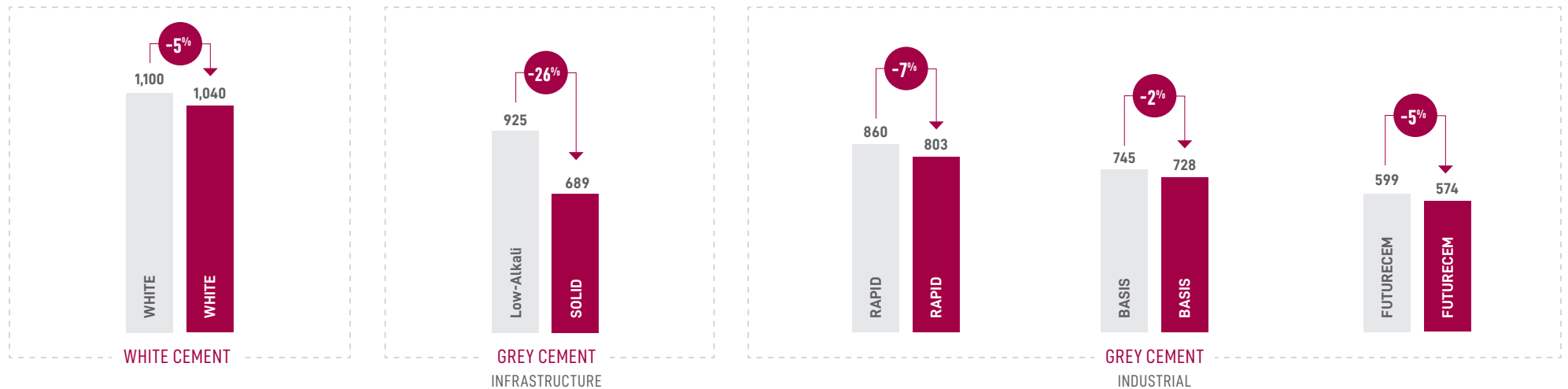
FUTURECEM® sales growth

In 2021, we launched FUTURECEM®, which has a lower CO₂ footprint of up to 30% compared to traditional grey cements like RAPID®. Since then, we have focused on growing and consolidating FUTURECEM® on the market. In 2023, we grew the FUTURECEM® market reach to 35% of the Danish market for ready-mixed concrete.

"In 2023, we updated the EPDs of three cements, FUTURECEM®, BASIS® and SOLID. All EPDs show significant CO₂ reductions which mainly reflect an increased biomass-ratio in the fuel mix."

Kg CO₂ per tonne cement

2021 2023



The product specific CO₂-emissions refer to the life cycle assessment (LCA) as declared on EPDs.

CASE

Fehmarnbelt tunnel:

Low-carbon cement on a large scale

The Fehmarnbelt tunnel, set to be the world's longest immersed tunnel and the largest infrastructure project in Denmark, exemplifies the vital role of low-carbon cement in construction. Surpassing the Great Belt Bridge in both scale and value, it enhances Europe's transport corridor between Scandinavia and Central Europe.

Aalborg Portland is at the forefront, supplying the project with our low-carbon cement, SOLID, boasting a 20% lower carbon footprint than conventional alternatives. Tailored for major infrastructure projects, it replaces conventional cements in Denmark, while

meeting the stringent standards for high-moisture and salt-exposed environments.

Søren Holm Christensen, CEO of Aalborg Portland, expresses pride in contributing to this pivotal infrastructure endeavour:

"We are honoured to contribute to such a pivotal infrastructure project that will serve countless individuals across Denmark and Europe. The Fehmarnbelt tunnel accentuates the irreplaceable nature of cement in grand-scale civil engineering and infrastructure projects."

FACTS

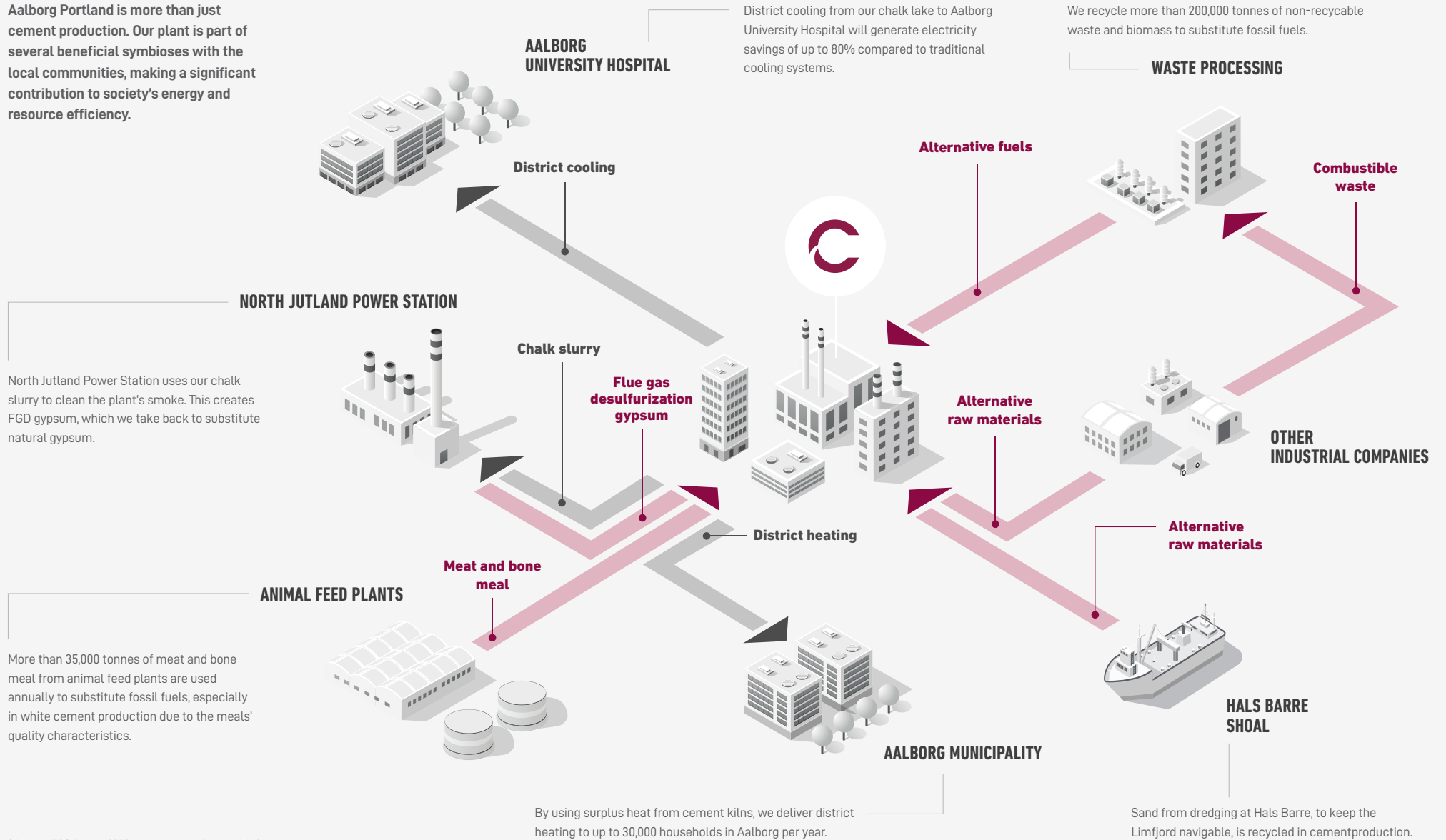
- The world's longest immersed tunnel by 2029.
- SOLID® ensures a 20% lower carbon footprint.
- Surpasses the Great Belt Bridge with cement volume approx. three times its size.



Get more info on aalborgportland.dk

Resource efficiency and circularity

Aalborg Portland is more than just cement production. Our plant is part of several beneficial symbioses with the local communities, making a significant contribution to society's energy and resource efficiency.



District heating to more than 15,000 households

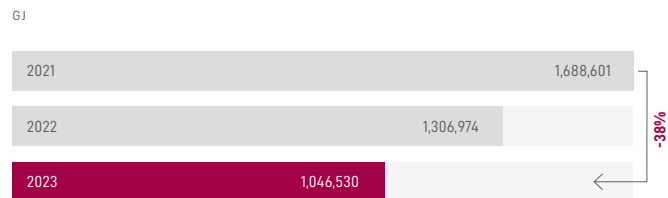
For many years, we have had a circular collaboration with the municipally owned utility company, Aalborg Forsyning, utilising surplus heat from our cement production to supply the city with district heating. In 2023, our surplus heat generated district heating to more than 15,000 households in Aalborg Municipality. With existing equipment, the heating supply can cover up to around 30,000 homes per year which saves Aalborg Forsyning up to 150,000 tonnes of CO₂ annually, representing a large and necessary contribution to Aalborg's climate ambition of becoming a fossil-free city by 2050.

Our current production capacity supports a potential supply increase to around 50,000 households, which can further increase towards 2030 by utilising waste heat from a future large-scale carbon capture facility. In this way, we can make a real impact on UN Sustainable Development Goal 7 "Affordable and Clean Energy", whilst still focusing on our core competence of making cement.

District cooling for Aalborg University Hospital

In 2018, we entered a visionary collaboration with Aalborg Forsyning and the Region of Northern Jutland to utilise cold water from our chalk lake and provide sustainable district cooling to the new Aalborg University Hospital. The chalk lake has a stable temperature between 5 and 14°C throughout the year, which translates to very high district cooling system efficiencies.

Energy recovered for district heating



We placed the first pipes in 2021, and we are now ready to supply sustainable cooling to the hospital when it is ready for commissioning. The new facility will save the hospital around 80% in electricity consumption compared to traditional cooling systems, corresponding to around 700 tonnes of CO₂ per year. This cooling project also has important perspectives for other buildings in Aalborg Municipality, acting as a showcase.

Raw material consumption



Responsible consumption of raw materials and fuels

For many years, we have utilised non-recyclable waste and biomass from other industries as alternative raw materials and fuels. An integral part of our strategy is to increase the utilisation of materials that would otherwise be used for landfill or incineration. By promoting responsible consumption in our production processes, we can impact UN Sustainable Development Goal 12.

In 2023, we utilised more than 200,000 tonnes of non-recyclable waste and biomass as alternative fuels to substitute fossil fuels like coal and petroleum coke, as well around 450,000 tonnes of alternative raw materials instead of extracting new raw materials for our cement production.

ALTERNATIVE RAW MATERIALS

FLY ASH

Byproduct from coal-fired power stations.

SAND FROM HALS BARRE

Which is dredged to keep the Limfjord navigable.

IRON OXIDE

Byproduct of the manufacture of sulphuric acid.

OXITON

Byproduct from aluminium oxide filtration.

SEA SHELLS

Byproduct from food processing.

FGD GYPSUM

Byproduct from desulphurisation of flue gasses from the North Jutland power station.

ALTERNATIVE FUELS

REFUSE-DERIVED FUEL

Produced from various types of waste such as municipal solid waste, industrial waste and commercial waste.

RECYCLED RUBBER GRANULATES

Recycled rubber from various sources, including tires.

MEAT AND BONE MEAL

Byproduct from the rendering industry.

WOOD CHIPS

Byproduct from various sources of wood production.

TROLDTEKT PANELS

Pulverised production waste from our customer, Troldekt.

NUT SHELLS

Byproduct from food processing

Lowering our water consumption

We use water in our cement manufacturing processes and to cool our production on plant. We strive to recycle as much process water as possible and to capture and reuse rainwater from selected areas as our contribution to UN Sustainable Development Goal 6.

One of our main initiatives is to utilise the extracted water from lowering of groundwater levels to maintain dry underground basements, passages and on-site conveyor systems as a means for cooling the factory's compressor station. Similarly, we recycle condensed water from heat recovery and desulfurisation systems. In total, we have consumed 1,235,444 m³ of water in 2023, of which around 30% was either recycled, recirculated or collected rainwater.

Handling and recycling waste

We have great history of handling waste in a responsible and environmentally correct manner. All wastes are either utilised for recycling or recirculation within our production processes, incinerated in accordance with municipal regulations or landfilled on site. By promoting recycling in all possible scenarios, we can impact on UN Sustainable Development Goal 12.

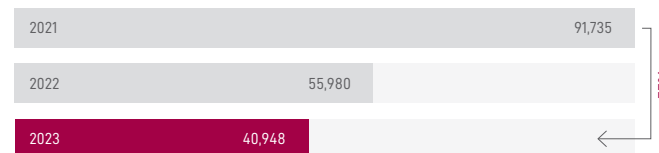
Water consumption

M3



Waste generation

TONNES



We sort all our waste materials close to the source and deposit them in designated containers around the plant. We also sort and store hazardous waste in the form of oil and chemicals in safe containers.

In 2023, we produced 40,897 tonnes of waste, of which 94% was recycled.



Land use and biodiversity

Aalborg Portland is one of Denmark's largest industrial companies, owning 1,200 hectares of land in the Rørdal area. The area contains various uncultivated areas, farmland, and a chalk quarry. The factory and the active quarry cover a total area of 190 hectares. The remaining 1,010 hectares comprise lakes, woods, meadows, salt marshes, fallow, and farmland, rich with plants and wildlife.

The fundamental principle of our operations is to respect, protect and preserve the land on which we operate, including its rich ecosystems and biodiversity. We ensure to rehabilitate the land we use for operations effectively and responsibly, considering socio-economic conditions, environmental factors, legal requirements and the needs and expectations of stakeholders. Both the global biodiversity crisis and the climate crisis are truly interlinked, and our ambition is to contribute to the UN Sustainable Development Goal 15 "Life on land" by rehabilitating our areas to ensure plants and wildlife can flourish.

Quarrying Permit 2013-2052

Aalborg Portland has a Quarrying Permit for extraction of raw materials from the Rørdal Chalk Pit. The permit contains a number of conditions that must be followed in the quarrying process and when rehabilitating the area.

Region North Jutland of Denmark is the authority on the permit and the permit is set for 40 years, which stands out from other permits, which normally runs for 10 years. This is due to the large investments involved extraction and production at Aalborg Portland.

Our Quarry Rehabilitation Plan

Quarrying takes place using excavators both above and below water level, which has an inevitable impact on the surrounding natural and social environments. However, these impacts can be addressed and mitigated successfully with a proper Quarry Rehabilitation Plan (QRP).

Our QRP works in parallel with quarry operations as we continuously rehabilitate the area while it takes place. The ambition for our QRP is to create a family park, which will offer local population a recreational area full of leisure and sporting activities close to the city.

The rehabilitation intends to create a scenic space with steep, exposed slopes and soft green hilly areas. The creation of banks and terraces in specific chalk pit areas has already begun, whilst quarry operations are ongoing at a safe distance on the other side of the quarry.

Our new Masterplan for Rørdal Chalk Pit

During 2024, the regional authorities must decide on new potential excavation areas before new Quarrying Permits can be applied. Therefore, Aalborg Portland have published a new Masterplan for the Rørdal Chalk Pit.

The Masterplan describes and illustrates how an extension of the current Quarrying Permit can take place and shows how the existing QRP can be extended and improved with new initiatives.



➤ CASE

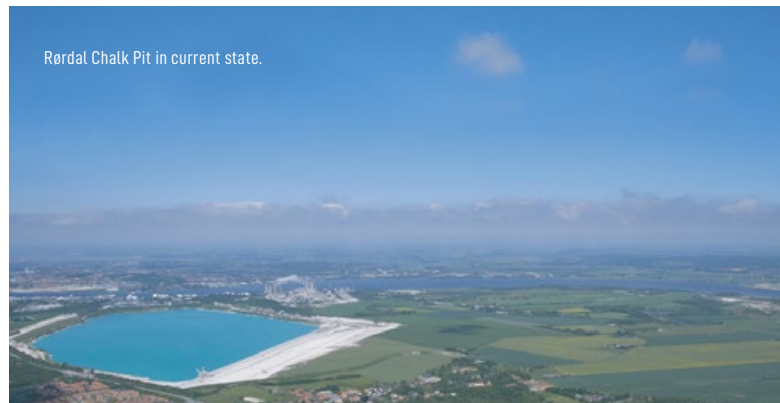
A new Masterplan for Rørdal Chalk Pit

Since 1889, the Rørdal Chalk Pit has been a vital chalk source for Aalborg Portland's cement production. Simultaneously, ambitious plans for the future utilization of the area have been set in motion. In tandem with ongoing chalk extraction for cement, Aalborg Portland is actively engaged in restoring the chalk pit.

Envisioning a transformation, our ambition is to evolve Rørdal Chalk Pit into the picturesque

Portland Lake Park. This envisioned recreational haven aims to play a crucial role in the local community, providing opportunities for activities such as hiking, mountain biking, and water sports.

Moreover, our restoration efforts aim to ensure that Rørdal Chalk Pit thrives in biodiversity, contributing to the area's flora and fauna both presently and in the years to come.



Rørdal Chalk Pit in current state.



Rørdal Chalk Pit after rehabilitation.

FACTS

- Aalborg Portland has been extracting chalk from Rørdal Chalk Pit since 1889.
- In the future, Rørdal Chalk Pit will be transformed into a recreational area for the benefit of the local neighborhood.
- The new masterplan is still pending public hearing, and has therefore not been approved.

1. SKRÆNTEN

Along Skrænten, the geological interests of the area are conveyed in the vertical inclines that rise many meters above the water. Here, one can go fossil hunting, stay along the waterfront, or in the green surroundings. The good sun placement is utilized to create large flat seating steps in the terrain towards the water, where one can take a break with a picnic basket, sunbathe, or simply enjoy the view. At the western end, an observation point is established at the top of a hill.

2. HAVNEN

The former focal point of production is transformed into a focal point for maritime communities and activities on the water. There is an opportunity to establish a small marina with associated facilities and space for small sailboats, canoes, kayaks, and rowing boats.

3. PROMENADEN

Promenaden is designed with a precise edge towards the water, providing a larger seating element for relaxation. Here, one can sit, fish, or enjoy the open grassy area behind, where groups of trees and low vegetation create a welcoming space.

4. ØERNE

Øerne will be a landscape with several small and large islands extending into the water. Most of it is established as a large shallow water zone, allowing for activities such as swimming, bathing, or other ways of moving between the islands. The low water and varied design also benefit wildlife.

5. KROGEN

In Krogen, the best beach in the area with perfect solar orientation is created. Between Krogen and Øerne, a sensory forest with various installations activating the senses is created.

6. KANTEN

Nature takes center stage here. In the southern end, a larger wetland area with a boardwalk is established. Ponds, amphibian habitats, and shallow areas create favorable conditions for wildlife. In the wetland area, there is also a small green island with an observation point featuring land art, a fishing area, and resting spots.

7. PARKEN

Designed as a classic park, Parken features large open grass areas extending all the way to the water's edge. Plantings, groups of trees, and solitary trees create spaces and frame both social activities like sports games, beach volleyball, and peaceful niches for relaxation.

8. PYNTEN

Pynten will be the highest point in the area, offering unobstructed views across the entire Chalk Lake. A small area with an open character is planned on this elevated point. Below the tree canopies, walking and hiking paths, a natural playground, and various resting spots will be established. Moving through the forest, one eventually reaches an observation platform that extends between the trees and hangs over the slope.

9. VIGEN

In this area west of Øster Uttrup, a shallow beach and bathing area will be created below the slope, also catering to the wildlife of Chalk Lake. Here, there is an opportunity to get close to and into the water, swim, or go fossil hunting. Consideration can be given to covered seating, training activities, as well as barbecue and dining areas.

10. BUGTEN

The southern edge of Chalk Lake runs below Øster Uttrupvej and already features several paths and abundant vegetation with grassland characteristics on the slopes. In addition to the designated area for a potential rowing stadium and associated spectator stands built into the terrain, there are viewpoints and botanical hot spots where the unique flora of the area can be experienced.



Social

Aalborg Portland has created economic growth and fruitful jobs since 1889. We directly employ approximately 350 people, with an additional 500 contractors and subcontractors employed elsewhere to support the cement plant's operations. Our success depends on their achievements. Therefore, we take responsibility for building a well-educated workforce and creating an open and inclusive working environment that protect everyone in and around the plant from occupational safety risks.



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Health and safety

Our most important task is to ensure that everyone is safe throughout the working day. We must plan work for it to be performed without risk whilst complying with all regulation and internal safety rules.

Occupational Health & Safety Policy

Our occupational health & safety policy ensures that adequate systems and procedures are established to create a safe working environment where we mitigate risks and prevent accidents. We update the policy on an ongoing basis at least every two years.

Meeting quarterly, the Central Health & Safety Committee, chaired by the Plant Director, oversees the policy's application, designs the strategy and assesses implementation progress. We concentrate on continuously monitoring and improving our health & safety performance, ensuring that all employees and partners have the required knowledge, skills and experience to perform their jobs safely.

Our 10 safety rules

We have 10 basic rules that apply to all work performed at the cement plant and another 10 safety requirements that apply to external suppliers and partners specifically. These rules ensure alignment of tendering and performance expectations.

Safety walk and talks

We always strive to improve our health & safety culture. It requires continuous attention and documented commitment. In 2023, we performed more than 500 "safety walk and talks", a walk around the plant or connecting premises with a focus on employee health & safety initiatives and potential risks.

My Risk Assessment

Before an employee starts on a task classified as especially risky or where an accident can be fatal, all employees must complete a

"My Risk Assessment" form. This is one of our many accident-prevention tools and several thousand forms were filled out in 2023 alone. We thoroughly analyse the circumstances when accidents happen to determine the fundamental cause. This analysis can initiate corrective actions to avoid repeated incidents. We continue working hard to reduce risks, sharing experiences and information on solutions across the organisation.

Our safety performance

In 2023, the lost-time injury rate (LTIR) for own employees increased from 3.6 to 5.4. However, the LTIR for contractors were lowered from 18.0 to 11.4 leading to an overall performance improvement on total working hours.

In the coming years, we will continue our efforts to launch new initiatives and improve safety performance further.

Health and safety	2023	2022	2021
PER MILLION WORKING HOURS			
LTIR, own employees	5.4	3.6	26.0
LTIR, contractors	11.4	18.0	37.2
High-consequence LTIR, own employees	0.0	0.0	0.0
High-consequence LTIR, contractors	0.0	0.0	0.0
Fatality rate, own employees	0.0	0.0	0.0
Fatality rate, contractors	0.0	0.0	5.3



Diversity and inclusion

In Aalborg Portland, we see it as our obligation and utmost important responsibility to enact policies and actions that promote diversity and inclusion without discriminating based on gender, ethnicity, age, religion, sexuality, or other factors. The cement industry by nature struggles with an unbalanced distribution of genders in the workplace, we focus on both gender and cultural diversity.

Diversity

In accordance with section 99b of the Danish Financial Statements Act and section 139a of the Danish Companies Act, the Group's policy on diversity, equity and inclusion promotes a culture of respect for diversity, work equality, non-discrimination, and the inclusion of all labour groups. Our focus is to find the best qualified people for all positions without discrimination. We believe that diverse, equitable, and inclusive companies drive better results, which is why we have an ambition to increase the number of women in our workforce, especially female managers, to provide a more balanced gender composition.

Being the only cement manufacturer in Denmark, we have a particular challenge in external recruitment of experienced senior managers while still being balanced in recruitment decisions. Increasing female representatives at all levels remains a priority for us, and during 2023 we have continued working to strengthen our recruitment strategies to ensure that we have female candidates applying for various positions. This also implies strengthening internal promotion processes and publishing a new Group policy communicated to all managers and employees. In 2023, the proportion of female employees was 19% of the total workforce.

In Aalborg Portland, we have 13 different nationalities employed and an age distribution from 18 to 74 years of age. We believe these factors are some of our biggest strengths and the key to our future growth and success.

Every year the Kamma Award is awarded to a remarkable and inspiring female in North Jutland, who is showing the way to others through leadership and competences. We are so proud that this year our Portfolio Manager who is also an engineer was nominated for this prestigious award.

"We believe that diverse, equitable, and inclusive companies drive better results, which is why we have an ambition to increase the number of women in our workforce."

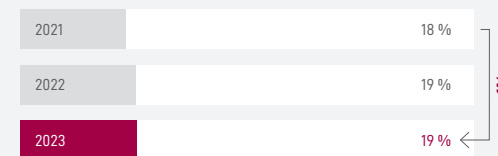
Employee headcount

NUMBER



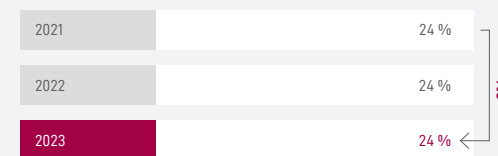
Gender diversity

% FEMALE EMPLOYEES



Gender diversity in management

% FEMALE SENIOR MANAGERS



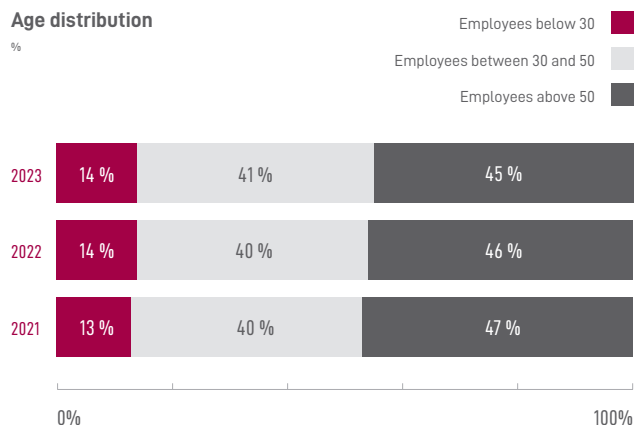
Collaboration across generations

We are a company with historically high seniority and low employee turnover. We are proud that many of our employees are still from the second and third generation of Aalborg Portland workers.

Collaboration across generations is a great value for our business. As we have employees who have been here for more than 40 and even 50 years, we are currently experiencing a high level of employees who are reaching the retirement age. We have created an effective strategy to manage retirement of our aging workforce to ensure prolonged sustainability in the future as we expect more than 10% of the workforce will retire within the next 5 years.

We will ensure the knowledge is transferred to new generations in the most effective way and that our senior employees feel confident to handover the flag while getting ready for their well-deserved retirement after contributing to the company for so many years and being such valuable culture bearers in the company.

Age distribution



SOCIAL ENGAGEMENTS

As business environments and labour markets change, so does the need for a more diverse workplace. Therefore, we strive to create an environment that offers professional challenges and social activities, such as sporting, corporate and family events. Some of these activities are even taking place at our own designated Welfare Building that includes both badminton, gym and sauna and where both current and former employees plus their families spend time together in their spare time.

In 2023, we opened the plant for our employees and families for our Family Day. It was a day filled with plant tours, great food, and various activities for all ages. The day was visited by more than 1,200 employees and their families.

Ambassador Party

This year also marks the 40th anniversary of our yearly Ambassador Party. This year more than 130 former retired employees reunited around great food and anecdotes from "the good old days". The sense of pride we feel for the culture and connections fostered at Aalborg Portland is immeasurable. Being able to assemble such a significant number of our former employees, for whom the company continues to hold great significance, is incredibly fulfilling. The ambassador party underlines the unique culture that has been nurtured over generations within our shared workplace.

Social Events

At Aalborg Portland, fostering strong relationships across our departments is a top priority. We value social events such as the DHL Relay, Christmas party, Friday bar gatherings, and more. These occasions are not just about fun; they are opportunities for our employees to connect, unwind, and build meaningful relationships across the company. We believe that creating these cozy and enjoyable moments together strengthens our teamwork, collaboration, and overall work satisfaction, contributing to a positive and inclusive work culture where everyone feels valued and connected.



Special Funds

Every year the Engineer Poul Larsen Memorial Fund offers support for the benefit of blue collar employees at Aalborg Portland. The fund extends support to blue collar employees who are terminated due to illness after reaching the age of 65, retire due to eligibility for state pension after turning 60 and after turning 65, can substantiate not being available for the job market since retirement. Employees must have served a satisfactory employment period of at least 15 years.

Aalborg Portland's Support and Welfare Fund aims to provide assistance to former employees of Aalborg Portland A/S, including the spouse/partner (including divorced) or children under 24 years of age of a deceased or former employee. Support can be granted annually for one year at a time.

Upon the dissolution of Aalborg Portland's Interessekontor (Employee Interest Office), the "Interessekontorets" Vacation Pool objective is to offer employee subsidies for vacation experiences to those employed at Aalborg Portland A/S and Aalborg Portland Holding A/S. Every permanent employee of Aalborg Portland A/S and Aalborg Portland Holding A/S is automatically enrolled as a member of the association, where 25 lucky employees, randomly selected, will receive a monetary vacation contribution.

People development and engagement

People development and engagement is key to Aalborg Portland's overall strategy. With 135 years of existence, we have created a strong heritage and people culture. We know the importance of aligning our business practices with the needs of an evolving labour market and recognise that motivated and engaged employees are essential to the success of our business. Therefore, we have continued the progress of several initiatives to develop our employees and the organisation as a whole.

Talent Development

We have a global process for talent review and succession planning, which helps us to identify internal talents and evaluate their readiness to step into more complex roles or leadership positions. The process ensures that we conduct thorough employee and manager evaluations to assess their ability to take on more responsibility. At the same time, it also ensures that we fill new and vacant positions effectively. To boost the development of our talents, we have created a global talent program for young future leaders and key specialists named "Emerging Talents Program". The program runs for more than one year and consists of three learning modules, where participants gain knowledge about business, innovation, and people management. We combine each module to strengthen individual competencies and enhance the participant's future career. In connection with the program, we have created monthly networking groups to bolster participant inclusion within the program and to create a stronger network amongst peers.

Stronger managers with Concrete Leadership

To ensure effective leadership at all levels in Aalborg Portland, we have continued a regional leadership development program called "Concrete Leadership". The leadership program trains all managers in various leadership concepts to create a common managerial language and boost networks and knowledge sharing.

Employee Engagement Surveys

As a way of understanding the sentiments and perspectives of our employees we carry out both a bi-yearly Global Engagement Survey and a more frequent Pulse Survey at local level.

Our Global Engagement Survey enables us to measure our employees' wellbeing and motivation while securing the continuous improvement and growth of both our employees and the organization. By actively seeking feedback, we aim to continuously improve our company culture and overall employee satisfaction. The engagement Survey is conducted every two years and is followed up by actions on both regional, business unit and department levels.



As a way to follow up on the Global Engagement Survey, our local Pulse Survey serve as a vital tool in assessing the pulse of our company with more frequent surveys in order for our leaders to gather quick, real-time feedback on specific issues or topics.

Employee Development and Training

As part of our performance management process for white collar employees company targets are annually translated to the individual employee level. Having individual employee objectives linked to the overall strategy ensures that focus and efforts revolve around the right priorities.

To ensure wellbeing and development for employees, the employee development process (MUS) for blue collar employees is also carried out annually and follows the same purpose as the performance management process.

Development plans, feedback and dialogues ideally focus on personal and professional development across hands-on (on-the job) experiences, formal training programs and social interactions and internal networks. We utilise face-to-face sessions and an e-learning platform to confirm all employees receive the required training. Our e-learning platform creates awareness and compliance with main corporate policies, such as human rights and cybersecurity. Our experience is that e-learning ease the completion of shorter training sessions. At the same time, we can verify and document the completion of critical training sessions.

Attraction of New Talents bringing the next generation

In order to make sure that we are attractive to young talents we strive to be visible at various career fairs promoting our sustainability agenda and showing that we are an interesting employer for future generations.

Apprentices

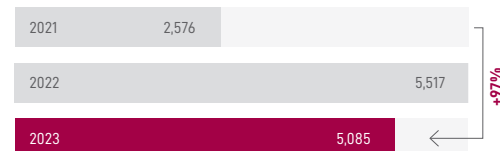
At Aalborg Portland, we have a great history of apprenticeships across many occupations. Apprenticeship programs are integral to our succession planning for key positions such as electricians, technicians, blacksmiths, administration personnel, and more. Our work with apprentices also plays an important part of ensuring that knowledge is transferred from our experienced employees that are reaching the retirement age. Furthermore, they are also part of our social responsibility, as we ensure quality education within specific occupational groups that lack trained personnel. We are very proud to contribute to the general lack of apprenticeships and skilled employees in general in Denmark by training substantially more apprentices than required from the authorities.

International Graduate Program

We must attract and retain talented employees at all levels of the organisation, particularly within technical roles, to transform our business and ensure that the next generation of technical specialists. We have designed the program in such a way that graduates make rotations across various Group entities, including Aalborg Portland, enabling steep learning curves and strong networks within the organisation. Eight technical profiles – all with an engineering background – were hired through the program. The participants belong to three different nationalities and work on various projects across the Group. They will later continue in other permanent positions.

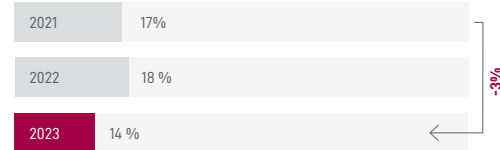
Training hours

HOURS



Employee turnover rate

%



Training hours intensity

HOURS PER HEADCOUNT



Family Day at Aalborg Portland

In 2023, Aalborg Portland once again invited its employees and their families for the much-anticipated Family Day at our factory. Drawing a crowd of over 1,200 participants, the event offered a unique glimpse into the day-to-day activities of our dedicated workforce. Attendees embarked on guided tours, exploring our operations, including the factory, Research and Quality Centre, and chalk pit.

Our company boasts a rich and proud history, often spanning multiple generations within families. Consequently, our employees, whether second, third, or even fourth generation, take immense pride in their contributions and our progress in the green transition. Family Day serves as an opportunity for our employees to share this prideful journey with their loved ones.

FACTS

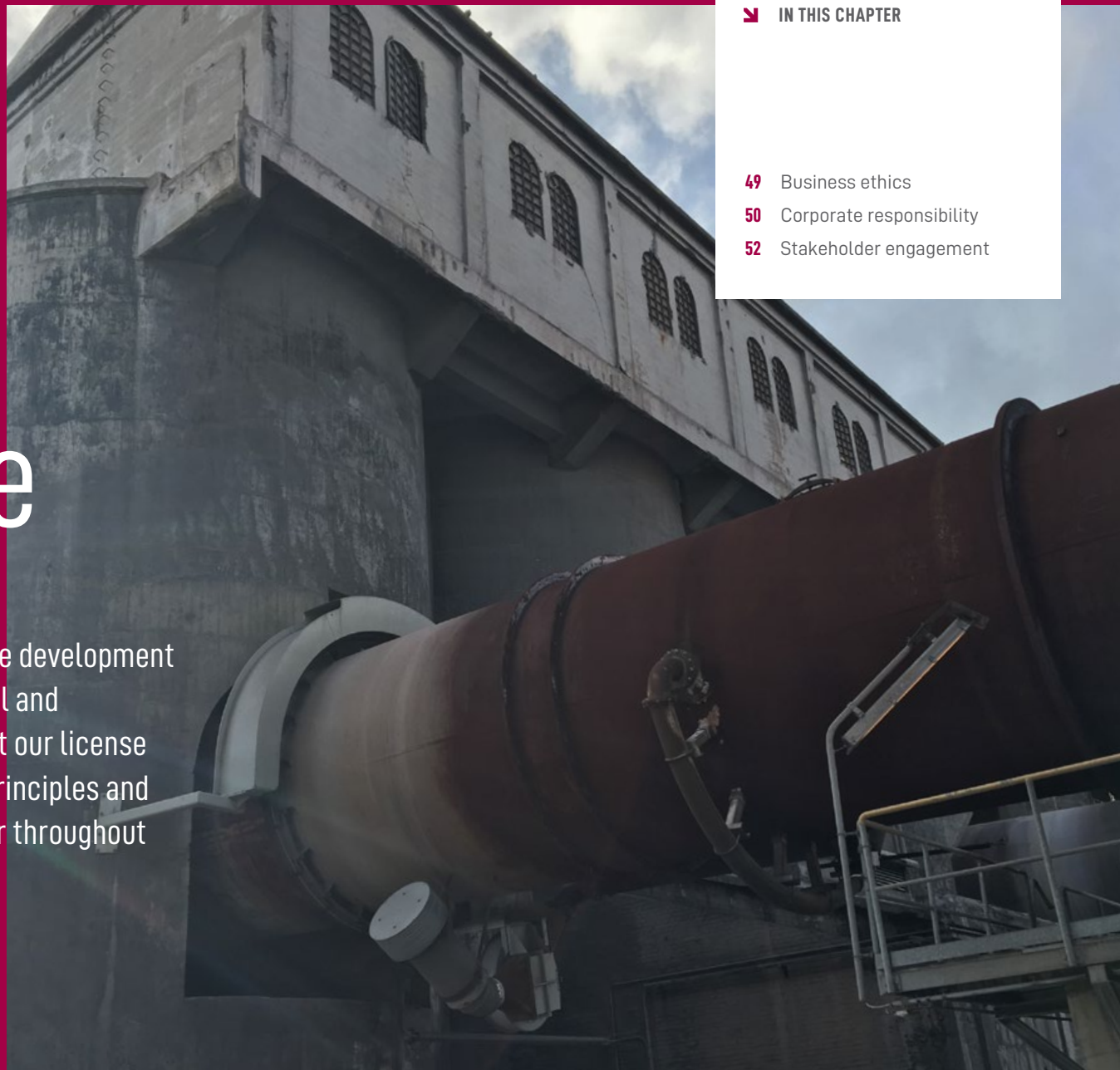
- Event with more than 1,200 participants
- Guided tours at the factory, in the chalk pit and the Research and Quality Centre
- Activities for the kids, lotteries, food trucks, and much more

Governance

A robust governance structure supports the development and implementation of our corporate social and sustainability work. We fully recognise that our license to operate includes strong sustainability principles and responsible and ethical business behaviour throughout our value chain.

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Business ethics

The Group Code of Ethics serves as our most important instrument for business operations guidance. Our Code of Ethics ensures that we conduct all activities with a framework of integrity, correctness, and compliance, and with a view towards social responsibility and environmental protection. The Code of Ethics applies to anyone who acts in the name and on behalf of Aalborg Portland, including all employees and partners.

Whistleblower system

We recognise that a genuine commitment to detecting and preventing illegal and other misconduct must include a mechanism whereby employees and third parties (customers, suppliers, sub-contractors, or other stakeholders) can report their concerns freely and without fear of reprisal or intimidation.

Employees or third parties can send reports of illegal or undesirable behaviour by filling in a digital form on the Group website www.cementir-holding.com; by sending an ordinary mail or email to the Group address; or by using other internal channels.

The Group's Chief Internal Audit Officer will conduct the verification of receipt, analysis and initiation. The Group's Ethics Committee assesses the results and potential actions of any violations, whereafter relevant employees will be notified.

Respect for human rights

The respect for human rights is a basic tenet of our beliefs. It is included in our business values and goals to be more economically, socially and environmentally sustainable as a company. The Group endorses the principles set out in the Universal Declaration of Human Rights, the European Convention on Human Rights and the International Labour Organization (ILO). For this reason, the Group has published a Human Rights Policy drafted in compliance with international and European treaties and principles. The Policy aims to support and guide management and employees to achieve their goals.

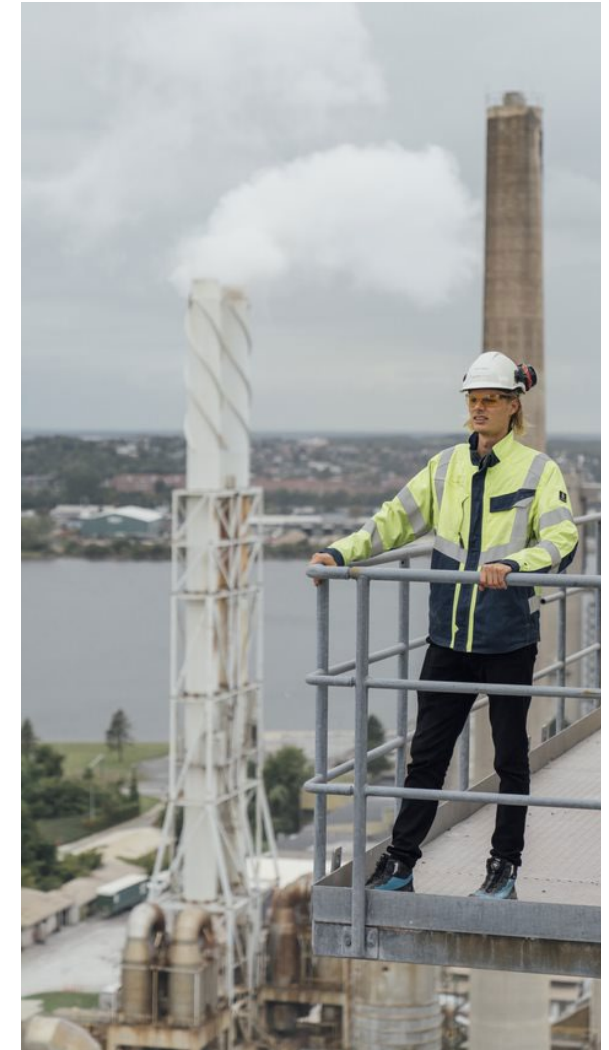
We communicate the Humans Rights Policy to all employees through internal communication channels and training sessions, and externally to customers, suppliers and subcontractors during contract negotiations. We require all employees and suppliers to acknowledge and comply with the policy during their entire employment relationship or partnership, respectively. Our people must include in contracts the confirmation of having read the policy and the expressed obligation to abide by the principles contained therein. Any alleged human rights violations can be reported through our whistleblower system.

Zero tolerance for bribery and corruption

Bribery and corruption undermine Aalborg Portland's fundamental values and our ability to act in a framework of integrity, correctness and compliance as mandated by our Code of Ethics. Our Anti-Bribery Policy sets the framework for how we work to prevent, detect and handle cases of bribery and similar unlawful conduct. Our policy defines roles, responsibilities, operating procedures, and behavioral principles, guiding all Group employees and third parties.

Adequate documentation requirements and controls are put in place to support the effectiveness of the policy. Risk assessments are conducted periodically in order to identify areas of potential weakness and exposure to bribery. Based on the risk assessment a plan for enforcing the anti-bribery policy shall be developed and discussed with local management.

The Group has established an anti-bribery training program for all employees in high-risk areas determined by the Legal Business Partner supported by Human Resources. Based on the level of risk, the training program is conducted via e-learning or through in-depth training programs. All employees and third parties are obliged to report any suspicions or knowledge of bribery to the relevant supervisor or through our whistleblower system.



Corporate responsibility

Our cement production is of significant economic importance to the country. In 2023, our value-added was EUR 182.8m. Hereof, EUR 66.0m went to society in terms of VAT, company tax, employee income tax, and other taxes. Likewise, EUR 21.6m went to the employees via pay and pension contributions (after tax). In addition, we create a social contribution via our contractors and subcontractors involved in transport, maintenance, facility management, and other activities in and around the cement plant.

Sponsorships and local contributions

Still in the same location since 1889, we see ourselves as part of the city of Aalborg. We commit to close relationships with neighbours, authorities, research bodies, and educational institutes, with a view of developing tomorrow's sustainable cities. We also commit to being part of Aalborg and Northern Jutland's sports and cultural activities. We also host guided tours and information meetings for the general public. Every year, we host around 2,000 visitors at various events, including politicians, researchers, school students, business ambassadors and partners, and more. We also make significant contributions to the local community in terms of sponsoring the city's zoo, theatre, handball, icehockey, football teams, and much more.

Distribution of value added		2023	2022	2021
Payments to society	MILLION EUR	66.0	39.6	40.9
Payments to employees	MILLION EUR	21.6	21.3	19.2
Transferred to equity	MILLION EUR	5.9	26.6	-17.6
Dividend to owners	MILLION EUR	80.0	40.0	64.0
Interest on external finance	MILLION EUR	9.3	7.5	4.9
Total	MILLION EUR	182.8	135.0	111.4



Kunsten Museum of Modern Art



Aalborg Zoo



Aalborg Pirates Icehockey



Aalborg Theatre



CASE

FACTS

- Aalborg Portland extends AaB partnership for another 3 seasons
- Aalborg Portland Park has been AaB's home since 2017
- Both founded in the 1880s, AaB and Aalborg Portland share a rich heritage in Aalborg



Get more info on aalborgportland.dk

Through thick and thin:

Aalborg Portland extends partnership with AaB

Our commitment goes beyond producing high-quality cement. We are dedicated to supporting our local community, institutions, and sports clubs, and we believe in the values of building lasting relationships and promoting a positive social impact in the regions we operate in.

With a rich heritage shared since the 1880s, Aalborg Portland is proud to continue its longstanding partnership with AaB, especial-

ly during challenging times. As a result, AaB's home ground will proudly maintain its identity as Aalborg Portland Park until 2026.

AaB's home games have been played at Aalborg Portland Park since 2017, and our renewed stadium sponsorship emphasizes our dedication to the community and the sporting flagship of the entire region of North Jutland, Denmark.

Stakeholder engagement

Besides our monetary contributions to society through taxes, sponsorships and other local donations, we actively engage in local, national and international projects, partnerships and associations to promote sustainable business practices and to tackle climate change challenges in line with UN Sustainable Development Goals 9 and 17.

ASSOCIATIONS AND PARTNERSHIPS



The Danish Government's Climate Partnerships

Since its formation in November 2019, Aalborg Portland has been part of the Danish Government's Climate Partnerships and sits as chair for the energy-intensive industry. Through The Climate Partnerships, we aim to strengthen the cooperation between Danish industry and the government, working together to solve the many challenges of climate change.



Confederation of Danish Industry

As a member of the Confederation of Danish Industry, we interact with decision-makers across industries, labour unions, interest organizations, politics, and other public stakeholders to promote how our industry can play an active role in a more sustainable and circular economy. We act as a member of the Central Board and various other committees, including the Committee for Research and Innovation.



CEMBUREAU

As one of the founding members, Aalborg Portland has been part of CEMBUREAU, the European Cement Association, since the 1940s and today sits on the Board. Since the beginning, we have utilised CEMBUREAU to communicate the industry's views on policy developments, and we are directly represented in two of CEMBUREAU's Working Groups. Within these Working Groups, we propose sustainable standards for the construction industry and other potential updates of policy frameworks.



Global Cement and Concrete Association

We are a Global Cement and Concrete Association (GCCA) member. Through the GCCA, we partner with relevant stakeholders to support new ways of thinking within our industry. For example, the Steering Committee of the Innovandi network represents us. This committee runs key innovation programmes to help the industry decarbonise and produce carbon neutral concrete by 2050.





European Cement Research Academy (ERCA)

We are a member of the Technical Advisory Board of the European Cement Research Academy (ERCA). ECRA supports and conducts research activities on the production of cement and its application in concrete. The main project managed by the ECRA relates to Carbon Capture and Storage (CCS).



INNO-CCUS

The INNO-CCUS Partnership is established with support from Innovation Fund Denmark as a means to secure a significant contribution to achieve the Danish government's climate goals on CO₂ reduction through CCUS solutions. We contribute by setting up a pilot facility for carbon capture at our cement factory together with the Technological University of Denmark. The pilot facility was made operational in December 2022 and plays a key role in testing and demonstrating solvents and process technologies in carbon capture in the cement industry.

COMMITMENTS



UN Global Compact

Cementir is committed to the UN Global Compact with the aim of developing a more responsible business, respectful of human and labour rights, promoting environmental protection and anti-corruption initiatives.



Geological Survey of Denmark and Greenland (GEUS)

We are represented as Vice Chairman for the Geological Survey of Denmark and Greenland (GEUS), which carries out activities to exploit and protect geological resources in Denmark and Greenland. Of relevance for us is the resource assessment of raw materials and aggregates, as well as investigations into storage locations of CO₂.



ConsenCUS

As a member of the ConsenCUS project, Aalborg Portland plays a pivotal role by operating a carbon capture pilot facility. Aalborg Portland's responsibilities include preparing, supporting, and testing this facility over five months, providing crucial data for this innovative technology. This project is a significant step towards achieving climate-neutral operations in industries inherently emitting CO₂, like cement production.



Safe Water, Sanitation and Hygiene at the Workplace (WASH)

Cementir is committed to ensure all workers have access to safe and affordable drinking water. Cementir is a signatory of the WASH Pledge developed by World Business Council for Sustainable Development (WBCSD).

SUSTAINABILITY RATINGS AND CERTIFICATIONS

Cementir Group and Aalborg Portland have received several ratings and certifications for our joint ESG commitments and efforts on sustainability.



Bureau Veritas Certification

Bureau Veritas has certified Aalborg Portland's management system for quality, environment, energy, and health & safety. Bureau Veritas first certified our management system in 1989, with frequent updates since that date.



Science-Based Target initiative

We are proud that Cementir has joined the select group of companies whose decarbonization targets have been judged by SBTi to be consistent with the goal of limiting global warming to below 1.5 degrees



ISS ESG

In 2023, ISS ESG assessed Cementir as "C+ Prime". Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating.



Moody's ESG Solutions

In 2023, Cementir obtained a score of 55/100 from Moody's ESG Solutions, evaluating Cementir's ESG performance as 'Robust'. This places Cementir 6th out of 25 companies in the Building Materials sector.



MSCI ESG

In 2023, Cementir achieved an upgraded ESG rating from "BBB" to "A". MSCI ESG Research provides ESG ratings to global public companies and some private companies based on the exposure to industry-specific ESG risks and the ability to manage those risks.



Carbon Disclosure Project

In early 2024, Cementir achieved an "A-" rating in the Carbon Disclosure Project questionnaire for our commitments on Climate Change and Water Security.



Refinitiv

In 2023, Refinitiv assigned Cementir an "A-" rating with a score of 76/100, ranking 10th out of a total of 119 companies in the Construction Materials sector.



EthiFinance

In early 2024, Cementir has been scored 70/100 by EthiFinance. The company has been assessed on four pillars: Governance, Social, Environment, External Stakeholders.



Carbon Disclosure Project

In 2023, Cementir achieved recognition as Supplier Engagement Leader by CDP. The Supplier Engagement Rating is designed to assess and foster action on corporate supply chain engagement on climate issues.



Morningstar Sustainalytics

In 2023, Cementir received an ESG Risk Rating of 29.2 and was assessed by Morningstar Sustainalytics to be at Medium risk of experiencing material financial impacts from ESG factors.



S&P Global Corporate Sustainability Assessment

In early 2024, Cementir has been scored 56/100 in the 2023 S&P Global Corporate Sustainability Assessment (CSA score), ranking 21st out of a total of 123 companies in the Construction Materials Sector.

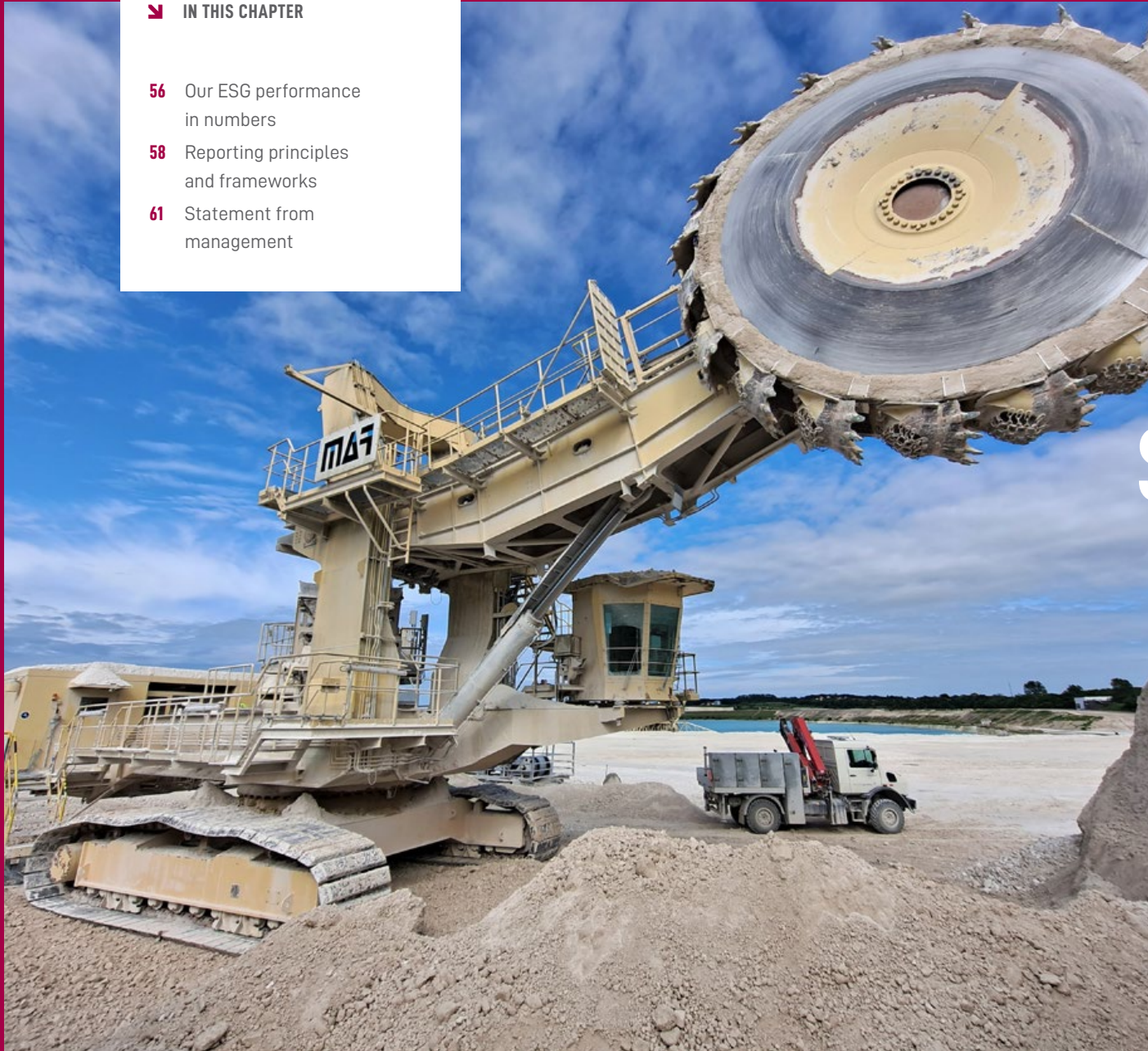


Integrated Governance Index

In 2023, Cementir received a score of 52/100, with an ERG identity of Leader. The questionnaire assesses the degree of integration of ESG factors into company strategies

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Data and signatures

In this section we highlight ESG targets and performance in numbers as well as reporting principles and frameworks used.

Our ESG performance in numbers

Environment	UNIT	2023	2022	2021	See more
GHG emissions					
Scope 1 GHG emissions	TONNES	1,707,237	1,981,749	2,250,631	Page 27
Scope 1 GHG emissions intensity	KG PER TCE	782	868	923	Page 27
Scope 2 GHG emissions	TONNES	50,708	59,888	63,096	Page 29
Scope 3 GHG emissions	TONNES	446,839	828,087	605,155	Page 31
Other air emissions					
SO2 emissions	TONNES	577	786	1,174	Page 31
SO2 emissions intensity	KG PER TCE	0.26	0.34	0.48	Page 31
NOx emissions	TONNES	2,414	2,706	2,671	Page 31
NOx emissions intensity	KG PER TCE	1.11	1.18	1.09	Page 31
Electricity					
Electricity consumption	MWH	279,627	330,253	347,943	Page 29
Fuel consumption					
Traditional fossil fuels	% OF THERMAL ENERGY	60.3%	69.8%	72.0%	Page 27
Alternative fuels	% OF THERMAL ENERGY	39.7%	30.2%	28.0%	Page 27

Environment	UNIT	2023	2022	2021	See more
District heating					
Energy recovered for district heating	GJ	1,046,530	1,306,974	1,688,601	Page 37
Raw materials					
Raw material consumption	TONNES	4,086,903	4,541,113	4,931,067	Page 37
Material intensity	KG PER TCE	1,873	1,988	2,021	Page 37
Recycling rate	%	10.4%	10.0%	9.2%	Page 37
Water					
Water consumption	M3	1,235,444	1,419,493	1,601,678	Page 38
Water intensity	LITRES PER TCE	566	621	657	Page 38
Recycling rate	%	29.5%	29.0%	33.1%	Page 38
Waste					
Waste generation	TONNES	40,948	55,980	91,735	Page 38
Waste intensity	KG PER TCE	19	25	38	Page 38
Recycling rate	%	93.5%	94.8%	64.8%	Page 38



Social	UNIT	2023	2022	2021	See more
Health and safety					
LTIR. own employees	PER MILLION WORKING HOURS	5.4	3.6	26.0	Page 42
LTIR. contractors	PER MILLION WORKING HOURS	11.4	18.0	37.2	Page 42
High-consequence LTIR. own employees	PER MILLION WORKING HOURS	0.0	0.0	0.0	Page 42
High-consequence LTIR. contractors	PER MILLION WORKING HOURS	0.0	0.0	0.0	Page 42
Fatality rate. own employees	PER MILLION WORKING HOURS	0.0	0.0	0.0	Page 42
Fatality rate. contractors	PER MILLION WORKING HOURS	0.0	0.0	5.3	Page 42
Employee headcount					
Blue collars	HEADCOUNT	142	147	148	Page 44
White collars	HEADCOUNT	218	198	202	Page 44
All employees	HEADCOUNT	360	345	350	Page 44
Gender diversity, % women					
All employees	%	19%	19%	18%	Page 44
Gender diversity in management, % women					
Senior managers	%	24%	24%	24%	Page 44
Age distribution					
Employees below 30	%	14%	14%	13%	Page 45
Employees between 30 and 50	%	41%	40%	40%	Page 45
Employees above 50	%	45%	46%	47%	Page 45
Training					
Training hours	HOURS	5,085	5,517	2,576	Page 47
Training hours intensity	HOURS PER HEADCOUNT	14	16	7	Page 47
Employee turnover					
Employee turnover rate	%	14%	18%	17%	Page 45

Governance	UNIT	2023	2022	2021	See more
Distribution of value added					
Payments to society	MILLION EUR	66.0	39.6	40.9	Page 50
Payments to employees	MILLION EUR	21.6	21.3	19.2	Page 50
Transferred to equity	MILLION EUR	5.9	26.6	-17.6	Page 50
Dividend to owners	MILLION EUR	80.0	40.0	64.0	Page 50
Interest on external finance	MILLION EUR	9.3	7.5	4.9	Page 50
Total	MILLION EUR	182.8	135.0	111.4	Page 50
Economic indicators					
Economic performance					
Net revenue	MILLION EUR	368.6	374.0	287.1	
EBITDA	MILLION EUR	135.9	112.7	92.3	
Net interest-bearing debt (NIBD)	MILLION EUR	-112.8	-86.8	-80.8	

Reporting principles and frameworks

REPORTING SCOPE

The report covers Aalborg Portland's activities in relation to the Aalborg Portland cement plant situated in Rørdal east of Aalborg, Denmark. Activities in other legal entities within the Aalborg Portland Holding Group, owned by the Cementir Holding Group, are not covered in this report. The report covers the financial reporting year from 1 January 2023 to 31 December 2023. All information in this report is in accordance with the consolidated sustainability statements of the Group given in Cementir's Sustainability Report 2023, which also constitutes Aalborg Portland's compulsory statement on corporate social responsibility, cf. section 99a of the Danish Financial Statements Act.

SELECTION OF ESG DATA

We continuously develop and improve our ESG data and reporting to support better business decisions and to provide stakeholders with reliable, complete, balanced, accurate, comparable, and transparent insight concerning ESG activities. A materiality assessment in the annual strategic and industrial planning process guides the selection of ESG indicators and general content of this report. The concept of double materiality forms the basis of our materiality assessment, recognising that a sustainability issue can be material from an impact perspective (inside-out) or a financial perspective (outside-in), or both. Impact materiality is where our business has actual or potentially significant impacts on people or the environment. In contrast, financial materiality is where an issue generates significant risks or opportunities that have or may have a financial impact on our business.

APPROACH TO USING ESG STANDARDS AND FRAMEWORKS

Our ESG report is informed by various international ESG and sustainability reporting standards and frameworks. Our ambition is not to report in accordance with one specific standard or framework. Instead, we continuously monitor how standards and frameworks fit with the purpose of our ESG reporting.

SUSTAINABLE DEVELOPMENT GOALS

For many years, we have used the United Nations Sustainable Development Goals (SDGs) as a framework to categorise our ESG priorities and actions. We have identified 11 of the 17 SDGs that can impact the environment, our people and the broader community. Aalborg Portland have achieved a certification from Bureau Veritas for its work in respect to the SDGs as part of the annual audit of the internal management system. An ESG/SDG cross-reference overview can be found on page 18.

GCCA SUSTAINABILITY FRAMEWORK GUIDELINES

Since Aalborg Portland is the only cement manufacturer in Denmark, we strive to conduct our ESG reporting per relevant industry standards to improve benchmarking capabilities towards our peers. Therefore, the Global Cement and Concrete Association's (GCCA) Sustainability Framework Guidelines inform our ESG reporting, specifically in selection of performance indicators. You can find these guidelines on www.gccassociation.org.

LOOKING AHEAD AT FUTURE STANDARDS

Due to the nature of our operations, we look forward to the EU sustainability reporting standards with great interest. We will closely follow the developments of the European Sustainability Reporting Standards (ESRS).



1. ENVIRONMENTAL INDICATORS

1.1 Direct GHG emissions (Scope 1)

The Greenhouse Gas Protocol forms the basis of our direct Scope 1 emissions reporting, covering all our direct greenhouse emissions. Direct emissions are calculated as energy and raw materials consumption multiplied by emission factors. Scope 1 emissions are predominantly CO₂ formed by burning fuel and calcining of chalk but also includes internal transport.

1.2 Indirect GHG emissions (Scope 2)

The Greenhouse Gas Protocol forms the basis of our indirect Scope 2 emissions reporting. It comprises emissions linked to the purchase of electricity. Emissions are calculated as power volumes purchased multiplied by country-specific emission factors (location-based). A new emission factor from an international database has been applied to figures in all years in accordance with the Cementir Group reporting standard.

1.3 Indirect GHG emissions (Scope 3)

The Greenhouse Gas Protocol forms the basis of our indirect Scope 3 emissions reporting. It covers indirect emissions that occur in our value chain, namely categories 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, and 3.9 of the Greenhouse Gas Protocol. Other categories are deemed not material as they cover less than 1% of total Scope 3 emissions. Beginning from 2023, a new methodology have been used to calculate emissions factors for raw materials used in cement production. The new emission factors are based on an economic allocation approach which is combined with the specific product EPDs from selected suppliers. In effect, the emission factors better reflects the allocated emissions as some raw materials should be considered as by-products.

1.4 SO₂ emissions

The burning of fuels form Sulphur dioxide (SO₂). The Kyoto Protocol does not cover SO₂ and it is, therefore, reported separately from Scope 1 emissions per the Greenhouse Gas Protocol.

1.5 NO_x emissions

The burning of fuels forms nitrogen oxides (NO_x). The Kyoto Protocol does not cover (NO_x) and it is, therefore, reported separately from Scope 1 emissions per the Greenhouse Gas Protocol

1.6 Traditional fossil fuels

Traditional fossil fuel consumption is reported as the share of total thermal energy produced, mainly by fuel oil, petroleum coke and coal. Thermal energy is the energy produced from burning of kiln fuels (fossil and alternative) used in manufacturing of clinker.

1.7 Alternative fuels

Alternative fuel consumption is reported as the share of total thermal energy produced, mainly from refuse-derived fuel (RDF) and various types of waste biomass (e.g., meat and bone meal, wood chips, rubber, and plastic waste). Thermal energy is the energy produced from burning of kiln fuels (fossil and alternative) used in manufacturing of clinker.

1.8 Raw materials

Raw materials consumption is reported as the wet mass used in manufacturing of cement. Raw materials include, among other things, chalk, sand, gypsum, fly ash, oxiton, iron oxide, and calcined clay. Both natural resources and recycled materials are included in the reporting.

1.9 Water

Water consumption is reported as the total water withdrawal minus total water discharge from the factory. This includes water which is recycled, recirculated or collected as rainwater.

1.10 Waste

Waste is reported as the total amount of waste materials from our cement manufacturing, often categorised as landfilled, incinerated, recycled, or as oils and chemicals. All waste materials are converted to metric tonnes for comparison purposes.

1.11 Electricity

Electricity consumption is reported as actual consumption (megawatt-hours) according to the utility company. Electricity mainly covers the plant's base power load and power to run cement kilns and mills.

1.12 District heating

District heating is reported as actual deliveries of surplus heat (gigajoules) from the plant's waste heat recovery systems as reported on measurement units at Aalborg Forsyning. Surplus heat which is circulated internally to run the plant and heat office buildings is also included.

1.13 Cement equivalent (TCE)

A standard industry indicator for cement related to the plant's production of clinker. Cement equivalent is measured as produced clinker multiplied by the average clinker-to-cement ratio for the year. The indicator is preferred over cement production or cement sales when calculating GHG emissions as the majority of emissions comes from the production of clinker and not from cement grinding. Cement equivalent is expressed in metric tonnes, often referred to as "TCE".



2. SOCIAL INDICATORS

2.1 Employee headcount

Headcount is reported as the total number of employees at the end of the reporting period. The headcount is expressed per blue collars, white collars (including employees with formal people management responsibilities) and as a total.

2.2 Age distribution

Age distribution is reported as the share of employees in each age category (below 30 years old, between 30 and 50 years old, and above 50 years old) compared to total headcounts at the end of the reporting period.

2.3 Gender diversity

Gender diversity is reported as the share of women compared to total headcounts at the end of the reporting period. Gender diversity is expressed per senior managers (Executive Board and other directors and managers reporting to Executive Board) and Board of Directors.

2.4 Employee turnover

Employee turnover rate is reported as the number of employees leaving the company during the reporting period (including employees leaving voluntarily due to resignations or retirement, and employees being laid off) divided by the total headcount.

2.5 Training hours

Training hours include all types of internal and external training and instructional sessions. The main categories of training are health & safety, technical and functional, management education, leadership development, and cultural and corporate training.

2.6 Lost-time injury rate (LTIR)

LTIR is reported as the number of work-related injuries per one million hours worked where the person has absence from work as a result of the injury with and without medical treatment. LTIR is expressed per own employees and contractors.

2.7 High-consequence work-related injury rate

High-consequence work-related injury rate is reported as the number of work-related injuries from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months (excluding fatalities). High-consequence work-related injury rate is expressed per own employees and contractors. The indicator is abbreviated to "High-consequence LTIR".

2.8 Fatality rate

Fatality rate is reported as the number work-related fatalities per one million hours worked. Fatality rate is expressed per own employees and contractors.

3. GOVERNANCE INDICATORS

3.1 Distribution of value added

Value added for the financial reporting year is reported as payments to society (VAT, income tax, environmental taxes, and employee income tax), payments to employees (salaries and pension contributions after tax), dividend to the owners, transferred to equity, and interest on external finance.

4. ECONOMIC INDICATORS

4.1 Net revenue

Net revenue is reported in accordance with the accounting policies mentioned in our Annual Report 2023.

4.2 EBITDA

Earnings before interest and tax, depreciations, and amortizations (EBITDA) is reported in accordance with the accounting policies mentioned in our Annual Report 2023.

4.3 Net interest-bearing debt

Net interest-bearing debt is reported in accordance with the accounting policies mentioned in our Annual Report 2023.

Statement from management

The management team have today discussed and approved the ESG Report of Aalborg Portland A/S for 2023. The data in the ESG Report has been prepared in accordance with the stated reporting principles. It is our opinion that the ESG Report gives a fair and balanced presentation of Aalborg Portland's ESG activities and performance in the reporting period.

MANAGEMENT

Søren Holm Christensen
Chief Executive Officer

Henrik Jeppesen
Chief Financial Officer

Peter Birkegaard
Managing Director

Aalborg, 22 April 2024

↳ LIGHTHOUSE AARHUS

Denmark's tallest residential building, Lighthouse, located on the outer edge of Aarhus Ø, stands at 142 meters. At these heights, the choice of building materials is crucial to ensure the right strength while avoiding unnecessary weight on the structure from multiple floors. To make things even more difficult, concrete based on Aalborg Portland cement was pumped up to over 100 meters which is no simple task.



PART OF THE SOLUTION.

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