



Shaping ideas



# SUSTAINABILITY REPORT

2018/2019





# CONTENTS

<b>MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE COMMITTEE</b>	04
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<b>01.</b>	
<b>WHO WE ARE AND WHAT WE DO</b>	07
1.1. SECIL'S BUSINESS	09
1.2. MISSION, VISION AND VALUES	14

<b>02.</b>	
<b>SECIL, WE CREATE VALUE WITH SUSTAINABILITY</b>	17
2.1. SUSTAINABILITY POLICY	19
2.2. INVOLVEMENT WITH STAKEHOLDERS	20
2.3. MATERIALITY ANALYSIS	22
2.4. GOVERNANCE AND RISK MANAGEMENT	24
2.5. RESPONSE TO THE SDGs	25
2.6. 2020-2030 COMMITMENTS	27

<b>03.</b>	
<b>CHALLENGES FOR THE GROUP</b>	31
3.1. INTERNATIONAL TRENDS	32
3.2. DECARBONIZATION AT SECIL	36

<b>04.</b>	
<b>INNOVATION AND THE FOCUS ON THE PRODUCT AND THE CUSTOMER</b>	38
4.1. INNOVATION	40
4.2. PRODUCT SAFETY AND QUALITY	42
4.3. CUSTOMER RELATIONSHIP AND SATISFACTION	43
4.4. SUSTAINABLE PRODUCTS FOR SUSTAINABLE CONSTRUCTION	45





05.		
<b>OUR PEOPLE</b>		48
5.1. HEALTH AND SAFETY		50
5.2. TALENT MANAGEMENT		53
5.3. DIVERSITY AND INCLUSION		54

06.		
<b>PROTECTION OF THE ENVIRONMENT</b>		56
6.1. CLIMATE CHANGE AND ENERGY		58
6.2. ATMOSPHERIC EMISSIONS		61
6.3. WATER USE AND MANAGEMENT		62
6.4. BIODIVERSITY AND ECOSYSTEMS		63
6.5. CIRCULAR ECONOMY		65

07.		
<b>INVOLVEMENT WITH THE COMMUNITY</b>		68
7.1. COMMUNITY DEVELOPMENT AND LOCAL IMPACT MANAGEMENT		70

<b>ABOUT THIS REPORT</b>		75
--------------------------	--	----

<b>INDEPENDENT RELIABILITY ASSURANCE REPORT</b>		77
---	--	----

<b>GRI TABLE</b>		80
------------------	--	----

<b>GCCA TABLE</b>		97
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**MESSAGE FROM  
THE CHAIRMAN  
OF THE EXECUTIVE  
COMMITTEE**





## Complexity and Determination

Sustainability, as a political premise, management approach and day-to-day practice of companies is undergoing fast affirmation, and is increasingly becoming a consensual paradigm of activity.

However, the transformation of mentalities inherent to this process and its organizational implementation is complex and requires a gradual transition phase allowing for the adaptation of processes, innovation of supply chains and establishment of appropriate goals and roadmaps allowing them to be achieved.

Therefore, time is necessary to undertake this path and involve all stakeholders in this journey, aligning expectations regarding the results delivered, whether they are more or less tangible.

After decades of essentially financial business orientation and of the establishment of management commitments with this same perspective, in recent years we have witnessed the emergence of a more integrated, holistic and sustainable perspective of business activity, which still needs to be strengthened and consolidated.

The assumption of global commitments from a Sustainability standpoint, such as the United Nations Sustainable Development Goals, the sectoral commitments such as those that Secil subscribes to in GCCA – Global Cement and Concrete Association, the international or national roadmaps for carbon neutrality and the definition of internal sustainability targets and roadmaps duly evidenced by concrete and measurable actions are indelible steps of business organizations towards achieving sustainability.

# MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE COMMITTEE



It is in this context, adopted and assumed by Secil as a reference, that this Sustainability Report emerges, prepared in accordance with the GRI International Standards and verified externally by KPMG, in which we provide a detailed account of our performance and strategic orientation.

Several years ago, Secil undertook this journey towards sustainability and has taken sure steps in this sense, especially regarding biodiversity, the use of alternative fuels, innovation in products with lower carbon intensity, energy efficiency and responsible action within communities where it operates.

We know that this path is a long, complex and has numerous obstacles, but based on our know-how, management skills and clarity in determining the objectives, we will be successful in becoming a sustainable company in the coming decades.

**Otmar Hübscher**  
Chairman of the Executive Committee



## Leadership committed to human rights

### Secil subscribes to Portuguese version of WBCSD CEO's Guide

*"Respect for Human Rights is a cornerstone of our PEOPLE value and must guide all our human interactions at Secil."*

**Otmar Hübscher**

Chairman of the Executive Committee

Our CEO, Otmar Hübscher, is part of the group of entrepreneurs and managers who signed the Portuguese version of the CEO's Guide on Human Rights, launched in September 2019 by BCSO Portugal. This document is the Portuguese version of the CEO Guide for Human Rights, of the World Business Council for Sustainable Development (WBCSD).

Altogether, 30 business leaders pledged to promote human rights issues in their organizations and in their value chains, going beyond risk management and compliance with legislative and regulatory frameworks, in the search for positive changes in people's lives.

This Guide identifies important aspects in the Human Rights matter and challenges companies to act so as to respond to the increasingly demanding expectations of investors and society at large.





# 01.

## WHO WE ARE AND WHAT WE DO

- 1.1. SECIL'S BUSINESS
- 1.2. MISSION, VISION AND VALUES



This is us, is Secil's new organizational culture

# 01.



## WHO WE ARE AND WHAT WE DO



The cement industry, besides its financial importance in Europe, has a major impact on the national and regional economy. As a Group, Secil continues to invest in the expansion and consolidation of its operations.

Our Business focuses on economic performance, taking into account the environmental and social impact at production level and use of our products, which are so important for customer satisfaction.

We have redefined our culture as a company with homogenization of our mission across the entire group, associated with a strategic profitability recovery programme, which incorporates the sustainability, social, environmental and economic pillars, based on responsible governance.

WE ARE ON

**4** Continents

**8** Countries

**8** Plants



WE EXPORT TO  
MORE THAN

**20** Countries

from Setúbal,  
Portugal



**> 2000**

EMPLOYEES  
IN 2018 AND 2019

TURNOVER

2019

**510 994 K €**

2018

**483 635 K €**

AMOUNT DISTRIBUTED

2019

**443,8 M €**

2018

**450,6 M €**

# WHO WE ARE AND WHAT WE DO

## 1.1. SECIL'S BUSINESS



### Where are we and what we do?

Secil has a strong presence in the cement industry, and it is a business group with several operations in Portugal and in several countries around the world.

Although the core of activity is cement, the expansion to other businesses and the integration of several companies providing complementary services, mean that today, the Secil Group has a solid position in both the domestic and the foreign markets.





## Our products

Secil aims to provide high quality solutions and services in the cement and building materials areas (concrete, aggregates, mortars and prefabricated products), with more than 40 products available in these categories, combining economic profitability with the responsibility to manage their impacts at social and environmental level.

Find out about all our products at:

<http://www.secil-group.com/produtos-e-servicos/>

### CEMENT



Secil produces a wide range of grey and white cements, with applications ranging from small to major civil engineering works. Besides cement, Secil also markets hydraulic lime, a widely used binder, and also natural hydraulic lime, the result of a research and development process undertaken at the Secil Group.

### LIME

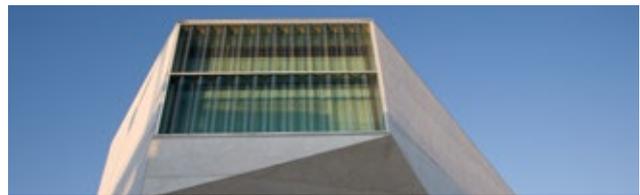


### AGGREGATES



Industrial aggregates are raw materials for the construction of other materials. Their choice has powerful influence on the quality and behavior of the end products. *Secil Britas* extracts and markets limestone and granite aggregates, certified for various construction uses.

### CONCRETE



The best known use of cement is the production of concrete for civil engineering structures or grey, white or coloured architectural concrete. This material consists of water, cement and aggregates. This product is essential in seismic reinforcement of foundations and building structures.

### MORTARS



In the area of prefabricated products and building materials, Secil also produces pre-prepared dry mortars. The mixture of cement, lime, sand and other additives is used to lay materials and waterproof, regularize and provide finishing of surfaces, both in new work, or in the renovation and rehabilitation of existing buildings.

### PRE-FABRICATED PRODUCTS



Pre-fabricated concrete products are another of the Secil Group's specialties. Structures, beams, floor blocks, urban furniture, tiles and cement-wood panels are some of the products created and marketed by the various companies linked to the sector in question.



## CEMENT NOW HAS A NAME New concept, the same quality



In Portugal, at the beginning of 2018, Secil launched a new communication concept for the packaging of its products, contributing to easier, more efficient and safer distribution.



The concept associated with the Roman Empire is ingrained in all Secil culture, in terms of the works carried out (bridges, viaducts, forts, highways, etc.) as well as in terms of language.

The work and legacy of the Roman Empire are linked to values like Tradition, Quality, Robustness, Innovation and Excellence. Values that Secil shares and wants to preserve. This is the concept underlying the new product designations: meaningful names, names rooted in our living heritage. Thus, five products appear, two of general range: MAESTRO and LUMEN, and three of technical range: ROBUSTEK, SUPRATEK and ARCHITEK.

Cements maintain their customary quality of excellence and have not changed in terms of their normative classification, which continues to be stated on the paper bag.

In parallel, there is also a very important novelty in terms of the simplification of communication: the inclusion of Pictograms identifying the main uses of each cement, simplifying their selection by the end consumer, helping them in the use of the best-suited cement for each specific need.



## Value creation

Secil is focused on creating value, through a positive economic performance, where it considers the direct and indirect impacts on the society in which it operates.

Aligned with the other subsidiaries of the Semapa Group, the group to which it belongs, Secil follows the principle of generating value shared with the various stakeholders, having distributed € 450 million in 2018 and € 444 million in 2019.

### EMPLOYEES

<b>79,7 M €</b>	<b>2019</b>
<b>79,4 M €</b>	<b>2018</b>



### OPERATING COSTS



<b>343,6 M €</b>	<b>2019</b>
<b>331,5 M €</b>	<b>2018</b>

### CAPITAL PROVIDERS

<b>14,0 M €</b>	<b>2019</b>
<b>28,5 M €</b>	<b>2018</b>



### STATE



<b>5,9 M €</b>	<b>2019</b>
<b>10,6 M €</b>	<b>2018</b>

### COMMUNITY

<b>0,7 M €</b>	<b>2019</b>
<b>0,6 M €</b>	<b>2018</b>



### VALUE DISTRIBUTED

<b>2019</b>	<b>443,8 M €</b>
<b>2018</b>	<b>450,0 M €</b>

### VALUE GENERATED

<b>572,5 M €</b>
<b>517,5 M €</b>

### VALUE ACCUMULATED

<b>128,6 M €</b>
<b>66,9 M €</b>



## RETURN 2020

### The path to profitability

The RETURN project began in 2017 with the aim of bringing Secil back to profitability, but also with the important goal of developing our people and always safely.

Over three years, the project focused on Improving **Safety**, Developing **People** and Increase **Profitability**, with about 80 projects in progress. In the last quarter of 2019, the execution rate of these projects stood at 53%, and had an impact of about 33% on EBITDA growth.

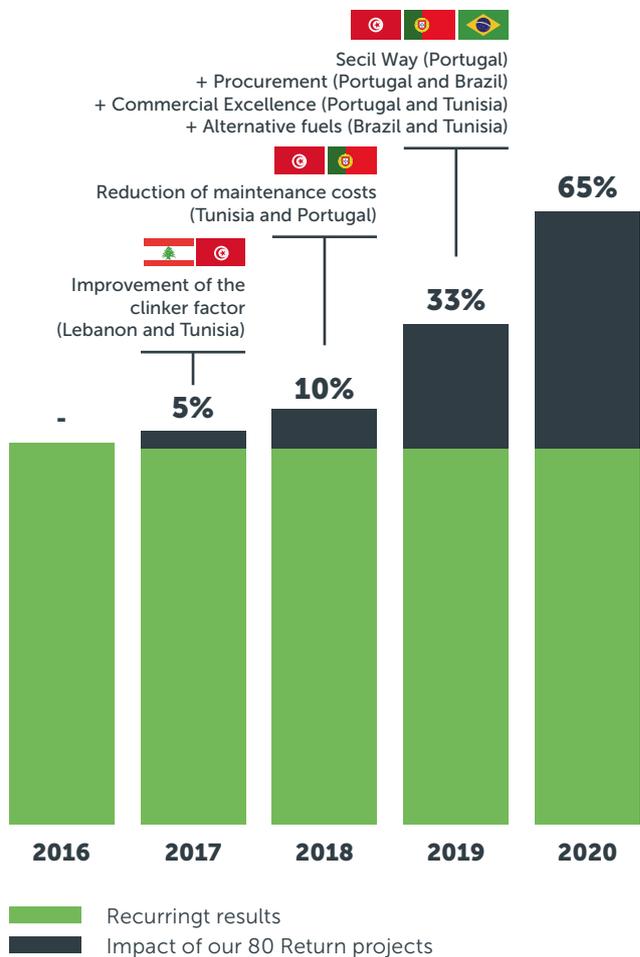
To increase profitability, teams from different geographies and areas launched projects aiming to improve operating results of by €51 million, between 2020 and the following years.

At the People level, there was a strong investment to develop critical skills to the future of the business, through the BUILD UP program, presented in chapter 5.2 **Talent Management**.

The strengthening the of the Safety Culture and the increase of everyone's awareness of behaviors and attitudes was also a priority, with the definition of a Safety Roadmap. Information on the Roadmap and on safety initiatives in chapter 5.1 **Health and Safety**.

## EBITDA GROWTH RATE

### Main Contributions (Implemented Projects)



# WHO WE ARE AND WHAT WE DO

## 1.2. MISSION, VISION, AND VALUES



### How do we define our identity?

The definition of Mission, Vision and Values emerges as the first and structural step to leverage the elaboration of the strategic plan, RETURN 2020, which began in 2017. The discussion of Mission, Vision and Values integrated all geographies through the creation, in all countries, of work groups, thus ensuring an alignment with the strategic ambitions of each country.

The work done by the groups was compiled, analysed at a meeting with all the CEOs and members of the Executive Committee and, finally, approved by the Secil Executive Committee and the Board of Directors. This process began in early 2018, and ended in 2019 with the Communication to Secil Group's employees, and the delivery of a document with the Mission, Vision, Values and the Code of Conduct to everyone.

The Mission, Vision, Values and the Code of Conduct constitute our identity, which distinguishes us and shapes our culture.

*"It represents the guide for our daily conduct, shows the world around us who we are and what we stand for at Secil. We will make it happen!"*

**Otmar Hübscher**  
Secil's CEO

### this is us

#### mission.

Shaping ideas, providing cement solutions to our customers, stimulating careers for our people, responsible citizenship for our communities and value for our shareholders.

#### vision.

We strive to be, in the communities we serve, the supplier of our customers' preferred cement solutions.

#### values.

**people.**

**integrity.**

**accountability.**

**performance.**

**collaboration.**



## People

They are the differentiating factor in companies. Each person has their own history and way of seeing, perceiving and acting in situations. They are driven by emotions, have individual motivations and depend heavily on how they relate to others. Aligned and committed people determine the success of the organization.

*"The PEOPLE value means believing in others, seeking their maximum potential and valuing their ideas, in a healthy work environment, to maintain their safety at all levels and to understand that each person has their own way of thinking, motivating themselves and aiming at the same success. My role, in Sibline, is to be the link between internal and external departments, receive information and pass it on via the proper channels in order to provide appropriate actions to lend support in a transparent, dynamic and committed manner, listening to people's needs."*

**Maha Najiya**

Financial – Sibline



## Integrity

Each person's way of being and acting. They are virtues specific to each individual. It translates behaviors of honesty, righteousness, impartiality, transparency and honor. It is not limited to compliance with rules, it goes far beyond that - it entails being true to oneself and in relations with others, putting everyone's interest ahead of your own personal interest.

*"INTEGRITY is always priceless. It is a moral and social value that is specific to each person, shaped in the soul through the social and educational conditions that surround the person from birth – when a child is born into a family that treats others with dignity, integrity and respect for their rights in their daily behavior. The challenge of Integrity, wherever it occurs, is not due to the absence of laws. It is about creating an environment conducive to its development and to encouraging people to improve themselves."*

**Nizar Berrafaa**

Commercial – Société de Ciments de Gabès



## Accountability

Individual quality of being accountable for your own actions. We all have to assume our obligations and understand the impact our actions have on others and on the organization where we operate. It implies understanding that the success or failure of our organization depends on our individual actions and taking responsibility for them.

*"Regardless of the duties each one performs, ALL employees are responsible for the Company's success. Facing more and more new challenges, being responsible consists of knowing how to deal with the difficulties of daily life, defining concrete goals in the management of the present, to maximize individual potential with the resources available and to identify and disseminate alternatives and solutions. We all have RESPONSIBILITY for small day-to-day actions that are reflected in our work environment."*

**Bernardete Dias**

Accounting and Taxation – Secil Corporative



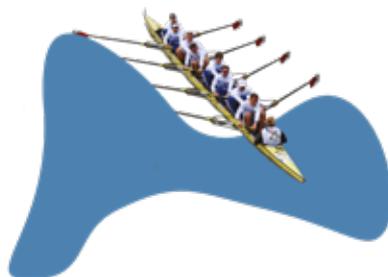
## Performance

We all have to be completely focused on and aligned with the objectives we intend to achieve. We constantly maintain high productivity standards. We face difficult challenges quickly, directly and effectively.

*"PERFORMANCE means constantly seeking excellence in the performance of our processes and increasing productivity through a focus on results. In my day to day, I seek the best performance by managing my routines, finding improvements in processes and committing to meet deadlines and goals that have been defined."*

**Antenor Viotti Neto**

Commercial – Supremo Cements



## Collaboration

Only if we work together, helping and cooperating fully, can we ensure that the objectives we set are met. Together we are stronger and can achieve results in a sustainable manner.

*"The COLLABORATION value means Gaining Partners – creating a partnership bond with colleagues is one way we have to achieve a connection that goes beyond the workplace. Building a Help Chain enables us to perfect processes within the company and, consequently, enhance quality. Gaining Respect – your behavior serves as an example for others, thus creating a pleasant environment with colleagues. Improving the Experience, Collaborating with colleagues, albeit in a simple way, makes for a more pleasant and more harmonious daily life. So we Work Happily because happiness comes from choosing to learn to share and build experiences."*

**Severino Mariano**

IT and Information Systems – Secil Lobito

## Internal Code of Conduct Reflects our daily behaviour

The Code of Conduct brings together a set of principles and rules applicable to all employees of the Secil Group.

It ensures compliance with high standards of business ethics and personal integrity by all the people who make up the Secil Group and the Group itself, whilst exercising its activities.



# 02.

## **SECIL, WE CREATE VALUE WITH SUSTAINABILITY**

- 2.1. SUSTAINABILITY POLICY
- 2.2. INVOLVEMENT WITH  
STAKEHOLDERS
- 2.3. MATERIALITY ANALYSIS
- 2.4. GOVERNANCE AND RISK  
MANAGEMENT
- 2.5. RESPONSE TO THE SDGs
- 2.6. 2020-2030 COMMITMENTS



There are 14 materiality topics most relevant to Secil, according to its Stakeholders

## SECIL, WE CREATE VALUE WITH SUSTAINABILITY



To meet today's challenges and in line with the sector, we remain committed to Sustainability.

As a responsible company, we want to work with sustainable processes, assuming a pact with the highly demanding standards in terms of Sustainability and Corporate Social Responsibility. Aware that our growth is directly related to the sustainability of our actions, we have made significant investments in the innovation of production processes and products, training of our human capital and in the connection with the surrounding communities.

Recently, after completing the materiality process, we started to design a plan for the future, in line with the Global Cement and Concrete Association (GCCA), and established a set of 10 commitments that we want to see fulfilled by 2030. We are currently working on setting goals for this roadmap.

*The **Protection** of the **Planet** and of our **People**, the focus on **Innovation** and on the **Sustainability** of our **Products**, and the **Satisfaction** of Our **Customers**, are the **foundations of our strategy**, and support the **Business of the Secil Group, today and in the future.***

### Tunisia committed to Sustainability Cement leaders' commitment to the future

Société des Ciments de Gabès, represented by its CEO, took part in the meeting on "Sustainable development of Tunisia's cement industry, held in April 2019 and organized by the National Chamber of Cement Producers (CNPC) and the Tunisian cement industry (UTICA).

At this meeting, a Charter of sustainable development and social responsibility of Tunisia's cement industry was signed, in the presence of the Tunisian Minister of Industry and other authorities.

With the signing of this Charter, together with other leaders of cement companies, members of the CNPC, Secil committed to support sustainable development and to work on solutions for the energy transition and the limitations of greenhouse gas emissions.



# SECIL, WE CREATE VALUE WITH SUSTAINABILITY

## 2.1. SUSTAINABILITY POLICY



### How are we committed?

Secil is committed to Sustainability, seeking to match its economic performance with environmental respect and responsible citizenship.

The response to global climate change involves reducing the carbon intensity of the production, the circular economy and promoting biodiversity, challenges that we accept and will overcome, with ongoing creation of economic value in a context of globalization. In the communities in which we operate, we aim to exceed and integrate the expectations of our stakeholders.

Secil integrates international institutions and partnerships that also assume this same commitment, achievable through sustainable development goals.

Our Sustainability Policy defines our goals and prioritizes our actions to contribute to a better life on a planet for all mankind.

Consult our Sustainability Policy at:  
[www.secil-group.com/sustentabilidade/politicas/](http://www.secil-group.com/sustentabilidade/politicas/)

### PRIORITY AREAS

#### ECONOMIC AND FINANCIAL

- We create value for our shareholders, customers, employees, suppliers and other partners.
- We seek profitability and the financial balance of our operations in order to ensure the continuity and development of the business.

#### SOCIAL

- We enrich the communities where we operate, through job creation, local hiring and community involvement.
- We embrace talent, equal opportunities and diversity of our employees, by promoting equity.

#### HEALTH AND SAFETY

- We believe that Health and Safety are core values integrated into all our activities.
- We ensure the means of protection and prevention for all employees, fostering a Health and Safety culture.
- We are committed to ZERO harm to our employees, contractors and communities where we operate.

#### ENVIRONMENTAL

- We make responsible use of natural resources and energy, promoting circularity throughout the life cycle of products.
- We aim for carbon neutrality through the use of alternative fuels, secondary raw materials and the development of low-carbon products and solutions.
- We promote the vitality and balance of the ecosystems in which we operate, as well as landscape recovery, protecting biodiversity.

#### PRODUCT AND INNOVATION

- We innovate continuously with new manufacturing and management processes, creating safe solutions and quality products that give rise to more value for the Company, the Customer and the Society.
- We value the application of best production and control technologies, aiming at a more efficient and cleaner production.

# SECIL, WE CREATE VALUE WITH SUSTAINABILITY

## 2.2. INVOLVEMENT WITH STAKEHOLDERS



### Why is this relationship a priority?

Our stakeholders are a key player in the way we manage the group's business. Secil has been promoting the opening of channels that make it possible to increasingly involve the different players that are impacted by its operations.

Within the scope of the materiality analysis, we defined the major groups representing various stakeholders, which should be heard and involved in Secil's decision-making process, in different ways. The stakeholder groups identified below were also the groups consulted for the definition of the material topics (see Chapter 2.3).





## How do we relate?

### EMPLOYEES



Newsletters, Intranet, Email

### COMMUNITY



Visits, Protocols and Sponsorship, Consultation with EMCs\*, School Councils

### CUSTOMERS



Extranet, Website Secil, Secil PRO Website and App

### AUTHORITIES



Legal Report, Meetings, Documentation Sharing

### SUPPLIERS



Meetings, Email, Telephone

### PARTNERS



Visits, Meetings, Protocols and Partnerships/ Sponsorships, Consultation with EMCs \*

\* Environmental Monitoring Committees (Portugal, Tunisia and Brazil)

### Environmental Channel Initiative Strengthening communication between the Environment areas

This initiative was launched by the environmental area of the Technical Centre (CTEC) at the end of 2018, with the aim of fostering joint learning and knowledge sharing, to achieve levels of environmental excellence by improving its performance.



Through this channel, communication is ensured between the CTEC environmental area in Portugal and the Environmental Liaison Officers of the geographies, with monthly meetings, it is possible to monitor the main environmental actions of the cement plants, identify synergies and strengthen teamwork.

# SECIL, WE CREATE VALUE WITH SUSTAINABILITY

## 2.3. MATERIALITY ANALYSIS

### What are the most relevant areas for our stakeholders and for our business?

In 2017, Secil started a process of mapping and extended consultation of its stakeholders. This project involved the main geographies of the Secil Group and its main objective was to identify the most relevant (material) topics for management and consequently for the company's sustainability report.

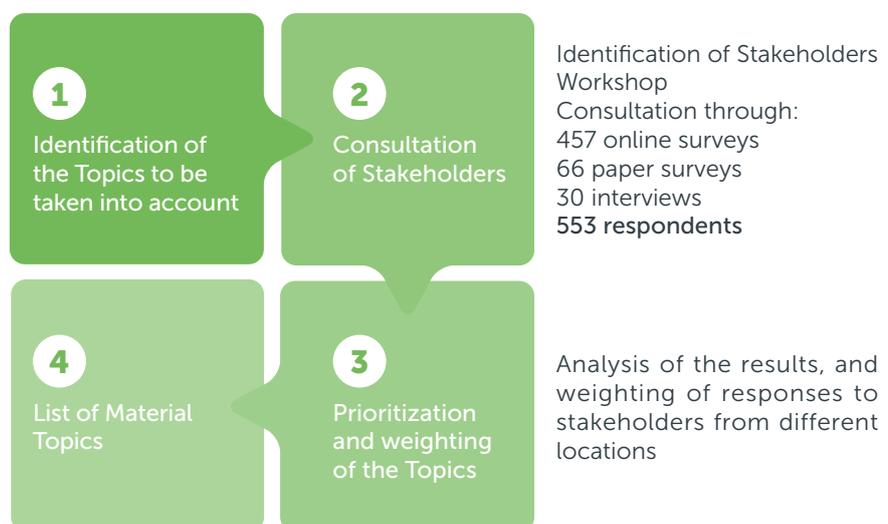
In methodological terms, this process occurred in four phases, beginning with the survey of the topics to be taken into account (phase 1), followed by the consultation of the various stakeholders (phase 2). The results were analyzed (phase 3), and it proved possible to quantify the relevance of each topic for the various stakeholders, with the elaboration of the Materiality Matrix (phase 4) including the listing of the material topics being the result of this analysis.

The project was coordinated by an internal Secil team, and supported by an external team. The coordination teams of each geography were called to intervene, at first, in the mapping of their stakeholders, who were subsequently heard through in-depth interviews or materiality questionnaires, totaling 553 people surveyed.

This process resulted in the identification of the 14 Material Topics for Secil, which may have an impact not only on the creation of economic value for the company, but also at the environmental and social level, which are manifestly important for the different groups of stakeholders that were heard. These topics are mirrored throughout this report in **chapters 4, 5 and 6.**

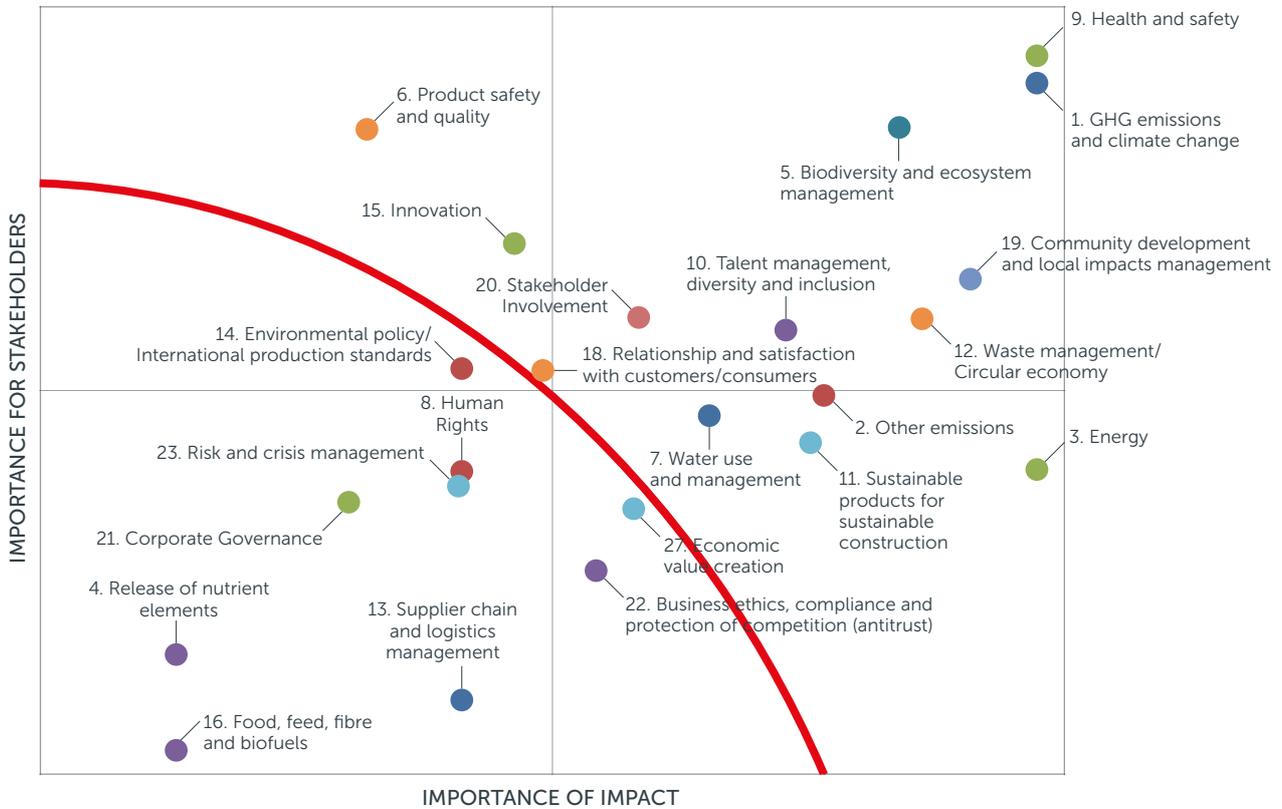
23 relevant topics from the Global Cement and Concrete Association (GCCA), formerly the Cement Sustainability Initiative (CSI)

Result of the prioritization of topics, according to their relevance to the stakeholders and to Secil  
Result:  
14 Material Topics





## MATERIALITY MATRIX



## List of Material Topics

- Health and safety
- GHG emissions and climate change
- Biodiversity and ecosystem management
- Community development and local impact management
- Waste Management and Circular Economy
- Energy
- Talent management, diversity and inclusion
- Other emissions
- Product responsibility and sustainable construction
- Involvement of stakeholders
- Water use and management
- Innovation
- Product safety and quality
- Customer relationship and satisfaction

# SECIL, WE CREATE VALUE WITH SUSTAINABILITY

## 2.4. GOVERNANCE AND RISK MANAGEMENT



### How are we managing sustainability?

In 2016 Secil created a Sustainability Committee, comprising people from various of the company's directorates.

The purpose of this structure is to identify the main topics of the sustainability agenda, both national and international, that may pose risks and opportunities for the company, as well as to define internal programs and goals related to this issue. This committee is accountable to the Charman of the Executive Committee.

This structure is also responsible for the preparation of the Sustainability Report, viewing this document as an important management and communication tool.

### Risk Management

The company conducts an analysis of its risks based on financial risk factors and operational risk factors. Risk management is conducted by the Financial Management Department, based on policies approved by the Board of Directors.

The Financial Management Department identifies, evaluates and carries out operations to minimize the financial risks, in strict cooperation with the Group's operational units.

The Board of Directors defines the principles for risk management as a whole and the policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivatives or non-derivatives and the investment of surplus liquidity.

The operational risk factors considered include several aspects, with special emphasis on the construction sector, the demand for Secil products, environmental legislation and energy costs.

## SECIL, WE CREATE VALUE WITH SUSTAINABILITY

### 2.5. RESPONSE TO THE SDGs (SUSTAINABLE DEVELOPMENT GOALS)



#### How are we responding to the SDGs?

Secil monitors and is attentive to the challenges of sustainable development. Therefore, it considers the United Nations' SDGs in its agenda. In this sense, seven priority and aspirational SDGs were identified, aligned with the other companies of the Semapa Group, in which Secil is included.

These SDGs are identified below and are illustrated with the main initiatives that have contributed over the past two years to address each of them.

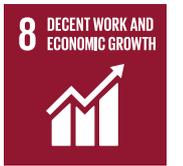


Priority SDG

Aspirational SDG

Instrumental SDG



SDGs	FRAMEWORK	SECIL'S RESPONSE
	<p>Secil is concerned with the health and well-being of its Employees, promoting specific policies and programs in these areas.</p>	<p>Training and capacitation of drivers, in Lebanon; Occupational Health programmes and various campaigns in the health and well-being area.</p>
	<p>Secil takes responsibility for promoting the personal and professional development of its employees. Attracting and retaining talent is a constant concern, given the large number of employees.</p>	<p>Support for the development of Education campaigns in developing countries such as Lebanon, Tunisia and Angola; Participation in School Councils at schools in Portugal and a various initiatives with Universities to foster research or insertion into active life, such as the Secil Universities Award; Conducting study visits to facilities, particularly to the Plants and the Cement Museum of the Maceira-Liz Plant.</p>
	<p>Secil is a reference employer both nationally and internationally and is focused on creating value, providing decent jobs, focusing on safety, training and due regard for equity.</p>	<p>Programs in Leadership and Coaching in Behavioral Safety; Program (includes Safety Roadmaps for all geographies) TME for training and capacitation of Human Capital extended to a greater number of employees.</p>
	<p>Secil companies operate in value chains with a strong local economic impact and in areas structural for society. They offer resilient solutions and products and are committed to R&amp;D, seeking to respond to future challenges.</p>	<p>Offering resilient and sustainable life-cycle constructive solutions; Technical development areas focused on process and product innovation; Support for infrastructure development in developing countries (Tunisia, Angola); Donation of computers and other technologies to social projects; Secil Innovation Award, aimed at promoting endogenous innovation.</p>
	<p>Secil has environmental impacts in its production processes, which are mitigated and controlled through its environmental management policies and systems. We are focused on efficient use of resources and on the promotion of the circular economy.</p>	<p>Efficient use of resources – water, energy and raw materials; Reduction, control and measurement of particle emissions; Reuse of materials, reduction of consumption and recycling; Development and expansion of the use of alternative fuels, not fossil fuels; Concretes with less cement incorporation and more secondary raw materials, such as cork; Development and production of thermal insulation, contributing to a more efficient energy consumption of buildings.</p>
	<p>Secil, aware of its impact on the level of CO<sub>2</sub> emissions, is committed to contributing to the minimization of climate change.</p>	<p>Strategy and actions to reduce the carbon footprint and reduce CO<sub>2</sub> emissions; Reduction of incorporations: Cement with less Clinker (Low Carbon Clinker) and concretes with less cement; Provision of a single product – cement – for society's infrastructure and its adaptation to climate change, with a particular focus on fire resistance and phenomena such as floods or storms; Preference in the use of maritime and rail transport in the movement of goods and fuels; Increased energy efficiency of equipment and facilities.</p>
	<p>Secil interacts with multiple civil society groups, in national as well as international terms. There are many established partnerships that have promoted the improvement of their performance.</p>	<p>Environmental Monitoring Committees; Secil Awards partnerships with the Architects Association and the Engineers Association; Partnerships with universities; Support for NGO and IPSS (private social solidarity initiatives) from communities surrounding the plants; In-depth institutional relationship with Local Authorities in areas of plant implementation, with financial and logistical support for various initiatives; Support for book publication of technical works or community interest works; Participation in Associations or Platforms for Business and Institutional Cooperation.</p>

# SECIL, WE CREATE VALUE WITH SUSTAINABILITY

## 2.6. 2020-2030 COMMITMENTS



### What path do we want to follow?

The Secil Group has always demonstrated its sense of responsibility regarding the impacts of its operations, not only on the environment, but also on the communities, and especially on their people. Now, companies are increasingly making commitments, either individually or at the sectoral level, and Secil is part of this movement.

In this sense, Secil has aligned itself with the sector, and began an internal process in order to establish concrete objectives, with related targets, in order to reduce or offset the impact of its operations. This process resulted in 10 commitments that Secil intends to meet, within the 2020-2030 horizon, with concrete indicators for which it will set goals.

This roadmap aims to respond to the topics considered material by the stakeholders, as well as to the areas in which the sector is focusing, established by the Commitments Charter of the Global Cement and Concrete Association (GCCA) and, at the same time, to contribute to the achievement of the Sustainable Development Goals of the United Nations.

Secil is currently working on defining the Group's goals, based on the commitments of the various geographies. The goals assumed, and Secil's performance in their fulfilment, should be presented in the next sustainability reporting cycle.



## 2020-2030 COMMITMENTS

	AREA 	OUR COMMITMENTS 2020/2030	ALIGNED WITH SUSTAINABLE DEVELOPMENT GOALS
Pillar Health and Safety	 OUR PEOPLE	1. Apply the GCCA guidelines for best practices in Safety	 
		2. Promote the sharing of best practices in Health and Well-being	 
Pillar Climate Change and Energy	 PROTECTION OF THE PLANET	3. Define a strategy to mitigate climate change, with the publication of concrete goals and their evolution	
Pillar Environment and Nature		4. Implement the guidelines for the Environment and Nature	
Pillar Circular Economy		5. Establish reduction targets for emissions and publish their progress	 
		6. Promote circular economy principles in the value chain	 
Pillar Social Responsibility	 INVOLVEMENT WITH THE COMMUNITY	8. Publish the Code of Conduct that incorporates the international principles of human rights	
		9. Implement the guidelines for evaluation of social impact	 
		10. Establish a process of systematic dialogue with the stakeholders	



## International Partnerships Following the Sector in the Best Sustainability Practices

For Secil it has always been very important to be present and take part in the activities of the most relevant cement associations.

Initially, it was a member of the CSI since 2003, having first signed the sustainability commitment charter in 2009.

CSI – Cement Sustainable Initiative – was founded in 1999 as an initiative within the WBCSD – World Business Council for Sustainable Development, by three cement groups: Cimpor, Holcim and Lafarge, to pave the way for a more sustainable cement industry.

In 2018, the GCCA – Global Cement and Concrete Association – succeeds the CSI and starts the development of its activities and work groups during 2019. From the outset, Secil joined the GCCA as a member, sharing its goals and lending continuity to the work to respond to the increasing challenges facing the cement industry and in particular its flagship product, concrete.

### THE GCCA WORK PROGRAM

The GCCA's work is based on six main areas:

1. Health and Safety in the Cement and Concrete Industry
2. The Future of Construction and the Role of Concrete
3. Concrete Sustainability Value
4. Guidelines for Concrete
5. Innovation in Cement
6. Best Practices and Reporting on Cement



*"GCCA aims to drive responsible industry leadership in the manufacture and use of cement and concrete and will strive to improve the global social and environmental impact of the sector's activities and products. Another aim is to foster innovation and collaboration with industry associations and inspiring architects, engineers and innovators across the globe and along the length of the built-environment value chain."*

[www.gccassociation.org/](http://www.gccassociation.org/)

### GCCA COMMITMENT CHARTER

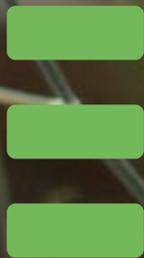
The **GCCA Sustainability Charter** is the charter of commitments that members must implement and comply with, being periodically evaluated for their performance.

The charter aims to improve sustainability performance, and identifies five key pillars covering the sustainability spectrum in the cement and concrete sectors:

1. Health and Safety
2. Climate Change and Energy
3. Social Responsibility
4. Environment and Nature
5. Circular Economy

To improve sustainability performance, GCCA Members should:

- Set goals for the five pillars of the Charter of commitments;
- Publish the sustainability performance at company level;
- Report to GCCA the sustainability KPIs at the plant level, externally verified by a third party (GCCA Table);
- Encourage the implementation of the pillars of the Charter throughout the value chain.



# 03.

## CHALLENGES TO THE GROUP

- 3.1. INTERNATIONAL TRENDS
- 3.2. DECARBONIZATION AT SECIL



Secil is attentive to a context of global sustainability

# 03.



## CHALLENGES TO THE GROUP



Companies are part of society and are therefore subject to global challenges, which present risks that must be considered in the definition of their strategy, so as to be prepared for the future.

There is also pressure from the various stakeholders for companies to respond to these challenges, and they have to be prepared to provide this response, ensuring their role in society and their own sustainability.

*There are many international trends, and Secil responds to those that directly impact its operations, including **Climate Change** and the need to **Decarbonize**, the importance of the **Protection of Natural Resources**, the preparation for the future with **Technological Advancement**, the response to **Demographic and Urban Growth** and, lastly, the latest global challenge, the Covid-19 **pandemic**.*

# 03.



## CHALLENGES TO THE GROUP

### 3.1. INTERNATIONAL TRENDS



How are we responding to the global challenges?





## Climate Change

It is assumed that the issue of climate change is a priority, and therefore was in great prominence on international agendas throughout 2018 and 2019. The so-called climate crisis has generated intense debates about its risks and has resulted in increased public awareness of this issue. Now, more than ever, civil society is pressuring governments and entrepreneurs to take steps to mitigate the effects of climate change.

The year 2019, more than 2018, was also marked by the launch of the European Green Deal, which accentuated the EU's strategy of transition to a carbon-neutral economy, and Portugal's alignment with the National Roadmap for Carbon Neutrality by 2050.

The movement towards neutrality has become a trend, with countries and companies entering into that commitment, and the cement industry sector was no exception. The Global Cement and Concrete Association (GCCA) had already launched a roadmap for the transition of the cement industry to a low-carbon economy, updated in 2018, but the commitment to carbon neutrality in the sector, at European level was announced in May 2020 through the European Cement Association (CEMBUREAU).

The Secil Group's response to this challenge can be found in chapter 3.2 **Decarbonization at Secil**.



## Technological Advancement

A trend identified by several reference organizations, the digital revolution arises without limits or borders, changing the behaviors and expectations of the stakeholders, as much as the tools used to provide new services and experiences. Of the technologies under development, we highlight artificial intelligence, augmented reality and virtual reality, blockchain, drones, the Internet of Things (IoT), use of clouds, 3D printing, among others.

**This revolution is influencing the industry, the so-called 4.0 Industry or "smart factories", and is redefining the future of work, such as changing jobs and the need for new skills.**

Companies are following this trend, fostering the creation of a more intuitive, efficient and safe environment that allows them to obtain competitive advantages. In order to drive this transition, governance bodies are launching funding programs, such as the European Commission's Digital Europe Program, which will provide around € 9.2 billion between 2021 and 2027.

Industry 4.0 has great advantages for the cement industry, enhancing the links between digital and physical processes, enabling better real-time control, monitoring and analysis, thereby achieving clear efficiency improvements throughout its value chain.

### HOW ARE WE RESPONDING?

Industry 4.0 is one of the projects included in the Secil Way Program, which consists of implementation of the Operational Model of Excellence at Secil Cement Plants, in all geographies, to achieve the best operational performance in a sustainable manner. In addition to this program, Secil has already implemented several digital applications in its day to day work, which facilitate access to information and allow for more collaborative work between employees and customers, such as the Customer Portal in Brazil.



## Protection of Natural Resources

The environmental problems we face globally, according to the European Environment Agency, are mostly the result of human over-exploitation of natural resources, including fuels (fossil), minerals, water and land.

It is therefore becoming increasingly clear that the global economic development model – based on major use of resources, waste generation and pollution – cannot be sustained in the long term.

In fact, many of these resources are used exclusively for a short period of time or become a loss for the economy when they are not valued.

**A need arises for the adoption of a circular model, which dissociates economic activity from the consumption of finite resources and waste generation.**

On the other hand, it is known that anthropogenic activities and climate change have had serious impacts on nature and on the ecosystems, as shown by the report of the World Wildlife Fund (WWF) 'Climate, Nature and our 1.5° C Future', which accentuates the urgent nature in taking measures to mitigate these impacts.

This is why, in 2019, the European Commission launched the European Ecological Pact, which provides a roadmap with actions to boost the efficient use of resources through the transition to a clean, circular economy, restore biodiversity and reduce pollution.

The CEMBUREAU, on behalf of the European Cement Sector, published a document with its contribution, with objectives ranging from carbon neutrality, and transition to a circular economy, to the preservation of the European natural capital, through the conservation of biodiversity in quarries and respect for habitats, among others.

### HOW ARE WE RESPONDING?

Aware of the impacts of its operations, Secil has been continuously working in the areas where its operations take place, in order to requalify and ensure the conservation of biodiversity and local ecosystems, as can be seen in detail in chapter 6.4 Biodiversity.

In the matter of processes and products, the company has made some advances in reducing the resources and raw materials used, incorporating the circularity of the materials in its value chain, through the use of by-products from other industries.

One example is the use of olive pomace as an alternative fuel to produce thermal energy. This, and other examples can be found in chapter 6. Protection of the Environment.



## Demographic and Urban Growth

The increase in population, the development of the emerging economies and the changes in consumption patterns represent a major challenge today. **Continued urban growth implies greater, more efficient and sustainable infrastructure planning**, so that they minimize the consumption of resources such as water and energy, or promote forms of mobility with less impact.

As it is a priority, mechanisms such as the European Green Deal covering these issues are emerging, and include actions associated with mobility and more efficient construction in its roadmap.

The Cement Industry plays an important role in promoting solutions that meet the needs of sustainable urban growth. Thus, this sector has invested in providing highly durable materials, but at the same time increase the efficiency of buildings, for example in terms of energy efficiency, and less impact on resource consumption. According to the CEMBUREAU, it is through sustainable construction and the circular economy that the industry wants to contribute to the European Deal.

### HOW ARE WE RESPONDING?

The company has an ambitious innovation concept and is working on a number of significant product developments, with a focus on sustainable construction.

Recycling demolition waste from buildings and infrastructure is a way to reduce the use of new aggregates, reducing the environmental costs arising from exploration and transport, as well as the amount of waste to be deposited in landfills.

Following a circular economy logic, Secil also uses by-products from other industries such as the cork industry, to manufacture mortars and light concrete with cork, among others. Additionally, it is developing a number of other coating and thermal insulation products that improve the energy efficiency of buildings.

The Clean Cement Line and Low Carbon Clinker Projects (**chapter 6. Environment Protection**) are projects that illustrate Secil's response to this topic.



## New Pandemic Scenario

This is a new challenge which, though not affecting the reporting period, the impacts will be felt from 2020 onwards, in social, economic and environmental terms, having been one of the 10 most impactful risks pointed out by the World Economic Forum in the 2019 global risk report.

The COVID-19 virus was detected at the end of 2019, and in March 2020 the Pandemic state was declared. This being one of the greatest public health challenges that modern society has ever faced, countries have had to take action at various levels to combat and halt the spread of this virus, from the mandatory confinement of people, the relocation of resources to health systems, the closing of borders and the stopping of most economic activities. According to the International Monetary Fund, the global economy will return to the level of the 1921 Great Depression, and millions of people will be on the brink of poverty.

This event is having a major impact on companies of various sectors, with implications throughout their value chain, and those that managed to maintain their activities, had to ensure the safety and health of employees.

### HOW ARE WE RESPONDING?

The priority at first was to organize a contingency plan that would allow the maintenance of operations while ensuring the protection of employees' health, including measures to prevent physical contact, avoid travel and meetings, and having as many employees as possible on a teleworking basis. In the distribution warehouses and shipping centres, concrete plants, quarries and industrial units employees remained at the service of the customers, with the proper precautionary procedures of hygiene and safety reinforced in all areas.

# 03.



## CHALLENGES TO THE GROUP

### 3.2. DECARBONIZATION AT SECIL



#### How are we decarbonizing Secil?

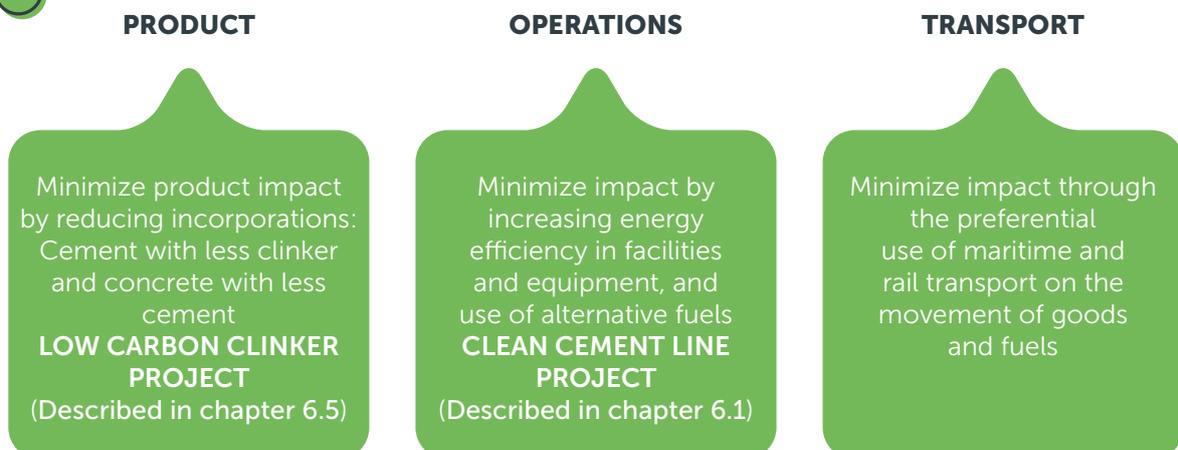
Climate awareness marked 2019, and the decarbonization topic has definitely entered the political agenda. Both at European and national level, there is a commitment to reduce greenhouse gas emissions so that the balance between emissions and removals from the atmosphere will be zero by 2050.

At the European level, through the CEMBUREAU, the cement industry sector published a roadmap aiming to make it possible to achieve carbon neutrality in 2050, with the intermediate goal of reducing total CO<sub>2</sub> emissions by 40% by 2030, compared to 1990, along the entire cement and concrete value chain.

Secil, aligned with the sector, has also committed to reduce CO<sub>2</sub> emissions associated with its value chain. From product to transportation, the company has a number of projects in progress, designed to minimize its carbon footprint.



#### SECIL'S CARBON FOOTPRINT REDUCTION STRATEGY





## Carbonic Neutrality of the Cement Industry

The Publication of the European Green Deal has set the goal of carbon neutrality as a commitment for 2050. This turning point has accelerated the need for more ambitious action by the various players, such as the cement industry. The industry has been responding through the investment in energy efficiency and reduction of CO<sub>2</sub> emissions through various projects aimed at achieving carbon neutrality.

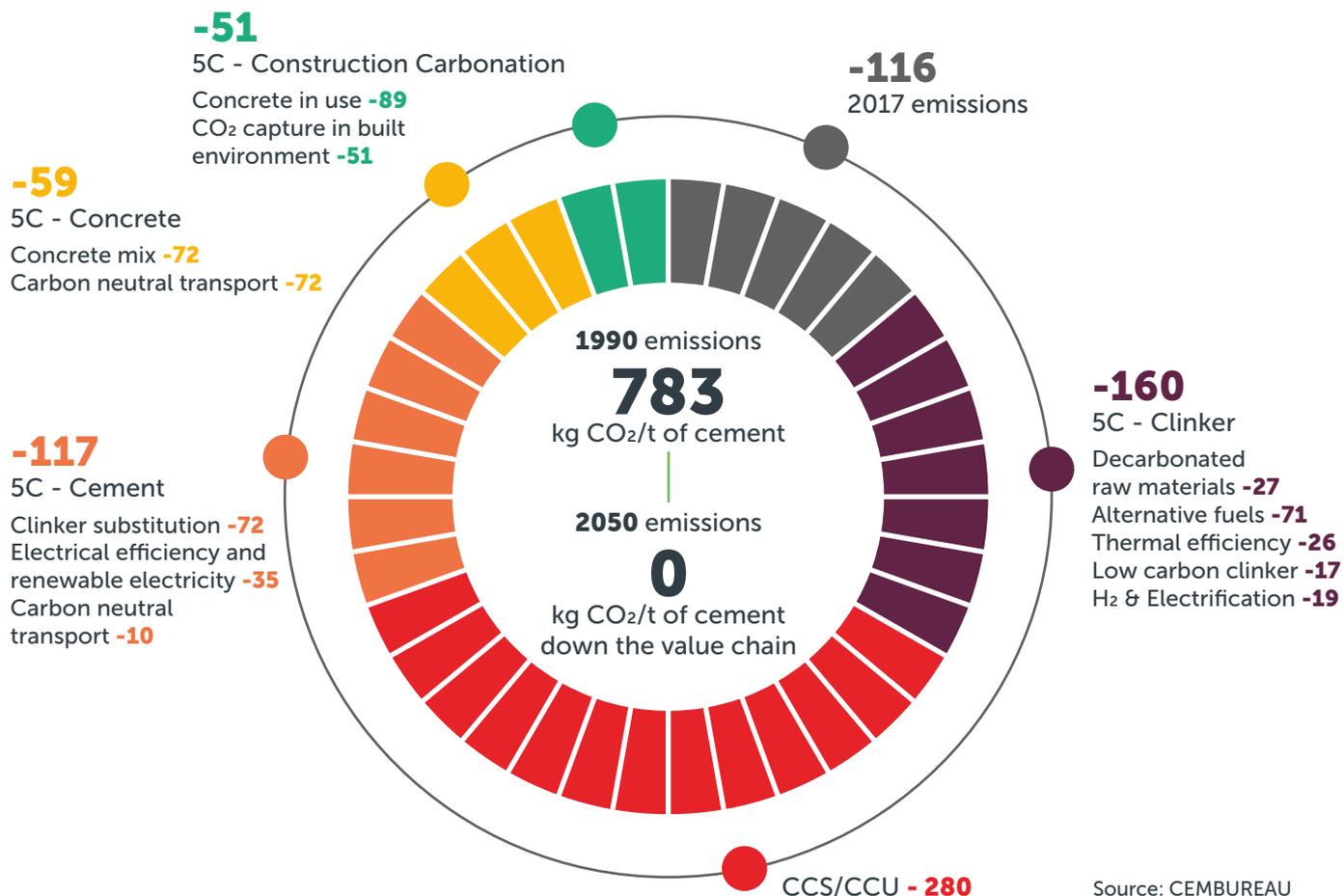
In 2013, the CEMBUREAU drew up a roadmap that established the goal of reducing the CO<sub>2</sub> emissions by 80% by 2050. In 2018, it was complemented with the 5Cs approach of the value chain – Clinker, Cement, Concrete, Construction and (Re) Carbonation.

Now the new roadmap for carbon neutrality has fine-tuned the goals already set for Clinker and Cement and set new goals for the remaining Cs in the value chain. The document also identifies opportunities for emission reductions at each stage, both at technological and policy levels.

For further information consult the documents at: [www.cembureau.eu](http://www.cembureau.eu)

### CEMBUREAU 2050 Roadmap

CO<sub>2</sub> reductions along the cement value chain  
(5C's: clinker, cement, concrete, construction, re-carbonation)





# 04.

## **INNOVATION AND THE FOCUS ON THE PRODUCT AND THE CUSTOMER**

- 4.1. INNOVATION
- 4.2. PRODUCT SAFETY AND QUALITY
- 4.3. CUSTOMER RELATIONSHIP AND SATISFACTION
- 4.4. SUSTAINABLE PRODUCTS FOR SUSTAINABLE CONSTRUCTION

We are working on the excellence of our procedures and products

# 04.



## INNOVATION AND THE FOCUS ON THE PRODUCT AND THE CUSTOMER

The markets we serve are increasingly complex, with different economic frameworks and high levels of competitiveness, so it is increasingly challenging to create distinctive competitive advantages to meet the increasingly demanding needs of our customers.

Thus, as a Group, we are focusing on improving our operational and commercial culture, in innovative ways, to not only the strengthen relationships with our customers, but also perfect the product we deliver.

### HIGHLIGHTS 2018/2019

We are transforming our Business Practices with the **COMMERCIAL EXCELLENCE PROGRAM**

The Safety of our products is a priority  
**TRANSPARENCY IN THE PRODUCT** above all

We continue to work on our Operational Excellence, through the **SECIL WAY Program**

Implemented in Portugal, and ongoing in Brazil, Lebanon and Tunisia

#### ASSOCIATED SDGs





# INNOVATION AND THE FOCUS ON THE PRODUCT AND THE CUSTOMER

## 4.1. INNOVATION

### Why is Innovation a priority?

For Secil, innovation is linked to its current strategy in an effort to improve not only its products, but also its internal processes and operations.

This process of searching for innovation has become vital for Secil's sustainability, in order to prepare for the future, and meet the needs of its customers and, especially, of society.

### Secil Innovation Award Enhance Innovation through our People

The Secil Innovation Award is a contest that rewards the innovative ideas of our Employees, contributing to the ongoing improvement of the company, and promoting recognition of these ideas and of their authors. The first edition took place in 2017, and it is now in its 3rd Edition.

In 2018, the edition had 25 participants whose ideas reached the finals stage, of which three received honourable mentions. The winning project in this 2nd Edition, which is fully linked with the transition to a 4.0 Industry was an "App with artificial intelligence directed at the concrete transport service".

In the 3rd edition, in 2019, the Executive Committee decided to distinguish two ideas and awarded them both with the Secil Innovation Award; the first would allow for the improvement of efficiency in the disassembly and assembly of buckets in the vertical clinker and cement lifts; the purpose of the second was to perform the treatment of the decanted water from the concrete plants.



## WHAT ARE WE DOING?

### **SECIL WAY – Operational Excellence Innovation through integrated process improvement**

The Secil Way Program is the implementation project of the Operational Model of Secil Cement Plants, in all geographies, to achieve the best operational performance in a sustainable manner.

#### Objectives:

- Generate high organization capacity in the plant to support high performance at the lowest possible cost;
- Ensure excellent safety performance;
- Ensure high product uniformity.

*“The SECIL WAY brought us greater focus on the achievement of performance indicators, greater and better alignment of teams and an improvement in communication and information sharing within the team and between the various areas.”*

#### **Ana Paula Costa**

Manager of the Maceira and Pataias  
Cement Plants – Portugal

## PHASES AND PROGRESS IN THE GEOGRAPHIES



# 04.



## INNOVATION AND THE FOCUS ON THE PRODUCT AND THE CUSTOMER

### 4.2. PRODUCT SAFETY AND QUALITY



#### Why are Product Safety and Quality priorities?

The focus on the safety and quality of its products is one of Secil's top priorities. This applies to the Group's entire product portfolio. It is assumed that quality is built up right from the beginning of the product's life cycle, taking into account the customers' demands and compliance with all regulations and requirements related to the sector.

Secil has internal and external recognition by accredited laboratories, for its good professional practices and the quality of its tests and services provided.



**SAFETY DATA SHEET**  
CEMENT

**Section 1**  
Substance / Mixture and Company

**1.1 Product or Substance Identification**  
This Safety Data Sheet applies to the cement listed below, produced or marketed by the Company, without prejudice to being applied to other types of cement that the Company may produce and sell in the future.

- PORTLAND CEMENT CEM I (52.5R) and SUPRATER (Portland Cement CEM I) / A-L 42.5R
- ROBOCETEX (Portland Limestone Cement CEM II) / B-L 32.5N
- PORTLAND LIMESTONE CEMENT CEM II / B-L 42.5R
- PORTLAND LIMESTONE CEMENT CEM II / B-L 52.5N
- PORTLAND CEMENT CEM IV / A IV 32.5R SR and CEM IV / B IV 32.5R SR
- WHITE PORTLAND CEMENT CEM III (52.5R) (B)
- ARCHITEX (White Portland Limestone Cement CEM II) / A-L 52.5N (B)
- LUMINA (White Portland Limestone Cement CEM II) / B-L 32.5R (B)

**1.2 Relevant identified uses of the substance or mixture and uses advised against**  
**Relevant identified uses**  
Cements are used in industrial facilities in the production / formulation of hydraulic binders to be applied in building and construction works, such as ready-mixed concrete, mortars, renders, grouts, stucco, as well as precast concrete.  
Cement and cement-containing mixtures (hydraulic binder) are used, in addition, by professionals and by consumers in the production of construction materials and in construction activities, indoors or outdoors. The identified uses for cements and cement-containing mixtures include dry products and wet suspension products (paste).

**Uses advised against**  
Any other use not mentioned above.  
See Section 10 for a complete list of uses.

**1.3 Identification of the supplier of the Safety Data Sheet**  
SECIL - Companhia Geral de Cimento, S. A.  
Quilão - P. O. Box 71  
2905-854 Salazar  
apostolom@secil.pt  
www.secil.pt

**1.4 Emergency telephone numbers**  
European Emergency Number: 112

**Section 2**  
Hazards Identification

**2.1 Substance or Mixture Classification**  
According to Regulation (EC) No. 1272/2008 (CLP)

Hazard Class	Classification	Signal Word
Skin corrosion / irritation	2	H315: Causes skin irritation
Serious eye damage / eye irritation	1	H318: Causes serious eye damage
Respiratory / skin sensitivity	1B	H317: May cause allergic skin reaction
Toxicity to specific target organs - single exposure	3	H335: May cause respiratory irritation

**2.2 Label Elements**  
According to Regulation (EC) No. 1272/2008 (CLP)

**Hazard pictogram**

**Signal word** Danger

**Hazard statements**  
H315: Causes skin irritation  
H318: Causes serious eye damage  
H317: May cause an allergic skin reaction  
H335: May cause respiratory irritation

**Recomendações de prudência**  
P201: Se for necessário consultar um médico, mostre-lhe a embalagem ou o rótulo.  
P202: Manter-se fora do alcance das crianças.  
P273: Evitar libertar substâncias no ambiente.  
P280: Usar equipamento de proteção individual de proteção/proteção ocular/proteção facial.

**Revised date:** May 21, 2020 Version: V07

#### WHAT ARE WE DOING?

#### Transparency in the Product We provide all the information about our products

We reliably and systematically guarantee the quality level of products and services required by our Customers and other stakeholders, through the organization of processes and the technical capabilities of our Employees.

To promote a foundation of trust in its products, Secil provides customers and the general public with performance information and safety data. It is important to provide the necessary tools to the users of the company's products, and thus promote the quality and safety of their use.

Information available at:  
<http://www.secil-group.com/centro-de-documentacao/produtos/>



### Why are Customer Relationship and Satisfaction priorities?

Customers are one of Secil's main priorities, focused on the proximity of the relationship and their satisfaction regarding the products and services the company provides them with. Secil has been promoting a customer-centric culture, aligning its offer of goods and services with their needs, allowing for long-term results to be maximized.

Internally, it has implemented a culture of excellence, to disclose and ensure the sharing of best practices and to systematically assess the performance of the commercial management of each business unit.

## INNOVATION AND THE FOCUS ON THE PRODUCT AND THE CUSTOMER

### 4.3. CUSTOMER RELATIONSHIP AND SATISFACTION

#### WHAT ARE WE DOING?

##### **Commercial Excellence** **The best for our customers**

Since 2017, the Secil Group has been developing the commercial excellence area, the main goal of which is to design and implement best practices that will improve commercial efficiency, maximizing results and constantly satisfying customers' needs. Thus, it is possible to ensure alignment with current trends and identify future tendencies in each operational market, in anticipation of the possibility of developing competitive advantages and drawing up value propositions that are recognized by our customers.

Best practices may include programs to consistently adjust prices, the effectiveness of the sales force, the product mix, the customer lifetime value, the customers' experience and the distribution management.



## Commercial Excellence Project Perfecting our commercial strategy

This is an integrated transformation project of commercial practices through perfecting the marketing strategy and the skills of sales teams, ensuring a commercial organization of excellence.

To promote and ensure the sharing of best practices and systematically evaluate the performance of the commercial management of each business unit, in each geography, an evaluation model was created, based on 5 pillars:

1. Sales Activities
2. Market Management
3. Performance
4. Team Management
5. Customer Centricity

In order to allow for uniformity of performance of the commercial management of the Secil Group, minimum maturity standards were defined for each activity.

Whenever there are deviations between the standards and the assessment results, corrective measures will be defined and planned to ensure minimal performance established. In this way, it will be possible to ensure a standard level of performance of the commercial activity within the Secil Group.

As part of the activities of the Commercial Excellence Project, Secil has developed a project entitled Customer Understanding, the main objective of which is to improve knowledge of customers and the cement market.

In this sense, lending continuity to the quality perception poll conducted in 2015, a new market study was conducted not only to assess the perception of quality among Secil customers, but also to analyze the key purchasing factors and compare them with the competition.

The latest study, conducted in 2019/2020, is more profound since it analyzes more factors, thus providing more and better information about the level of customer satisfaction.

The 2020 results show a clear improvement in customer satisfaction, with regard to product quality and overall relationship/handling of complaints, when compared with the 2015 results.

# 04.



## INNOVATION AND THE FOCUS ON THE PRODUCT AND THE CUSTOMER

### 4.4. SUSTAINABLE PRODUCTS FOR SUSTAINABLE CONSTRUCTION

#### Why are Sustainable Products and Sustainable Construction priorities?

The cement industry has an essential role to play in the future of construction. Working throughout the products' life cycle so that they have as little impact as possible is this industry's goal, as well as Secil's.

The company has an ambitious innovation concept and is working on a number of significant product developments, centered on sustainable construction, including the focus on the circular economy and promotion of solutions that encourage more efficient and sustainable construction.

#### WHAT ARE WE DOING?

##### Minimize the Impact of Our Products Contribution to the reduction of CO<sub>2</sub> emissions

Secil is aligned with the sector and is working to respond to the European Green Deal, gradually integrating the circular economy into its processes. An example is the Low Carbon Clinker Project presented in **chapter 6**, which promotes the reduction of the amount of raw material in clinker production, through the incorporation of by-products of other industries. This practice leads to a reduction of the carbon footprint per tonne of product produced.

At production level, Secil is also testing a pilot project, the Clean Cement Line, which will lead to the development of a clean cement production line, which essentially seeks to eliminate the dependence on fossil fuels. This project is described in **chapter 6**.

On the other hand, during the phase of use of concrete, there is a contribution, namely the so-called recarbonization, where part of the CO<sub>2</sub> emitted during the production of the cement is reabsorbed. After the end of its life cycle, the concrete is a fully recyclable product, fit for other applications.



## Sustainable Products

### Cork as an ally in sustainable construction

The focus on product innovation has been evident, not only in the use of more sustainable materials, but also in the improving performance and the contribution of these products in various applications. Considering a circular economy logic, Secil also uses by-products from other industries such as the cork industry, to manufacture mortars and light concrete with cork, among others. Additionally, it develops a number of other coating and thermal insulation products that improve the energy efficiency of buildings.

Some examples of this are:

#### ECOCORK LIME

ECOCORK LIME is a thermal insulation plaster made exclusively from Natural Hydraulic Lime, (binder with capacity to absorb CO<sub>2</sub> during the drying process), and natural and renewable lightweight aggregates in the form of expanded cork granules. This thermal plaster provides high thermal comfort in buildings, contributing to the protection of old and historic buildings, promoting their durability.

Natural Hydraulic Lime combined with the cork is synonymous with high environmental performance and improvement of the building's thermal and acoustic performance. Since it is a light product, it allows high output on site, reducing the amount of materials used per construction area.

ECOCORK LIME is a water vapour permeable solution, with high durability, excellent performance in ice/defrost cycles and excellent deformability. This product is a solution to increase the energy efficiency of buildings, especially older ones.

#### UNILEVE® WHITE CORK CONCRETE

Lightweight architectural concrete with cork aggregates is a structural concrete where naturally expanded cork granules are incorporated and it is manufactured with white cement for application on exterior facades of buildings.

The introduction of cork aggregates results in a lighter concrete, with improved thermal/acoustic characteristics, combining the resistance and beauty, with the lightness, durability and thermal and acoustic insulation of cork.

The substantial reduction of the weight of the structure allows for gains in terms of structural optimization, namely through the use of larger spans and more slender sections, conferring varied aesthetic effects. On the other hand, the excellent insulating properties of cork result in the reduction of thermal conductivity of concrete and improved acoustic performance. The use of granules from the recycling of cork makes this concrete an ecological and fully recyclable material, contributing to the sustainability of the construction.



## Sustainable Construction

### Fostering partnerships to innovate in construction

Sibline, in partnership with NAUE secugrid®, created a more sustainable solution for the soil stabilization in an 8 meter deep excavation, as an alternative to the traditional reinforced concrete system. The combination of Sibline concrete blocks and the NAUE secugrid® containment grids created an effective barrier with a height of 8 metres and a length of 30 metres, in an excavation in Lebanon.

This engineering project included a chimney drainage system to annul any hydrostatic pressure applied to the barrier, as well as filling the hollow part of the concrete blocks with gravel to ensure drainage. For this project about, 3000 concrete blocks with 2300 m<sup>3</sup> of secugrid® were used.

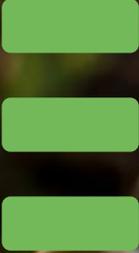


## SECILTEK Family

### Focus on our products' awareness

With just over one year of existence and already having relatively high awareness levels, SECILTEK managed to create, through the dissemination of the brand by our teams and with recognition from our customers, applicators and prescribers, the SECILTEK family concept within the market, a theme that served as the motto for the new communication campaign, started in June 2019.

Besides the launch of a new website, with simple and intuitive navigation, which places customers at the centre of the digital strategy, the company also decided to focus on the social networks Facebook and LinkedIn, thereby strengthening SECILTEK's position on digital platforms. The new multimedia campaign will also be present on television, billboards, in specialized press and in our resellers' points of sale.



# 05.

## OUR PEOPLE

- 5.1. HEALTH AND SAFETY
  - 5.2. TALENT MANAGEMENT
  - 5.3. DIVERSITY AND INCLUSION
- 

In 2019, Secil had 2417 Employees in all the geographies

# 05.



## OUR PEOPLE



Secil is the People who daily contribute to the company's operations and allow our products to be marketed successfully. As a People company, we are determined to make our human capital one of our priorities.

Committed to ensuring not only the **Health and Safety** of all employees, but also **Talent Management**, investing in its development.

The presence in various geographies, in very distinct communities, leads us to value the **Diversity**, intrinsic by nature, and enhances the need for the **Inclusion** of all.

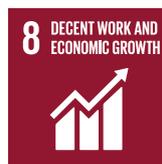
### HIGHLIGHTS 2018/2019

Over the past 2 years we have continued to raise awareness of a **Culture of Safety** through the **SAFETY AMBASSADORS**

We involved **200 employees** in the **BUILD UP PROGRAM**

We maintained a **CULTURE OF DIVERSITY AND INCLUSION** within our Human Capital

#### ASSOCIATED SDGs



## OUR PEOPLE

### 5.1. HEALTH AND SAFETY

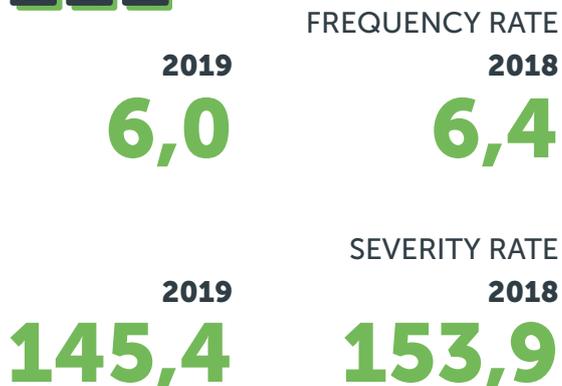


#### Why is Health and Safety a priority?

Secil considers Health and Safety fundamental values which must be safeguarded in all its activities. The work we develop aims to achieve the goal of zero harm to employees, contractors and communities.

All employees receive regular training in order to carry out their job as safely as possible.

Each person is responsible for adopting safe behavior and applying it to all activities, making Safety a way of being.



#### OUR 2020/2030 COMMITMENTS

1. Apply the GCCA guidelines for best Safety practices
2. Promote the sharing of best practices in Health and Well-being





## WHAT ARE WE DOING?

### **Safety Roadmap** **To build a Culture of Safety**

Since 2017 the Safety Roadmap, a global and transversal tool, is being carried out in all geographies, aiming unify the Secil Group's strategy regarding Occupational Health and Safety.

This tool has enabled the creation of a common language within the Group with regard to this matter, and includes the development and implementation of a set of measures by 2020.

Each geography has its own roadmap with specific as well as common measures common to the group, and is responsible for their implementation, with its progress being analyzed quarterly by the Safety Committee.

The measures must contribute to the defined pillars:

- Leadership
- Operational Safety and Critical Activities
- Corporate Procedures
- Communication and Reporting
- Training

## MAIN OBJECTIVES OF THE SAFETY ROADMAP ACTIONS

### **ENSURE**

that matters relating to Occupational Health and Safety are a priority of the facility to be implemented systemically

### **IMPROVE**

the communication and disclosure of safety issues

### **PUBLICIZE**

that matters relating to Occupational Health and Safety are a priority of the facility to be implemented systemically

### **ESTABLISH**

the responsibilities of managers and supervisors relating to Occupational Health and Safety

### **IMPLEMENT**

Safety rules and procedures for the various operational activities, particularly for key activities

### **DEFINE**

implement risk analysis tools and techniques

### **ASSIGN**

competencies to employees in the Safety area through technical and behavioural training





## Leading with Safety Program Safety Ambassadors

The "Train-The-Trainer" project was one of the most important measures in 2019 for the change of Safety Culture throughout the Secil Group.

The project began with 10 employees from different areas and geographies, through a program developed in partnership with an external company, in order to enable participants to conduct training sessions in "Safety Leadership". By the end of the Project, Secil had trained 30 of its employees.

The topics covered in this Program ranged from concepts of what Safety is, monitoring and reporting, and above all, human behavior, attitudes, what defines a culture, or how leadership is characterized.

The goal was that these employees – now known as Safety Ambassadors – were qualified to lead one-day sessions, with all Group employees, at various levels of the company, even supervisors and pass on that knowledge.

These Ambassadors were responsible for 45 sessions held in all geographies, with a total of 560 participants, in which they overcame the challenge of transmitting the behavioral side of safety.

In 2020 the programme will be extended to all other employees, including contractors.

**30** Ambassadors

**45** Sessions

**21** in Portugal

**2** in Angola

**9** in Brazil

**7** in Lebanon

**7** in Tunisia

**560** Employees Involved

## SECIL Leading Indicators Project Measuring Safety Performance

Knowing that the vast majority of accidents at work have causes related to people and their behaviors, in 2015 Secil started a series of projects and initiatives, in the behavioral area, to improve the Culture of Safety.

In 2018, Secil implemented the so-called "Leading Indicators". These indicators are used to measure and provide information on performance, activities and change projects.

On the other hand, they help to reveal weaknesses in the procedures of the organization and/or behavior of the employees.

There is a correlation between the "Leading Indicators" and the "Lagging Indicators", which guides us along the path of the process of change into a Culture of Safety.

Currently, this project is implemented and incorporated into the performance management of the Safety area.

# 05.



## OUR PEOPLE

### 5.2. TALENT MANAGEMENT



#### Why is Talent Management a priority?

People are Secil's most valuable asset, and the company is focused on developing the skills of its employees.

This focus is strategic and aims to raise their performance levels and thus generate value. Since it is an essential contribution to the sustainable development of the company, Secil has training centers at its cement plants located in Portugal.

#### AVERAGE TRAINING HOURS (per employee)

2019 **16,9**

2018 **9,9**



#### Secil Meeting Involving our employees

Secil believes aligned and committed People determine the success of the organization. It is in this sense that the Group's annual meetings take place, as an opportunity to align all Secil leadership in the implementation of the Group's strategy, inspiring them to commit to the necessary transformation.

In addition to sharing progress in the Culture of Safety, the RETURN project has been the central theme in these meetings. Under the Make it Happen topic, the 2019 Secil Meeting reinforced the message of the need to ensure the quality and pace of execution for the successful delivery of all RETURN projects by 2020.

#### BUILD UP Development Project To Empower Our People

This program, started in 2017, already involves about 200 employees of the Secil Group. In addition to the Individual Development Plans, several workshops were held throughout the year, aiming to develop change management skills, analysis and problem solving, and people development (emotional intelligence, communication and feedback, teamwork and conflict management).

Considerable emphasis was given on how each leader performs their roll (service leadership) and interpersonal relations.

## OUR PEOPLE

### 5.3. DIVERSITY AND INCLUSION

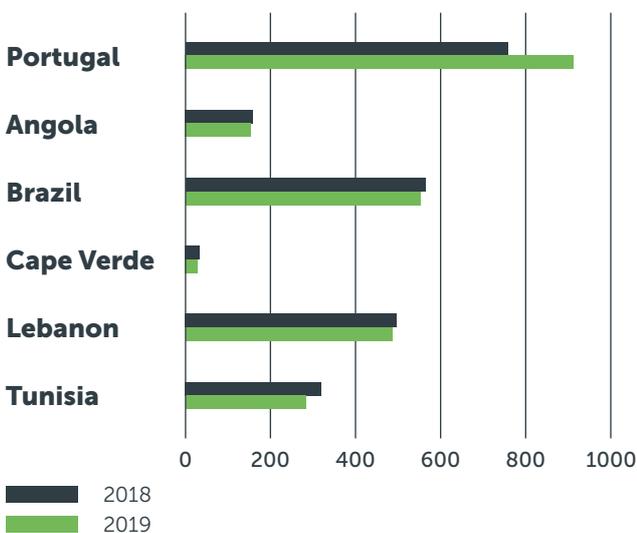


#### Why is Diversity and Inclusion important?

With over 2000 employees spread across eight geographies, on four different continents, diversity and inclusion are a daily part of Secil's operations, and contribute to the success of the Group's business. They are therefore intrinsic principles by nature, in their various dimensions, such as ethnicity, race, religion, nationality, gender, among others.

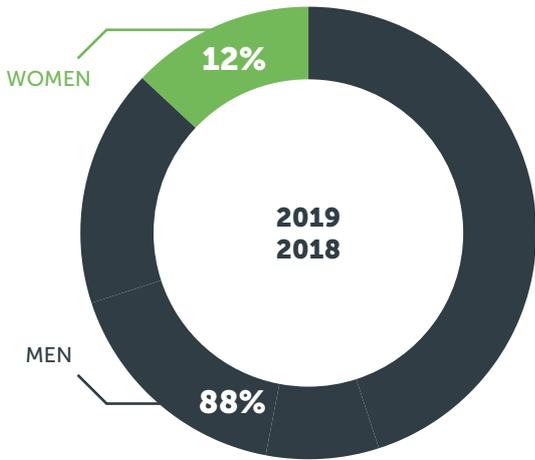
In this environment, Secil works in order to value all employees by mobilizing differences and similarities for the benefit of the organization. As a socially responsible, industrial-based company, it is essential to continuously grow a culture of inclusion and emphasize respect and well-being among all.

#### DISTRIBUTION OF EMPLOYEES BY GEOGRAPHY





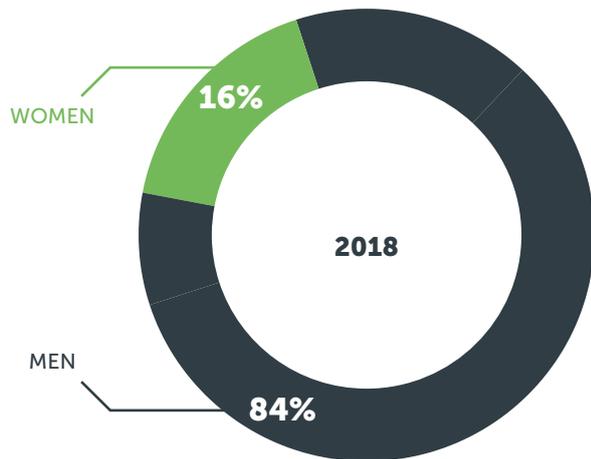
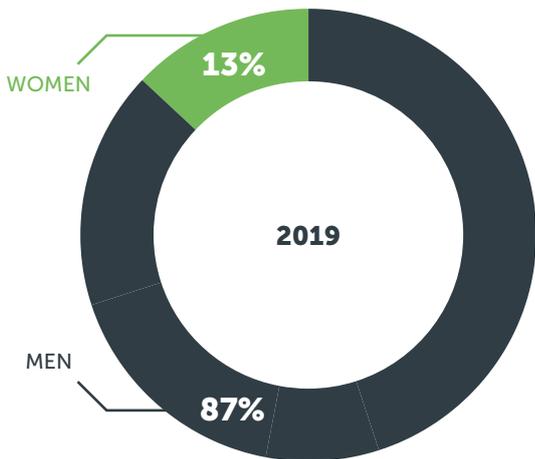
### DISTRIBUTION OF EMPLOYEES BY GENDER



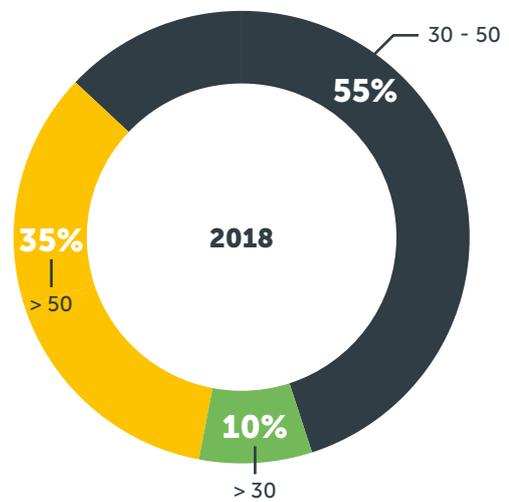
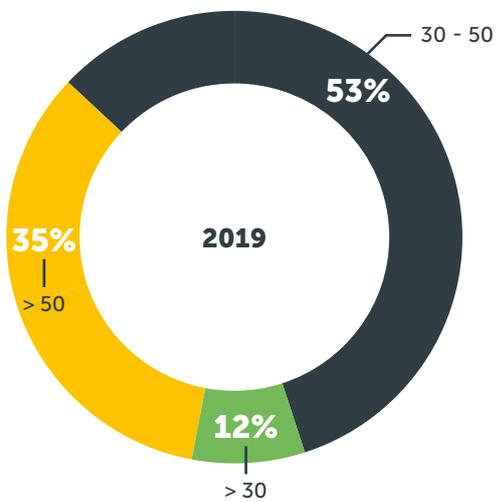
Year	WOMEN	MEN
2019	295	2133
2018	284	2044

**2019 Methodological Note:** Secil considered the Directors in the calculation of these indicators (associated with GRI standard 405-1 Diversity in governance bodies and employees), specifically 11 Directors. Therefore the data presented refers to a sample of 2428 (2417\*+11) employees. \*GRI Standard 102-8 – Information about Employees and other workers

### DISTRIBUTION OF EMPLOYEES BY GENDER IN MANAGEMENT POSITIONS



### DISTRIBUTION OF EMPLOYEES BY AGE GROUP





# 06.

## PROTECTION OF THE ENVIRONMENT

- 6.1. CLIMATE CHANGE AND ENERGY
- 6.2. ATMOSPHERIC EMISSIONS
- 6.3. WATER USE AND MANAGEMENT
- 6.4. BIODIVERSITY AND ECOSYSTEMS
- 6.5. CIRCULAR ECONOMY



In 2019, Secil consumed 45% of Renewable Energy in Portugal

## PROTECTION OF THE ENVIRONMENT



We want to ensure a standard of responsible action, that reconciles the exploitation of natural resources with the maintenance and development of the ecosystems, where Secil carries on its activities. In 2018, in addition to the approval of our Sustainability Policy, the Quality, Environment, Health and Safety Policy was revised in order to incorporate the new Mission, Vision and Values of the Group.

**Consult at:**

<http://www.secil-group.com/sustentabilidade/politicas/>

We maintain focus on mitigating the impacts of our operations through the adoption of the best available technologies and good practices, and appropriate training of our Employees. We continue to work to reduce and mitigate the effects of Climate Change, through projects aimed at reducing not only our carbon footprint, but also the rest of Emissions.

We are aware of the need to reduce resource consumption by increasing our Energy Efficiency, greater responsibility in Water Use and Management.

Reducing the use of mineral raw materials and waste production is also in our plan, with the integration of the Circular Economy into our value chain. The maintenance of Ecosystems and Biodiversity, is also one of the areas in which we are focused, in order to reduce the impact of our activities.

Since we are a responsible company and we value transparency, we regularly provide the public with data regarding our environmental performance.

### HIGHLIGHTS 2018/2019

The **CLEAN CEMENT LINE** Project will Increase of Energy Efficiency and Reduce CO<sub>2</sub> Emissions of our operations

The success of the **LOW CARBON CLINKER** Project, shows that this may be an alternative in the future of decarbonization

Between 2018 and 2019 we increased the amount of **RENEWABLE ENERGY** used, and we decreased our **WATER FOOTPRINT**

#### ASSOCIATED SDGs



## PROTECTION OF THE ENVIRONMENT

### 6.1. CLIMATE CHANGE AND ENERGY



#### Why are Climate Change and Energy priorities?

Secil has invested in reducing its balance of CO<sub>2</sub> emissions, through thermal and electrical efficiency gains, the use of alternative fuels and the development of innovative carbon-capture technologies.

Several initiatives have been implemented, aimed at reducing the carbon footprint in value chain, such as cement production with less clinker (Low Carbon Clinker) and concrete with less cement. The company has an ongoing pioneering project of sequestration and use of carbon at its Cibra-Pataias Plant in Portugal.

#### GROSS DIRECT EMISSIONS (kg CO<sub>2</sub>/t clinker)



**848** 2019  
**857** 2018

#### PRIMARY RENEWABLE ENERGY (%)

**2019**  
**24%**  
in the group  
45% in Portugal

**2018**  
**20%**  
in the group  
43% in Portugal



#### OUR 2020/2030 COMMITMENTS

3. Define a strategy to mitigate climate change, with the publication of concrete goals and their evolution
6. Promote circular economy principles in the value chain
7. Implement the guidelines for the use of fuels and raw materials in cement production





## WHAT ARE WE DOING?

### Clean Cement Line (CCL) Cement of the Future produced at Secil-Outão

The Clean Cement Line (CCL) project is being implemented at the Outão Plant, and aims to implement a clean cement line.

This project involves four R&D projects with these main objectives:

- Increased Energy Efficiency;
- Reduction of CO<sub>2</sub> emissions;
- Generation of Electrical Energy.

With an investment of around € 86 million, this project is expected to be completed by 2023, making this plant a reference at European level in energy and environmental efficiency.

The CCL was designed and will be implemented by a Secil multidisciplinary team and will be monitored by technical and scientific partners, both national and international.

### What is the CCL?

This project consists of the reformulation of the manufacturing process, which will include the implementation of a set of technologies and processes that, together, improve performance and reduce consumptions.

The interventions aim to eliminate dependence on fossil fuels and to effective reduction of specific thermal consumption through the optimization of combustion, drying of raw materials and alternative fuels, with the inclusion electricity production through the development of hybrid systems with solar thermal concentration and per Rankine cycle.

These changes will promote the development of a low carbon clinker (LCC), leading to the creation of a range of cements with a lower ecological footprint.

## GLOBAL BENEFITS



**20%**

Reduction thermal energy  
consumption



**20%**

Reduction of CO<sub>2</sub>  
emissions



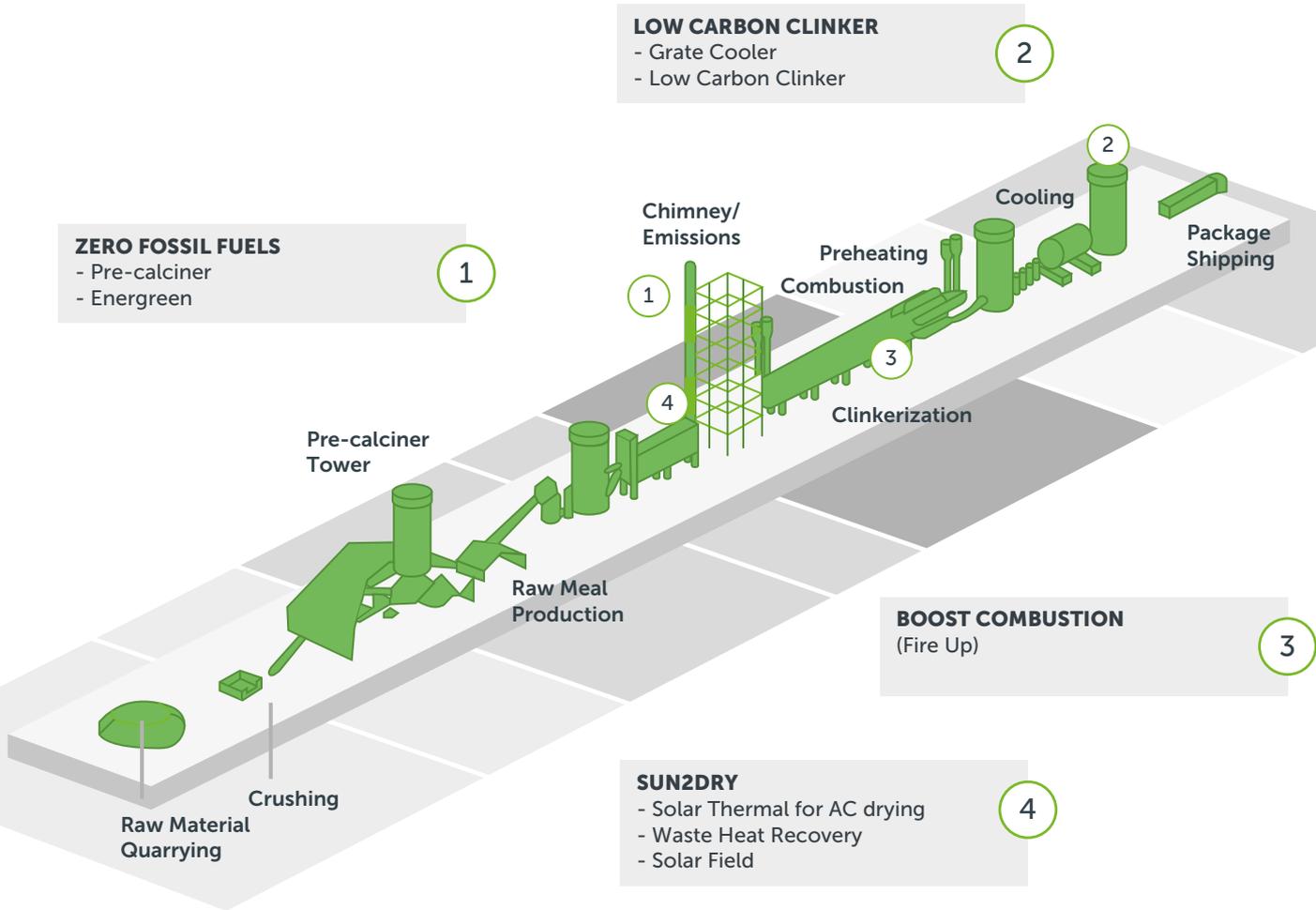
Electricity production  
that will suppress

**30%**

of the needs



## CLEAN CEMENT LINE



### Alternative Fuels

#### Energy from olive pomace

In Tunisia there is a strong olive oil industry and, consequently, a high availability of olive residues.

In 2017, the use of olive pomace – a solid residue resulting from the olive oil extraction process – as solid fuel in clinker furnaces, began in Gabès, without any need for investment. This replacement has reduced the costs and emissions associated with fossil fuel consumption.

The replacement rate in 2018 was 5%, rising to 7% in 2019.

There is also a project under development which aims to equip the plant with a facility dedicated to burning this waste and ensure the sustainability of supply through the realization of supply contracts, according to the assessment of the availability and quality of the waste.

#### ENERGY PRODUCED IN TUNISIA THROUGH THE USE OLIVE POMACE

286 271 GJ	2019
210 928 GJ	2018

## PROTECTION OF THE ENVIRONMENT

### 6.2. ATMOSPHERIC EMISSIONS



#### Why are Atmospheric Emissions a priority?

The cement manufacturing process has impacts on air quality, due to the emission of atmospheric pollutants such as Carbon Dioxide (CO<sub>2</sub>), Nitrogen Oxides (NO<sub>x</sub>), Sulphur Dioxide (SO<sub>2</sub>) and Particles.

Aware of this impact, Secil has been committed, over the past decades, to minimize it by means of various investments in order to control and reduce emissions of these pollutants.



	2019	2018
NO <sub>x</sub> EMISSIONS (t)	6744	5731
SO <sub>2</sub> EMISSIONS (t)	1506	1306
PARTICLE EMISSIONS (t)	99	32

#### WHAT ARE WE DOING?

##### Ensuring Air Quality

##### An ongoing effort to reduce the impact

Secil has been working to reduce the impact of its operations on air quality. This sense of responsibility, reflected in the continuous investment in atmospheric emissions control mechanisms, in order to be aligned with the regulations, including the installation of bag filters, low NO<sub>x</sub> burners, SNCR (Selective Non Catalytic Reduction) systems to control NO<sub>x</sub> emissions, and the injection of Lime or Calcium Hydroxide to act on the SO<sub>2</sub> emissions.

In addition to this equipment, the plants have systems for particle retention, such as electrofilters and bag filters.

Currently, all facilities are equipped with the continuous monitoring of particle and gas emissions, and spot monitoring is carried out on heavy metals, dioxins and furans.

**Note** | The calculation method in 2019 differs from that of 2018 in that, for reasons related to the operation and functioning of the monitoring equipment, the mass accounting of emissions of some facilities was made based on the results of the spot monitoring. Therefore, the 2018 and 2019 figures are not directly comparable.

#### OUR 2020/2030 COMMITMENTS

5. Establish reduction targets for emissions and publish their progress



## PROTECTION OF THE ENVIRONMENT

### 6.3. WATER USE AND MANAGEMENT



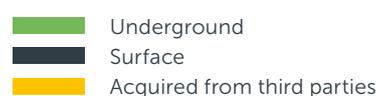
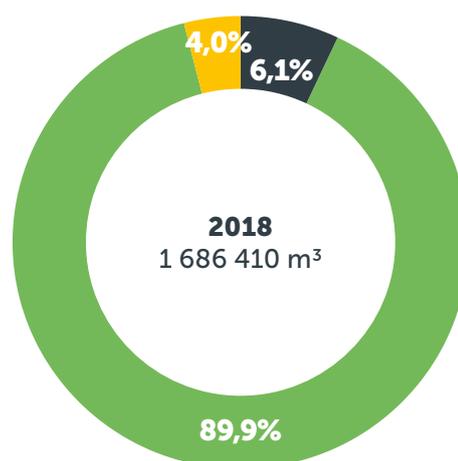
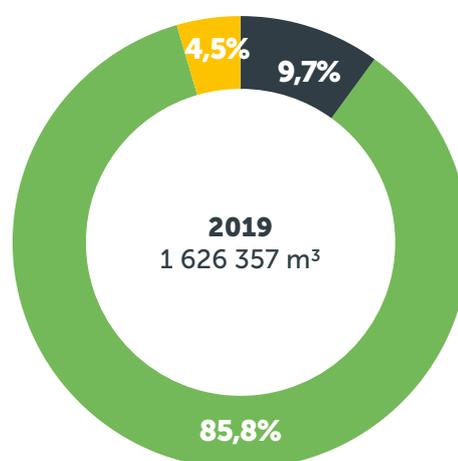
#### Why is Water Use and Management a priority?

Water management is one of the great global challenges of our time. Water is a resource shared by all, between anthropogenic activities and ecosystems and, although renewable, it is limited to the amount available on the planet. Population and economic growth results in an increase in the consumption of this resource, and it is estimated that by 2030, it will correspond to 40% of the water available on Earth. The culmination of factors such as increased consumption, pollution and climate change impacts, are placing local water resources at an unprecedented stress level.

The cement industry, although it is not a significant sector in terms of water consumption, accounts for about 2% of the world's consumption. The water used in the manufacturing process (in cooling equipment) is in a closed circuit (recycling/ reuse) and part of it is lost by evaporation.

The availability of this resource is vital for the future of operations and the sustainability of Secil's business, therefore the company's responsible use of this resource is equally important. In order to address this challenge, it is necessary to implement a water resource management strategy, through its monitoring and the definition of measures to reduce and reuse this resource, and thus minimize the impact of the company's activities.

#### WATER CONSUMPTION



## PROTECTION OF THE ENVIRONMENT

### 6.4. BIODIVERSITY AND ECOSYSTEMS



#### Why is Biodiversity a priority?

Secil recognizes and values the importance of biodiversity. In order to reduce its impact on biodiversity, the company has been developed strategies, namely through the implementation of Quarry Landscape Recovery Plans and Action Plans for the Promotion of Biodiversity.

These plans are based on the assumption that a fully rehabilitated system comprises not only the composition and structure of the plant and animal communities, but also the recovery of the functions and natural processes of the ecosystem.



#### OUR 2020/2030 COMMITMENTS

4. Implement the guidelines for the Environment and Nature





## WHAT ARE WE DOING?

### **Biodiversity Recovery at the Quarries Sharing knowledge and serving as an example**

Between May 2nd and 5th of 2018 the International Conference "Quarries Alive" took place at the University of Évora and at Secil-Outão. With the theme "Enhancing Biodiversity and Ecosystems Services in Quarries – Challenges, Strategies and Practice", this conference was coorganized by the University of Évora, Secil and the Faculty of Science of the University of Lisbon (<http://quarriesalive2018.uevora.pt/>).

The conference consisted of two days of communications, a study visit to the Arrábida Natural Park and the Secil-Outão Plant, and a post-training school "Intensive Course on Restoring Degraded Lands to Improve Biodiversity: hands on a quarry site".

Within the scope of "Quarries Alive", Secil, together with the universities, promoted the publication of a book on the work carried out in the recovery of biodiversity at the Secil-Outão Quarries. This is a unique case of intervention in the territory, over 35 years, which has already resulted in a recovered area of 44 ha.



### **Conserving Biodiversity Work carried out by Supremo Brazil**

The operations of Supremo Secil, in Adrianópolis, Brazil, are inserted in the Atlantic Forest, considered the second largest forest system in South America, after the Amazon Forest, which presents a high diversity in terms of flora and fauna.

Since the start of its operations, Secil has developed several fauna and flora preservation programmes. In the quarry area, there is a protected area of 3.6 ha of native forest, where hundreds of species have already been mapped, including 173 birds, 21 mammals, 18 amphibians and 6 species of reptiles.

In the property where the Adrianópolis Plant is located, a recovery project has been implemented on an area of 2.4 ha, a very degraded area due to livestock, and where there were very few forest remains. In this project, more than 20,000 trees native to the Atlantic Forest were planted, and it also included the reforestation of more than 40 species.

At the Supremo Secil facility in Pomerode there is a conservation area of about 1000 square metres, where monitoring of a species of monkey, considered an environmental bioindicator, known as "Bugio", is conducted. Currently, about 20 individuals are monitored.

# PROTECTION OF THE ENVIRONMENT

## 6.5. CIRCULAR ECONOMY



### Why is the Circular Economy a priority?

Covering the entire value chain, Secil regards recycling, particularly the use of demolition waste from buildings and infrastructure, as a way to reduce the use of new aggregates, reducing the use of virgin materials and environmental costs arising from the exploitation and transport of waste to be landfilled.

Additionally, it develops a set of coating and thermal insulation products that improve the energy efficiency of buildings.

Assuming the circular economy logic as its own, Secil also values by-products from other industries, such as fuel or raw material, as is the case of the cork industry, whose by-products are valued for manufacturing, for example, mortars and light concrete with cork.

### RECYCLED RAW MATERIALS (t)



**319 070** 2019

**366 315** 2018

### OUR 2020/2030 COMMITMENTS

6. Promote the principles of circular economy in the value chain
7. Implement the guidelines for the use of fuels and raw materials in cement production





## WHAT ARE WE DOING?

### **Low Carbon Clinker (LCC) Circular Economy producing low carbon solutions**

Secil is responding to the challenges of decarbonization and of the circular economy, finding innovative solutions in the production of clinker with less carbon emissions, while maintaining the characteristics of strength and durability that characterize this intermediate product of cement manufacturing.

Reducing the carbon embedded in clinker and reducing the specific energy consumption per tonne produced is possible by incorporating new materials in the final cooling phase – such as clays or fly ash, which are calcined by the clinker at high temperature, without any additional energy consumption or CO<sub>2</sub> emissions.

In this process, Secil is taking advantage of products from other industrial ranks, such as clay or ash from thermal power plants, thereby strengthening the circularity of the economy and reducing environmental impacts resulting from other end-of-life treatments.

### **At what point are we?**

Secil has already conducted very satisfactory tests of product viability, in laboratories as well as in concrete and mortar applications.

This project also has the economic advantage of being undertaken with minor investments in existing facilities, which can simultaneously produce Low Carbon Clinker and traditional Clinker.



### **Circularity in Partnership The synergy between Secil-Britas and The Navigator Company**

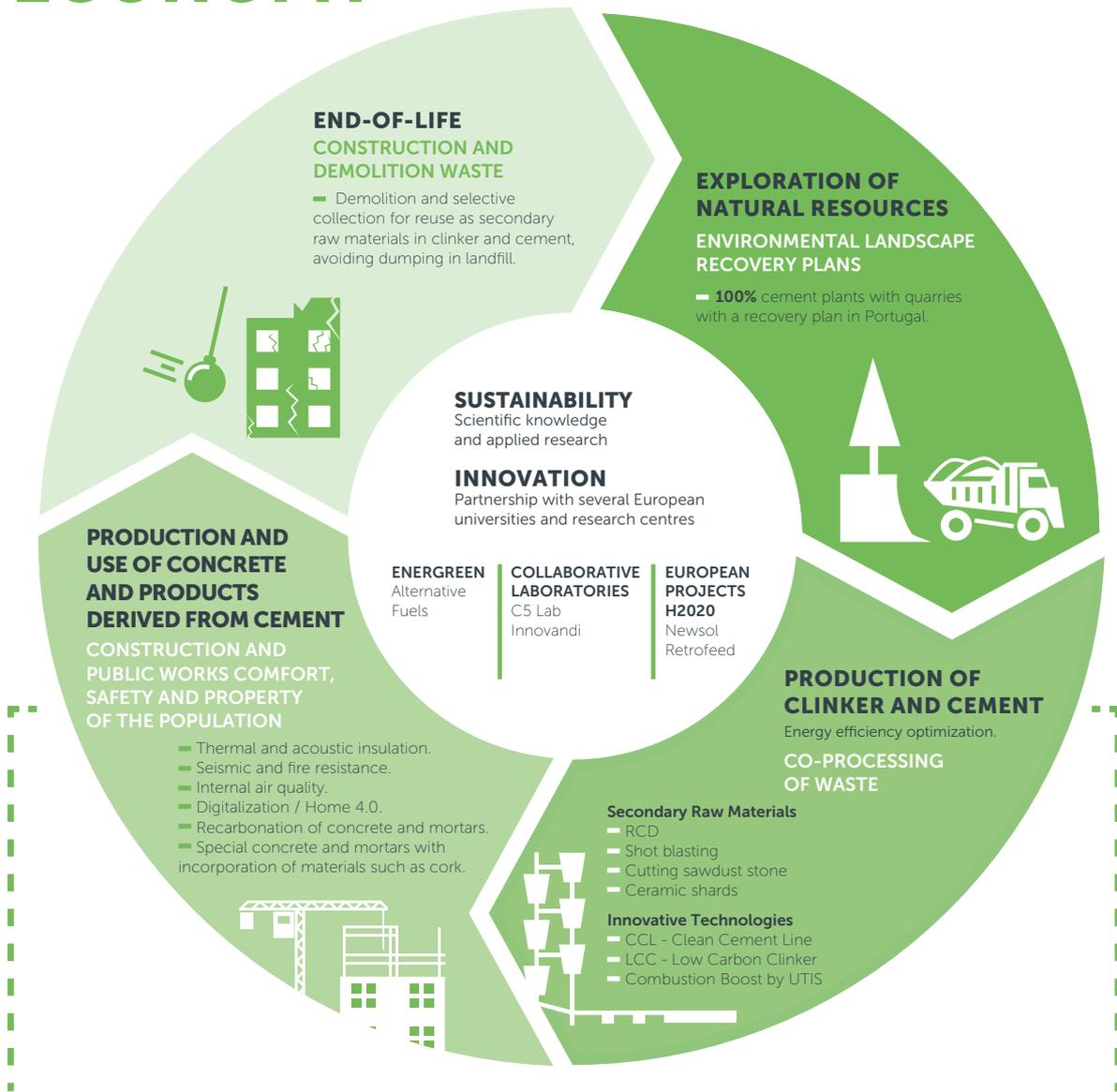
In 2019 Secil-Britas, in partnership with The Navigator Company and Arfil, began receiving the sands resulting from the thermal energy production process in biomass boilers in the pulp and paper industry.

This by-product, properly treated, may be introduced into the concrete and cement mortar manufacturing process.

Throughout the year, Secil received about 6900 tons of sand, which allowed for a reduction in the amount of quarried raw material entering the production process, in addition to prolonging the useful life of these sands, which were considered waste.

This synergy between both industries presents significant advantages from an environmental supply standpoint, in accordance with the assessment of the availability and quality of waste.

# SECIL & THE CIRCULAR ECONOMY



## WATER REUSE AND RECYCLING

- Recycled Water
- Washings Waters (concrete mixer trucks and floors) and Rainwater

## CONTROL AND MONITORING OF EMISSIONS

- Electro-filters and bag filters
- Monitoring gas effluents (spot and continuous-time)
- Pollutant dispersal studies and risk analysis for human and ecological health

## DISTRIBUTION

- (means of transport from the factory)
- Preferential transport by sea
  - By Road
  - By Rail

Reduction of CO<sub>2</sub> emissions

- Bulk
- Bags
- Big bags



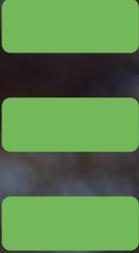
## CO-PROCESSING OF ALTERNATIVE FUELS

- CDR (SUW + Industrials)
- VFV
- Tyres
- Vegetable Biomass
- Animal Biomass
- Oily Sludge

Reduction of CO<sub>2</sub> emissions

## VALUATION OF MATERIALS

- Fly and boiler ash
- Slag
- Aggregates recovered in concrete production



# 07.

## INVOLVEMENT WITH THE COMMUNITY



### 7.1. COMMUNITY DEVELOPMENT AND LOCAL IMPACT MANAGEMENT

More than 100 institutions have been supported by Secil in Setúbal the past 15 years

# 07.



## INVOLVEMENT WITH THE COMMUNITY



The well-being of the communities surrounding our facilities is a long-standing concern of Secil. One of Secil's values is Accountability, for its impacts and for its neighbouring communities.

It is essential for Secil to promote, not only the Community Development, but also, to better manage local impacts.

The relationship Secil has been building with the community is a close one, and it has invested in the development of numerous initiatives to strengthen this relationship, in areas as diverse as education, science and technology, culture and sport or social solidarity.

### HIGHLIGHTS 2018/2019

Over the past 2 years, we **INVESTED 1.2 MILLION EUROS** in the Community

We are investing in the education of the youngest, and highlight projects **IN ANGOLA AND LEBANON**

Since 2005, we have supported **MORE THAN 100 INSTITUTIONS** in Setúbal

It is estimated that this supports reached **1/3 of the community** in this city

#### ASSOCIATED SDGs



## INVOLVEMENT WITH THE COMMUNITY

### 7.1. COMMUNITY DEVELOPMENT AND LOCAL IMPACT MANAGEMENT



#### Why are the Communities and Local Impact Management priorities?

Secil, through its influence in the areas where it operates, promotes active participation in the adjacent Communities.

In addition to the economic impact in on job creation, Secil contributes significantly to improve the well-being of the population, and promotes a number of initiatives aimed at supporting the development not only of communities but also of the locations where it operates.

#### INVESTMENT IN THE COMMUNITY (€)



**657 643** 2019

**577477** 2018

#### OUR 2020/2030 COMMITMENTS

8. Publish the Code of Conduct that incorporates the international principles of human rights
9. Implement the guidelines for evaluation of social impact
10. Establish a systematic process of dialogue with the stakeholders





## WHAT ARE WE DOING?

### Supporting the development of Maceira Protocol to improve the infrastructures of the Parish

For over 20 years, Secil (Maceira-Liz Plant) and the Parish of Maceira (Leiria) have maintained a close and very productive institutional relationship, which has brought about ample positive results for the local population.

In 2018 a Financing and Collaboration Protocol was established on a multiannual basis, effective between 2018 and 2021, through which construction materials (cement, concrete and pre-fabricated products) were donated and will give rise to a large number of works for which the Parish Council is responsible, namely repairs of collective equipments and good safety conditions for pedestrians, through the creation of pedestrian routes along the national roads that cross the Parish.



## 1st Race Between Plants

### Unite Cibra-Pataias and Maceira-Liz

In May 2019, this innovative sporting event took place, organized by the Houses of Personnel of the Cibra-Pataias and Maceira-Liz Plants.

The 1st Race Between Plants, starting inside the Cibra-Pataias Plant, at Pataias, and ending at the Maceira-Liz Plant at Maceira, took place over a distance of approximately 15 km.

About 500 athletes (professionals and amateurs) took part in this event.

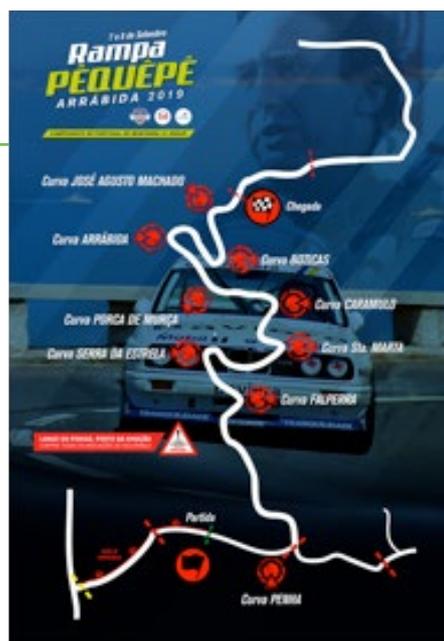
The 1st Race Between Plants was created with the aim of uniting both plants, but mainly to create links between the two communities.



### Pêquêpê (PQP) Ramp Recognition by the local sports community

In 2019, the 28th edition of the Arrábida Ramp event, inserted in the National Motorsport Championship, was officially named the Pêquêpê Ramp in honour of Mr Pedro Queiroz Pereira, the reference shareholder of Secil and famous Rally pilot, who took part in this event several times in the 80s.

The race was held in September, and was attended by Filipa Pereira Queiroz, daughter of Mr Pedro Queiroz Pereira, who represented the family and also Secil and Semapa, sponsors of the race.





## Supporting the Setubalense Associative Movement

### Participation in the Community

In its Mission, Secil demonstrates its responsible citizenship among the communities where it operates. This is reflected, in the case of the Secil-Outão Plant, in a structured program of support for the Associative Movement of the Setúbal Municipality, which dates back to 2003.

Since then, Secil has annually financed a broad range of charitable, cultural and sports associations, among which are the most representative of the municipality, through a dynamic process of interaction.

Reports published by the beneficiary associations, allow for an evaluation of the level of action and benefit to the community, and it is possible to conclude that about one third of the population of Setúbal is covered by the initiatives financed by Secil.

Since 2005, more than €3 million has been distributed to more than 100 different institutions. In parallel, in 2019 Secil also supported specific initiatives, such as: the Fest'Asso Festival, organized by Setúbal's Parish Council; the Bocage Literary Prize, organized by LASA – League of Setúbal and Azeitão; and the Pêquêpê Ramp car race in Arrábida.

### OVER 15 YEARS

**+ 3**  
million  
euros

**+ 100**  
institutions  
supported

**1/3** of Setúbal's  
population  
covered



## Green Festival

### Connect, inspire, educate and empower

In May 2019, around 200 students were invited to take part in this initiative with the main objective of raising awareness to environmental protection, in a partnership between Sibline and the Lebanese NGO "G".

Students and teachers were able to enjoy a day filled with games, tree planting, science shows and music, among others.



**"Arrábida Without Cars" Program**  
**Secil creates car park for the bathing season**

Secil contributes decisively to the implementation of the "Arrábida Without Cars" Program, which aims to create and maintain safe, responsible and environmentally friendly access in the areas adjacent to the Secil-Outão Plant in Serra da Arrábida (Figueirinha, Creio, Galapos and Portinho). Access to these beaches and car parking facilities are very limited and precarious, therefore Secil cooperates with the public authorities (CMS [Setúbal City Council], ICNF [Nature Conservation Institute and Forestry], GNR [National Republican Guard and Civil Protection], among others).

This collaboration involves the creation of a free and supervised deterrent car park, at the former Coal Hangar of the Plant, where vacationers can park their cars and take a shuttle bus to the beaches, in conditions of greater fluidity and traffic safety.

Access to these beaches is thus made easier for rescue and emergency vehicles, and for people with disabilities, and there is also less environmental and visual impact of private vehicles in long queues.

In the 2018 bathing season, Secil welcomed in its facilities 18,800 vehicles and 46,780 people who were able to enjoy Arrábida in improved safety, comfort and environmental protection conditions. In 2019, Secil received 17 551 vehicles and 42 410 people.



**Support for the Child Space in Benguela, Angola**  
**Partnership with Leigos para o Desenvolvimento [Lay People for Development]**

By identifying itself with the impact of the work done by the NGO "Leigos para o Desenvolvimento"\*, Secil had to be involved in the "Child Space" Project. This space, which has existed since 2012, is a reception center for disadvantaged children, with the aim of educating, training and integrating these children into society.

The new facilities of the "Child Space" Project are currently being built in Benguela. Secil Lobito takes part in the project through the provision of cement.



\*"Leigos para o Desenvolvimento" is a Catholic NGO that has worked for 32 years towards comprehensive and integrated development in Portuguese-speaking countries. This NGO has projects in Angola, Mozambique, Portugal and São Tomé e Príncipe, acting preferentially in the area of Training and Education, Community Dynamization and Organization, Entrepreneurship and Employability, Capacitation of Local Agents, Promotion of Volunteering and Pastoral Work.



## Awareness Initiatives

### Empowering younger generations

With the ambition to be a reference for the local communities, Secil assumes the responsibility of raising awareness and empowerment for issues that challenge today's society.

Emphasis is given to the initiatives in Lebanon, where the Sibline facility has a Corporate Social Responsibility Plan, with the main goal of promoting relationships with neighbouring villages.

This plan targets families, youths and children, actively involving the community in general, through activities, projects and exhibitions.



### Workshops in schools and plant visits

Sibline's goal is to raise awareness among future generations as to the importance of environmental protection by conducting workshops in several schools as well as school visits. One of the workshops held in 2018, was dedicated to the topic of healthy lifestyles and allowed students to learn, in a playful way, about the importance of recycling and teamwork to protect the environment.

Teachers were trained on sustainable lifestyles and were given a manual to support the development of activities with their students.

Another initiative took place at Sibline's facilities in 2019, as part of the construction of the new garden in the facility, where schools were invited to plant trees. Under each tree planted by the students is the school's name and the date of the visit. The goal is to give these students a sense of ownership in a garden, in which they performed a good deed, and were duly recognized for it.

## Secil Awards

### Rewarding the best in Portugal

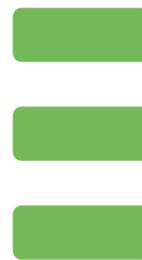
The Secil Awards, an initiative created in 1992, are another facet of Secil's sharing with the community, promoting the public recognition of national authors of Portuguese Civil Engineering and Architecture projects.

In 2018, the XIIth edition of the Secil Awards in the Architecture category began, aiming to reward authors of works that, incorporating the material that constitutes the core of Secil's activity – cement – make significant contributions to the enrichment of Portuguese architecture.

In award-winning works, recognition is given to the entire technical team, as well as a cash prize of 50 thousand euros. The winners of this edition, revealed in January 2020, were the Arquipélago – Center of Contemporary Arts, in Ribeira Grande, Azores, and the Corporate Headquarters of the EDP Group in Lisbon.

The XVth edition of the Secil Universities Award occurred in the same year, in the Architecture and Civil Engineering categories, in partnership with the Architects Association and the Engineers Association.





## **ABOUT THIS REPORT**





# ABOUT THIS REPORT



The "2018/2019 Sustainability Report" was prepared in accordance with the Global Reporting Initiative Standards, in the "Essential" option.

Secil's first materiality analysis was completed in 2018, and resulted in 14 topics considered material by its stakeholders. Thus, with this report, Secil intended to communicate to the various stakeholders how it is responding to the identified topics. To this end, the report is structured in 7 chapters, of which chapters **4. Innovation and the focus on the product and on the customer**, **5. Our people**, **6. Protection of the environment** and **7. Involvement with the community**, respond to material topics. This report also highlights Secil's response to the decarbonization topic, in alignment with the Semapa Group, Secil's holding company.

Secil demonstrates how it is leveraging itself, in strategic terms, with a **new identity, This is us**, which includes the definition of its internal Mission, Vision and Values and the Code of Conduct, and also the RETURN 2020 Plan, the program that aims to bring profitability back to the Secil Group.

Also noteworthy is the definition of **Commitments for the 2020-2030 horizon**, with the goal of responding to topics considered material by its stakeholders, and also to the areas in which the sector is focusing, established by The Global Cement and Concrete Association (GCCA), and simultaneously contributing to the fulfillment of the United Nations' Sustainable Development Goals. This process is ongoing, so in the next reporting cycle, concrete goals will be presented, which Secil wants to achieve by 2030.

## Period, scope and limits of the Report

This report refers to activities undertaken during 2018 and 2019 (January 1, 2018 to December 31, 2019) in line with the Board of Directors' Report. The Group's activities that contribute to the production and sale of Clinker and Cement are included. All indicators are consolidated. This report presents the GRI Table and also the GCCA Indicator Table.

## Information review

The information regarding the Global Reporting Initiative Standards contained in the Report was verified by KPMG, which prepared an independent report of limited reliability assurance included in this document.



# INDEPENDENT RELIABILITY ASSURANCE REPORT





KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A.  
Edifício FPM41 – Avenida Fontes Pereira de Melo, 41 – 15º  
1069-006 Lisboa – Portugal  
+351 210 110 000 – www.kpmg.pt

## **INDEPENDENT LIMITED ASSURANCE REPORT FOR SECIL – COMPANHIA GERAL DE CAL E CIMENTO, S.A.**

### **Introduction**

We have been engaged by the Board of Directors of **Secil - Companhia Geral de Cal e Cimento S.A.** ("Entity") to perform a limited assurance engagement on whether nothing has come to our attention that causes to believe that the sustainability information included in the Sustainability Report for the periods ended 31 December 2019 and 2018 has not been prepared, in all materially relevant aspects, in accordance with the requirements of the GRI Standards and that the Entity has not applied, in the sustainability information included in the Sustainability Report for the periods ended 31 December 2019 and 2018, the GRI guidelines, for the "Comprehensive" option.

### **Management responsibilities**

Management is responsible for:

- For the preparation of sustainability information, included in the 2018/2019 Sustainability Report, in accordance with the Global Reporting Initiative Guidelines, GRI Standards version; and
- The implementation and maintenance of appropriate performance management and internal control systems from which the reported information is obtained.

### **Our responsibility**

We are responsible for the performance of the limited assurance engagement described in the section "Scope of the work to be performed" and for issuing a conclusion based on the work performed.

### **Scope of the work to be performed**

Our work was conducted in accordance with the International Standard on Assurance Engagements "ISAE 3000 - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and was planned and performed in order to obtain a limited assurance reliability that nothing has come to our attention that causes to believe that the sustainability information, included in the Sustainability Report for the period ended 31 December 2019, has not been prepared, in all materially relevant aspects, in accordance with the requirements of the GRI Standards and that the Entity has not applied, in the sustainability information included in the Sustainability Report for the period ended 31 December 2019, the GRI guidelines, for the "Comprehensive" option.

We have applied the International Quality Control Standard 1 and, therefore, we maintain a quality control system including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., a Portuguese company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. Capital Social: 3.916.000 Euros – Pessoa Colectiva Nº PT 502 161 078 – inscrito na O.R.O.C. Nº 189 – inscrito na C.M.V.M. Nº 20161489 Matriculada na Conservatória do registo Comercial de Lisboa sob o Nº PT 502 161 078



During the performance of our work, we have complied with the applicable requirements of the Code of Ethics for Accountants issued by the International Ethics Standards Board for Accountants, which is based on the fundamental principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct.

A limited assurance engagement on the reliability of information is based in inquiries, mainly to those responsible for the preparation of the information presented in the 2018/2019 Sustainability Report, performing analytical and other procedures to obtain evidence, as appropriate. Those procedures included:

- Carrying out interviews with those responsible and employees, at corporate and operational level, on the sustainability strategy and policies for materially relevant aspects, and their implementation in the various business areas;
- Interviews to relevant employees and to persons responsible for the preparation of the sustainability information regarding the periods ended 31 December 2019 and 2018;
- Comparison of the information presented in the Entity's Sustainability Report for the periods ended 31 December 2019 and 2018, with the respective sources of information to determine whether all relevant information included in these sources was included in the Report; and
- Analysis of the information presented in the Sustainability Report in order to determine whether it is in accordance with our general knowledge of the Entity.

The procedures performed to obtain evidence in a limited assurance engagement are more limited than in a reasonable assurance engagement and, thus, the assurance is lower. Consequently, it does not allow us to obtain the assurance that we would become aware of all the important issues that can be identified in a reasonable assurance engagement. Therefore, we do not express a reasonable assurance conclusion.

### **Conclusion**

Our conclusion was issued based on, and subject to, the matters described in our report.

We consider that the evidence obtained is sufficient and appropriate to provide the basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing came to our attention that causes us to believe that the sustainability information included in the Sustainability Report for the periods ended 31 December 2019 and 2018 has not been prepared, in all materially relevant aspects, in accordance with the requirements of the GRI Standards and that the Entity has not applied, in the sustainability information included in the Sustainability Report for the periods ended 31 December 2019 and 2018, the GRI guidelines, for the "Comprehensive" option.

### **Use and disclosure of the information provided**

Our limited assurance report is issued exclusively for use and information of the Board of Directors of Secil - Companhia Geral de Cal e Cimento S.A as part of the disclosure of the 2018/2019 Sustainability Report and shall not be used for any other purpose. We do not accept or assume any responsibility to any party other than the Entity for our work, for this assurance report or for our conclusions.

Lisbon, 31 July 2020

SIGNED ON THE ORIGINAL

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**KPMG & Associados -  
Sociedade de Revisores Oficiais de Contas, S.A. (no. 189)**  
Represented by  
Pedro Jorge Quental e Cruz (ROC no. 1765)



## GRI TABLE





# GRI TABLE

## General Contents

Standard	Indicator/Response	Location																									
<b>Organizational Profile</b>																											
GRI 102: General Contents	<b>102-1 Name of the organization</b> Secil – Companhia Geral de Cal e Cimento, SA.																										
	<b>102-2 Activities, brands, products and services</b> 2. Secil, who are we and what do we do? Further information at <a href="http://www.secil-group.com/produtos-e-servicos/">http://www.secil-group.com/produtos-e-servicos/</a>	Page 8																									
	<b>102-3 Location of the registered office</b> Av. Eng.º Duarte Pacheco, 19 7º 1070-100 Lisbon Outão Office – Apartado 71 2901-864 Setúbal																										
	<b>102-4 Location of the operations</b> 2.1 Secil's Business - Where are we and what do we do? Further information at <a href="http://www.secil-group.com/missao-visao-valores/a-secil-no-mundo/">http://www.secil-group.com/missao-visao-valores/a-secil-no-mundo/</a>	Page 9																									
	<b>102-5 Type and legal nature of the ownership</b> Secil is a business group that bases its activity on the production and marketing of cement, ready-mix concrete, aggregates, mortars, precast concrete and hydraulic lime.  Semapa publicly held company that owns the entire share capital of Secil, and is listed on the Lisbon Stock Exchange (Euronext Lisbon), forming part of its benchmark index, the PSI 20.																										
	<b>102-6 Markets served</b> 2. Secil, who are we and what do we do? Further information at <a href="http://www.secil-group.com/produtos-e-servicos/cimentos-e-cal/">http://www.secil-group.com/produtos-e-servicos/cimentos-e-cal/</a>	Page 8																									
	<b>102-7 Size of the organization</b> 2. Secil, who are we and what do we do?	Page 8																									
	<b>102-8 Information on Employees and other workers</b> Total number of employees by type of contract, by region <table border="1"> <thead> <tr> <th colspan="2">No. of Employees</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td rowspan="7">Contract (includes permanent and fixed-term employees)</td> <td>Angola</td> <td>159</td> <td>152</td> </tr> <tr> <td>Brazil</td> <td>563</td> <td>548</td> </tr> <tr> <td>Cape Verde</td> <td>33</td> <td>33</td> </tr> <tr> <td>Lebanon</td> <td>471</td> <td>445</td> </tr> <tr> <td>Portugal</td> <td>757</td> <td>914</td> </tr> <tr> <td>Tunisia</td> <td>310</td> <td>269</td> </tr> <tr> <td>Subtotal</td> <td>2 293</td> <td>2 361</td> </tr> </tbody> </table>	No. of Employees		2018	2019	Contract (includes permanent and fixed-term employees)	Angola	159	152	Brazil	563	548	Cape Verde	33	33	Lebanon	471	445	Portugal	757	914	Tunisia	310	269	Subtotal	2 293	2 361
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Standard	Indicator/Response	Location
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No. of Employees		2018	2019
Temporary (Includes temporary employees and trainees)	Angola	0	0
	Brazil	1	3
	Cape Verde	0	0
	Lebanon	25	40
	Portugal	0	0
	Tunisia	9	13
	Subtotal	35	56
<b>Total Employees of the Group</b>		<b>2 328</b>	<b>2 417</b>

Total number of employees by type of contract, by gender

No. of Employees		2018	2019
Contract (includes permanent and fixed-term employees)	Men	2 009	2 069
	Women	284	292
	Subtotal	2 293	2 361
Temporary (Includes temporary employees and trainees)	Men	35	54
	Women	0	2
	Subtotal	35	56
<b>Total Employees of the Group</b>		<b>2 328</b>	<b>2 417</b>

Total number of workers by type of employment, by gender

No. of Employees		2018	2019
Full-time	Men	2 043	2 121
	Women	283	291
	Subtotal	2 293	2 412
Part-time	Men	1	2
	Women	1	3
	Subtotal	2	5
<b>Total Employees of the Group</b>		<b>2 328</b>	<b>2 417</b>

Note | The 2019 data collection methodology differed from the collection carried out in 2018 and should not be compared. In 2019 the employees of Spain, the Netherlands, Madeira, the Prebetão area and of a company linked to Secil, Allmicroalgae were included.

**102-9 Supply chain**

The Secil Group acquires various types of products and services such as components (aggregates, additives and packaging materials), as well as basic consumables inherent to their processes (fuel and electricity) and general services.

**102-10 Significant changes in the organization or its supply chain**

There were no significant changes worthy of record.

**102-11 Approach to the precautionary principle**

2.4 Governance and Risk Management - How are we managing sustainability?

Page 24

**102-12 External initiatives**

7.1 Development of the Community and Management of Local Impacts - What are we doing?

Pages 70-74



Standard	Indicator/Response	Location																						
	<p><b>102-13 Membership in associations</b></p> <table border="1"> <thead> <tr> <th>Organization</th> <th>Type of Membership</th> </tr> </thead> <tbody> <tr> <td>AECOPS – Associação de Empresas de Construção e Obras Públicas e Serviços</td> <td>Associate</td> </tr> <tr> <td>AIP – Associação Industrial Portuguesa</td> <td>Performs duties in the Governing Bodies</td> </tr> <tr> <td>AISET – Associação da Indústria da Península de Setúbal</td> <td>Performs duties in the Governing Bodies</td> </tr> <tr> <td>ATIC – Associação Técnica da Indústria de Cimento</td> <td>Performs duties in the Governing Bodies</td> </tr> <tr> <td>APFAC – Associação Portuguesa dos Fabricantes de Argamassas de Construção</td> <td>Performs duties in the Governing Bodies</td> </tr> <tr> <td>BCSD – Conselho Empresarial para o Desenvolvimento Empresarial</td> <td>Associate</td> </tr> <tr> <td>Cembureau – The European Cement Association</td> <td>Performs duties in the Governing Bodies</td> </tr> <tr> <td>COTEC Portugal – Associação empresarial para a Inovação</td> <td>Associate</td> </tr> <tr> <td>GRACE – Portal da Responsabilidade Social Empresarial</td> <td>Performs duties in the Governing Bodies</td> </tr> <tr> <td>GCCA – Global Cement and Concrete Association</td> <td>Associate</td> </tr> </tbody> </table>	Organization	Type of Membership	AECOPS – Associação de Empresas de Construção e Obras Públicas e Serviços	Associate	AIP – Associação Industrial Portuguesa	Performs duties in the Governing Bodies	AISET – Associação da Indústria da Península de Setúbal	Performs duties in the Governing Bodies	ATIC – Associação Técnica da Indústria de Cimento	Performs duties in the Governing Bodies	APFAC – Associação Portuguesa dos Fabricantes de Argamassas de Construção	Performs duties in the Governing Bodies	BCSD – Conselho Empresarial para o Desenvolvimento Empresarial	Associate	Cembureau – The European Cement Association	Performs duties in the Governing Bodies	COTEC Portugal – Associação empresarial para a Inovação	Associate	GRACE – Portal da Responsabilidade Social Empresarial	Performs duties in the Governing Bodies	GCCA – Global Cement and Concrete Association	Associate	
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<b>Strategy</b>																								
	<p><b>102-14 Management Declaration</b> Message from the Chairman of the Executive Committee</p>	Page 5																						
	<p><b>102-15 Key impacts, risks and opportunities</b> 3. Challenges for the Group</p>	Pages 31-37																						
<b>Ethics and Integrity</b>																								
	<p><b>102-16 Values, principles, standards and rules of conduct</b> 1.2 Mission, Vision, and Values</p>	Pages 14-16																						
<b>Governance</b>																								
	<p><b>102-18 Governance Structure</b> 2.4 Governance and Risk Management - How do we manage sustainability?</p>	Page 24																						
	<p><b>102-21 Consultation of stakeholders in relation to economic, environmental and social issues</b> 2.3 Materiality</p>	Pages 22-23																						
	<p><b>102-22 Composition of the highest hierarchical governance body and of its committees</b> <a href="http://www.secil-group.com/missao-visao-valores/corpos-sociais/">http://www.secil-group.com/missao-visao-valores/corpos-sociais/</a></p>																							
	<p><b>102-24 Nomination and selection of the highest governance body</b> Secil is part of the Semapa Group, which is responsible for the appointment of the Governing Bodies of the company</p>																							



Standard	Indicator/Response	Location																		
<b>Involvement with Stakeholders</b>																				
	<b>102-40 List of stakeholder groups</b> 2.2 Involvement with Stakeholders and 2.2 Materiality	Pages 20-23																		
	<b>102-41 Collective bargaining agreements</b> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Percentage of employees covered by collective bargaining agreements</td> <td>81%</td> <td>82%</td> </tr> </tbody> </table>		2018	2019	Percentage of employees covered by collective bargaining agreements	81%	82%													
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	<b>102-42 Identification and selection of stakeholders</b> 2.2 Involvement with Stakeholders and 2.3 Materiality	Pages 20-21																		
	<b>102-43 Approach to the involvement of stakeholders</b> 2.2 Involvement with Stakeholders <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Stakeholders</th> <th>Communication Channels</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>Employees</td> <td>Newsletter Intranet, Email</td> <td>Quarterly Daily</td> </tr> <tr> <td>Customers</td> <td>Extranet, Secil Website, Secil Pro Website and APP</td> <td>Daily</td> </tr> <tr> <td>Communities</td> <td>Follow-up visits, meetings, protocols and partnerships/ sponsorship; Environmental Monitoring Committees (Portugal, Tunisia and Brazil) Participation in the School Councils</td> <td>Monthly  Quarterly/ Half-yearly</td> </tr> <tr> <td>Authorities</td> <td>Legal Report, Meetings, Documentation Sharing</td> <td>As and when necessary</td> </tr> <tr> <td>Suppliers</td> <td>Meetings. Email, Telephone</td> <td>As and when necessary</td> </tr> </tbody> </table>	Stakeholders	Communication Channels	Frequency	Employees	Newsletter Intranet, Email	Quarterly Daily	Customers	Extranet, Secil Website, Secil Pro Website and APP	Daily	Communities	Follow-up visits, meetings, protocols and partnerships/ sponsorship; Environmental Monitoring Committees (Portugal, Tunisia and Brazil) Participation in the School Councils	Monthly  Quarterly/ Half-yearly	Authorities	Legal Report, Meetings, Documentation Sharing	As and when necessary	Suppliers	Meetings. Email, Telephone	As and when necessary	
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	<b>102-44 Key issues and concerns identified</b> 2.3 Materiality	Pages 22-23																		



Standard	Indicator/Response	Location
<b>Reporting Practices</b>		
	<b>102-45 Entities included in the consolidated financial statements</b> 2018 RCA – 2.1 Sales and turnover and 2.2 Results Consolidated Financial Statement	Page 13 Page 42
	<b>102-46 Definition of the content of the report and limits of the topics</b> About this report	Page 76
	<b>102-47 List of material topics</b> 2.3 Materiality	Pages 22-23
	<b>102-48 Reformulation of information</b> Not Applicable	
	<b>102-49 Changes in the report</b> In 2019, Secil started a process of improving the data collection methodologies, to report the GRI standards, so there are indicators that will be calculated on a different basis than that reported in 2018, particularly the human resources and the environmental indicators, resulting from the verification process.	
	<b>102-50 Period covered by the report</b> January 1, 2018 to December 31, 2019	
	<b>102.51 Date of most recent previous report</b> The last report is dated 2016/2017	
	<b>102-52 Publication cycle</b> Sustainability reports are published biennially	
	<b>102-53 Contacts for questions about the report</b> About this report	Page 76
	<b>102-54 Statement of compliance with the GRI Standards</b> About this report	Page 76
	<b>102-55 GRI Index</b> This table	
	<b>102-56 External verification</b> About this report Independent Limited Reliability Assurance Report	Page 76 Pages 78-80



## Specific Contents

Standard	Indicator/Response	Location
GRI 103: Management Approach	<b>103-1 Explanation of the material topic and of its Border</b> Concerning the material topic "Innovation"	Page 40
	<b>103-2 The management approach and its components</b> 4.1 Innovation - Why is Innovation a priority?	Pages 40-41
	<b>103-3 Assessment of the management approach</b> Secil carries out regular monitoring and evaluation of the indicators associated with these topics. To assess the effectiveness of its management, it also relies on the feedback from our stakeholders, benchmarking analysis and external performance ratings, as and when available.	
	<b>103-1 Explanation of the material topic and of its Border</b> Concerning the material topic "Sustainable Products for sustainable construction"	Page 45
	<b>103-2 The management approach and its components</b> 4.4 Sustainable Products for sustainable construction - Why are Sustainable Products and Sustainable Construction priorities?	Pages 45-47
	<b>103-3 Assessment of the management approach</b> Secil carries out regular monitoring and evaluation of the indicators associated with each topic. To assess the effectiveness of its management, the company also relies on the feedback from its stakeholders, benchmarking analysis and, where available, with external performance ratings.	
	<b>103-1 Explanation of the material topic and of its Border</b> Concerning the material topic "Customer Relationship and Satisfaction"	Pages 43-44
	<b>103-2 The management approach and its components</b> 4.3 Customer Relationship and Satisfaction - Why are Customer Relationship and Satisfaction priorities?	Page 43
<b>103-3 Assessment of the management approach</b> Secil carries out regular monitoring and evaluation of the indicators associated with each topic. To assess the effectiveness of its management, the company also relies on the feedback from its stakeholders, benchmarking analysis and, where available, with external performance ratings.		

Note | The Information on the Management Approach mentioned above is valid for all reported topics. In the table below we only indicate the pages where the detailed content of the Management Approach can be found.



Standard	Indicator/Response	Location																														
<b>Economic Performance</b>																																
<b>GRI 103: Management Approach</b>	<b>103-1 Explanation of the material topic and of its Border</b> Concerning the material topics "Climate change and energy" and "Community development and management of local impacts"	Pages 58 and 70																														
	<b>103-2 The management approach and its components</b> 6.1 Climate Change and Energy - Why are Climate Change and Energy priorities? 7.1 Development of the Community and Management of Local Impacts - Why are the Communities and Management of Local Impacts priorities?	Pages 58-60 and 70-74																														
	<b>103-3 Assessment of the management approach</b> Secil carries out regular monitoring and evaluation of the indicators associated with these topics. To assess the effectiveness of its management, it also relies on the feedback from our stakeholders, benchmarking analysis and external performance ratings, as and when available.																															
<b>GRI 201: Economic Performance</b>	<b>201-1 Direct economic value generated and distributed</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Euros (€)</th> <th style="text-align: right;">2018</th> <th style="text-align: right;">2019</th> </tr> </thead> <tbody> <tr> <td>Direct Economic Value Generated</td> <td style="text-align: right;">517 532 554</td> <td style="text-align: right;">572 462 022</td> </tr> <tr> <td>Revenues</td> <td style="text-align: right;">517 532 554</td> <td style="text-align: right;">572 462 022</td> </tr> <tr> <td>Direct Economic Value Distributed</td> <td style="text-align: right;">450 635 320</td> <td style="text-align: right;">443 848 022</td> </tr> <tr> <td>Operational Costs</td> <td style="text-align: right;">331 510 261</td> <td style="text-align: right;">343 607 166</td> </tr> <tr> <td>Employee Salaries and Benefits</td> <td style="text-align: right;">79 444 575</td> <td style="text-align: right;">79 708 600</td> </tr> <tr> <td>Payments to Capital Suppliers</td> <td style="text-align: right;">28 540 431</td> <td style="text-align: right;">13 951 328</td> </tr> <tr> <td>Payments to the State</td> <td style="text-align: right;">10 562 576</td> <td style="text-align: right;">5 923 477</td> </tr> <tr> <td>Investment in the Community</td> <td style="text-align: right;">577 477</td> <td style="text-align: right;">657 643</td> </tr> <tr> <td>Economic Value Accumulated</td> <td style="text-align: right;">66 879 324</td> <td style="text-align: right;">128 613 808</td> </tr> </tbody> </table>	Euros (€)	2018	2019	Direct Economic Value Generated	517 532 554	572 462 022	Revenues	517 532 554	572 462 022	Direct Economic Value Distributed	450 635 320	443 848 022	Operational Costs	331 510 261	343 607 166	Employee Salaries and Benefits	79 444 575	79 708 600	Payments to Capital Suppliers	28 540 431	13 951 328	Payments to the State	10 562 576	5 923 477	Investment in the Community	577 477	657 643	Economic Value Accumulated	66 879 324	128 613 808	
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Economic Value Accumulated	66 879 324	128 613 808																														
<b>201-2 Financial implications, risks and opportunities due to climate change</b> The inclusion of the cement industry in the European Emissions Trading Scheme (EU ETS) has created both risks and opportunities for the companies of this sector. The efficient management of the CO <sub>2</sub> emissions performed by Secil, the reduction of the use of alternative fuels and the reduction of the percentage of clinker incorporation in the cement, have allowed it to have surplus licences available for sale.																																
<b>Environmental Performance</b>																																
<b>GRI 103: Management Approach</b>	<b>103-1 Explanation of the material topic and of its Border</b> Concerning the material topics "Waste Management" and "Circular Economy"	Page 65																														
	<b>103-2 The management approach and its components</b> 6.5 Circular Economy - Why is Circular Economy a priority?	Page 65																														
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Standard	Indicator/Response	Location																																																
GRI 301: Materials	<p><b>301-1 Total consumption of materials used by weight or volume</b></p> <p><b>Total consumption of Raw Materials (t)</b></p> <table border="1"> <thead> <tr> <th>Geographies</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Angola</td> <td>130 602</td> <td>110 944</td> </tr> <tr> <td>Brazil</td> <td>1 899 846</td> <td>2 097 553</td> </tr> <tr> <td>Lebanon</td> <td>1 647 012</td> <td>1 172 265</td> </tr> <tr> <td>Portugal</td> <td>5 779 051</td> <td>6 425 749</td> </tr> <tr> <td>Tunisia</td> <td>1 889 281</td> <td>1 928 266</td> </tr> <tr> <td>Cape Verde</td> <td>227</td> <td>350</td> </tr> <tr> <td>Secil Group</td> <td>11 346 019</td> <td>11 735 127</td> </tr> </tbody> </table> <p>Note   The rectified figures relating to Angola, Brazil and Cape Verde compared to those published in the 2018 Semapa SR. In Brazil Clinker was considered a Raw Material, but is no longer so considered in that Clinker is a product.</p> <p><b>Total consumption of Raw Materials (t)</b></p> <table border="1"> <thead> <tr> <th>Geographies</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Angola</td> <td>-</td> <td>636</td> </tr> <tr> <td>Brazil</td> <td>121 127</td> <td>126 638</td> </tr> <tr> <td>Lebanon</td> <td>-</td> <td>-</td> </tr> <tr> <td>Portugal</td> <td>212 588</td> <td>151 577</td> </tr> <tr> <td>Tunisia</td> <td>32 600</td> <td>40 219</td> </tr> <tr> <td>Cape Verde</td> <td>-</td> <td>-</td> </tr> <tr> <td>Secil Group</td> <td>366 315</td> <td>319 070</td> </tr> </tbody> </table>	Geographies	2018	2019	Angola	130 602	110 944	Brazil	1 899 846	2 097 553	Lebanon	1 647 012	1 172 265	Portugal	5 779 051	6 425 749	Tunisia	1 889 281	1 928 266	Cape Verde	227	350	Secil Group	11 346 019	11 735 127	Geographies	2018	2019	Angola	-	636	Brazil	121 127	126 638	Lebanon	-	-	Portugal	212 588	151 577	Tunisia	32 600	40 219	Cape Verde	-	-	Secil Group	366 315	319 070	
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<b>Energy</b>																																																		
GRI 103: Management Approach	<p><b>103-1 Explanation of the material topic and of its Border</b></p> <p>Concerning the material topic "Climate Change and Energy"</p>	Pages 58-60																																																
	<p><b>103-2 The management approach and its components</b></p> <p>6.1 Climate Change and Energy - Why are Climate Change and Energy priorities?</p>	Page 58																																																
	<p><b>103-3 Assessment of the management approach</b></p> <p>Secil carries out regular monitoring and evaluation of the indicators associated with these topics. To assess the effectiveness of its management, it also relies on the feedback from our stakeholders, benchmarking analysis and external performance ratings, as and when available.</p>																																																	
GRI 302: Energy	<p><b>302-1 Energy consumption within the organization</b></p> <p><b>Energy by non-renewable source (GJ)</b></p> <table border="1"> <thead> <tr> <th>Geographies</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Angola</td> <td>2 220</td> <td>2 093</td> </tr> <tr> <td>Brazil</td> <td>2 591 474</td> <td>3 069 410</td> </tr> <tr> <td>Lebanon</td> <td>3 419 623</td> <td>2 431 791</td> </tr> <tr> <td>Portugal</td> <td>4 046 212</td> <td>3 982 673</td> </tr> <tr> <td>Tunisia</td> <td>3 261 930</td> <td>3 408 236</td> </tr> <tr> <td>Cape Verde</td> <td>6 403</td> <td>6 993</td> </tr> <tr> <td>Secil Group</td> <td>13 327 862</td> <td>12 901 195</td> </tr> </tbody> </table> <p><b>Energy by renewable source (GJ)</b></p> <table border="1"> <thead> <tr> <th>Geographies</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Brazil</td> <td>0</td> <td>460 975</td> </tr> <tr> <td>Portugal</td> <td>3 027 067</td> <td>3 236 660</td> </tr> <tr> <td>Tunisia</td> <td>210 928</td> <td>286 271</td> </tr> <tr> <td>Secil Group</td> <td>3 237 995</td> <td>3 983 906</td> </tr> </tbody> </table> <p>Note   The operations in Brazil began to consume alternative fuels in 2019. In the other locations there is no consumption of energy from renewable sources, or it is not material. The figures for Portugal were rectified compared to the data reported in 2018 for the Sustainability Report Semapa.</p>	Geographies	2018	2019	Angola	2 220	2 093	Brazil	2 591 474	3 069 410	Lebanon	3 419 623	2 431 791	Portugal	4 046 212	3 982 673	Tunisia	3 261 930	3 408 236	Cape Verde	6 403	6 993	Secil Group	13 327 862	12 901 195	Geographies	2018	2019	Brazil	0	460 975	Portugal	3 027 067	3 236 660	Tunisia	210 928	286 271	Secil Group	3 237 995	3 983 906										
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Standard	Indicator/Response	Location																														
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	<p><b>302-3 Energy Intensity (GJ/t product)</b></p> <table border="1"> <thead> <tr> <th>Geographies</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Angola</td> <td>0,4</td> <td>0,4</td> </tr> <tr> <td>Brazil</td> <td>2,0</td> <td>2,5</td> </tr> <tr> <td>Lebanon</td> <td>3,5</td> <td>3,4</td> </tr> <tr> <td>Portugal</td> <td>3,6</td> <td>3,6</td> </tr> <tr> <td>Tunisia</td> <td>3,5</td> <td>3,5</td> </tr> <tr> <td>Cape Verde</td> <td>-</td> <td>-</td> </tr> <tr> <td>Secil Group</td> <td>3,1</td> <td>3,2</td> </tr> </tbody> </table> <p>Note   A tonne of product is deemed to be the production of cement and Clinker sold.</p>	Geographies	2018	2019	Angola	0,4	0,4	Brazil	2,0	2,5	Lebanon	3,5	3,4	Portugal	3,6	3,6	Tunisia	3,5	3,5	Cape Verde	-	-	Secil Group	3,1	3,2							
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<b>Water</b>																																
GRI 103: Management Approach	<p><b>103-1 Explanation of the material topic and of its Border</b> Concerning the material topic "Water Use and Management"</p>	Page 61																														
	<p><b>103-2 The management approach and its components</b> 6.3 Water use and management - Why are water Use and Management a priority?</p>	Page 61																														
	<p><b>103-3 Assessment of the management approach</b> Secil carries out regular monitoring and evaluation of the indicators associated with these topics. To assess the effectiveness of its management, it also relies on the feedback from our stakeholders, benchmarking analysis and external performance ratings, as and when available.</p>																															
GRI 303: Water	<p><b>303-1 Total water consumption, per source (m<sup>3</sup>)</b></p> <table border="1"> <thead> <tr> <th>Origin</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Surface</td> <td>102 233</td> <td>158 114</td> </tr> <tr> <td>Underground</td> <td>1 516 770</td> <td>1 394 971</td> </tr> <tr> <td>Acquired from third parties (e.g. municipal management entities)</td> <td>67 407</td> <td>73 272</td> </tr> <tr> <td>Total</td> <td>1 686 410</td> <td>1 626 357</td> </tr> </tbody> </table> <p>Note   The data refer only to the cement business area. The data were rectified compared to data reported in 2018 for the Semapa Sustainability Report, based on those reported to the GCCA – Global Cement and Concrete Association.</p>	Origin	2018	2019	Surface	102 233	158 114	Underground	1 516 770	1 394 971	Acquired from third parties (e.g. municipal management entities)	67 407	73 272	Total	1 686 410	1 626 357																
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Standard	Indicator/Response	Location					
<b>Biodiversity</b>							
GRI 103: Management Approach	<b>103-1 Explanation of the material topic and of its Border</b> Concerning the material topic "Management of Biodiversity and Ecosystems"	Pages 62-64					
	<b>103-2 The management approach and its components</b> 6.4 Biodiversity - Why is Biodiversity a priority?	Page 62					
	<b>103-3 Assessment of the management approach</b> Secil carries out regular monitoring and evaluation of the indicators associated with these topics. To assess the effectiveness of its management, it also relies on the feedback from our stakeholders, benchmarking analysis and external performance ratings, as and when available.						
GRI 304: Biodiversity 2016	<b>304-1 Operational facilities owned, leased, managed, or close to protected areas or areas of high biodiversity index outside the protected areas</b> The Secil Group has an inert extraction facility covering 466 hectares within the Serra da Arrábida Natural Park (Portugal). This area includes the Quarry of Outão, Vale Covão and that of Mata da Redonda, in Sesimbra, which corresponds 5% and is currently deactivated. In its Madeira Island (Portugal) operations, Secil has operations taking place within the Madeira Natural Park, an area of approximately 24 hectares.						
	<b>304-3 Protected or restored habitats</b> Secil Portugal is responsible for the recovery of 53 hectares of habitat in Portugal, with the support of universities, and using various methods of ecological restoration. There are ongoing projects at Secil-Outão and Secil Maceira-Pataias to be implemented between 2018 and 2020.						
	<b>Emissions</b>						
GRI 103: Management Approach	<b>103-1 Explanation of the material topic and of its Border</b> Concerning the material topics "Climate Change and Energy" and "Atmospheric Emissions"	Pages 58-60					
	<b>103-2 The management approach and its components</b> 6.1 Climate Change and Energy - Why are Climate Change and Energy priorities? 6.2 Atmospheric emissions - Why are Atmospheric Emissions a priority?	Pages 58-60					
	<b>103-3 Assessment of the management approach</b> Secil carries out regular monitoring and evaluation of the indicators associated with these topics. To assess the effectiveness of its management, it also relies on the feedback from our stakeholders, benchmarking analysis and external performance ratings, as and when available.						
GRI 305: Emissions 2016	<b>General Note</b>   The accounting of the Group's direct emissions of CO <sub>2</sub> is carried out in accordance with the "Cement CO <sub>2</sub> and Energy Protocol, Version 3.1" There may be differences in the data reported within scope of Semapa's 2019 Sustainability Report 2019 since, at the time of its drafting, some data had been estimated and the EU ETS verification process was not completed (which came about on March 31, 2020).						
	<b>305-1 Direct emissions of GHGs (Scope 1)</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">(t CO<sub>2</sub>e)</th> <th style="text-align: center;">2018</th> <th style="text-align: center;">2019</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Direct</td> <td style="text-align: center;">4 008 843</td> <td style="text-align: center;">3 815 639</td> </tr> </tbody> </table> <p>Note   The figures presented relate to gross direct emissions. The information presented relates to the cement production plants (Portugal, Brazil, Tunisia and Lebanon) and the milling facility (Angola).</p>	(t CO <sub>2</sub> e)	2018	2019	Direct	4 008 843	3 815 639
(t CO <sub>2</sub> e)	2018	2019					
Direct	4 008 843	3 815 639					



Standard	Indicator/Response	Location																																																					
	<p><b>305-1 Direct emissions of GHGs (Scope 2)</b></p> <table border="1"> <thead> <tr> <th>(t CO<sub>2</sub>e)</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Indirect</td> <td>247 138</td> <td>262 120</td> </tr> </tbody> </table> <p>Note   The information presented relates to the cement production plants (Portugal, Brazil, Tunisia and Lebanon) and the milling facility (Angola). The accounting of the Group's indirect emissions of CO<sub>2</sub> is carried out in accordance with the "Cement CO<sub>2</sub> and Energy Protocol, Version 3.1".</p>	(t CO <sub>2</sub> e)	2018	2019	Indirect	247 138	262 120																																																
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	<p><b>305-4 Intensity of GHG emissions</b></p> <table border="1"> <thead> <tr> <th>(kg CO<sub>2</sub>e/t Clíñquer)</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Intensity</td> <td>857</td> <td>848</td> </tr> </tbody> </table> <p>Note   The information presented relates to the cement production plants (Portugal, Brazil, Tunisia and Lebanon) and the milling facility (Angola). The accounting of the Group's indirect emissions of CO<sub>2</sub> is carried out in accordance with the "Cement CO<sub>2</sub> and Energy Protocol, Version 3.1".</p>	(kg CO <sub>2</sub> e/t Clíñquer)	2018	2019	Intensity	857	848																																																
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Standard	Indicator/Response	Location
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2019	Entries			Departures		
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Admission and departure rate, by age group	32%	11%	3%	16%	13%	16%
Admission and departure rate, by gender	Men	10%		14%		
	Women	14%		17%		
Admission and departure rate, by region	Portugal	9%		8%		
	Other countries	11%		18%		
Total admission and departure rate	10%			14%		

### Occupational Safety and Health

**GRI 103: Management Approach**

**103-1 Explanation of the material topic and of its Border**  
Concerning the material topic "Health and Safety"

Pages 50-52

**103-2 The management approach and its components**  
5.1 Health and Safety - Why is Health and Safety a priority?

Page 50

**103-3 Assessment of the management approach**  
Secil carries out regular monitoring and evaluation of the indicators associated with these topics. To assess the effectiveness of its management, it also relies on the feedback from our stakeholders, benchmarking analysis and external performance ratings, as and when available.

**GRI 403: Occupational Safety and Health**

**403-1 Occupational health and safety management system**  
Secil has OSHAS 18001 Certification at the cement plants in Portugal, Lebanon and Tunisia. This certification covers all employees of the cement business area. In the remaining areas, although no formalized system has been implemented, good health and safety practices (SST) are applied, in that the teams responsible for SST are the same.

**403-2 Hazard identification, risk assessment and incident investigation**  
The organization has Hazard identification and control processes, through Hazard and risk assessment implemented at each site, performed by OHS technicians having qualified training and also be employees with training in this area. Internal and external audits are performed within the scope of the management systems. Situations of workplace accidents are also evaluated to influence/ improve risk assessment.  
Employees can report dangerous situations through security procedures, including reporting incidents or quasi incidents, which are evaluated by a restricted committee. There are several safety procedures that allow workers to identify, disclose and monitor non-compliant occurrences (e.g. quasi accident procedure, periodic safety meetings). Some of the tools to manage this process are:  
- Accident Investigation Report, which sets out the mandatory requirements and rules to be followed with regard to the Health and Safety group, for the reporting, classification and investigation of safety events;  
- Lessons learned;  
- Disclosure through the works accidents alerts;  
- Periodic Safety and Health meetings at various levels of the company.

**403-3 Health Services**  
Health services are provided largely by occupational medicine. The security services ensure the existence of the maintenance assessment of hazards and risks system. The quality of these procedures is ensured by internal and external audits.



Standard	Indicator/Response	Location																																																
	<p><b>403-4 Reporting, Consultation and Communication to employees on Occupational Safety and Health</b>            Employees are involved in the development, implementation and evaluation of the OHS management system through surveys, meetings with workers' committees and workers' representatives or Safety notice boards placed in the facilities. The joint committees may meet monthly, quarterly or bimonthly, and have a responsibility to assess all the issues in the OHS area, including, in some cases, giving an opinion on liability/penalties in the event of accidents at work.</p>																																																	
	<p><b>403-5 Training employees in occupational health and safety</b>            Secil invests heavily in training its employees in this area, complying with the mandatory legal requirements. There is also training of a voluntary nature, particularly in the area of Safe Behaviour. New employees also have training in safety, both internal and external.</p>																																																	
	<p><b>403-6 Promotion of employee health</b>            Secil provides Health Insurance for its employees, and also medicine at work consultations work and curative medicine. In addition to access to health care, the organization organizes several awareness campaigns in the area of medicine at work (e.g. smoking, cholesterol, cancer, nutrition, physical well-being, among others).</p>																																																	
	<p><b>403-7 Prevention and mitigation of impacts on occupational health and safety directly related to commercial relations</b>            Percentage of employees whose work or workplace is controlled by the organization and are represented in joint committees on health and safety (management-workers).</p> <table border="1"> <thead> <tr> <th>Geography</th> <th>%</th> </tr> </thead> <tbody> <tr><td>Angola</td><td>100</td></tr> <tr><td>Brazil</td><td>100</td></tr> <tr><td>Cape Verde</td><td>100</td></tr> <tr><td>Tunisia</td><td>1003,5</td></tr> <tr><td>Lebanon</td><td>50</td></tr> <tr><td>Portugal</td><td>100</td></tr> </tbody> </table>	Geography	%	Angola	100	Brazil	100	Cape Verde	100	Tunisia	1003,5	Lebanon	50	Portugal	100																																			
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	<p><b>403-9 Occupational accidents</b>            In the transition to the new 2018 GRI 403 standard, Secil opted to answer the 403-9 indicator with the Frequency Rate and Severity Rate indicators. The organization also uses these indicators for internal monitoring, and they are also reported to other bodies such as the GCCA.</p> <table border="1"> <thead> <tr> <th>Frequency Rate</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr><td>Angola</td><td>7,8</td><td>5,0</td></tr> <tr><td>Brazil</td><td>2,4</td><td>4,0</td></tr> <tr><td>Cape Verde</td><td>0,0</td><td>0,0</td></tr> <tr><td>Tunisia</td><td>7,9</td><td>4,1</td></tr> <tr><td>Lebanon</td><td>8,2</td><td>4,5</td></tr> <tr><td>Portugal</td><td>7,5</td><td>8,6</td></tr> <tr><td>Secil Group</td><td>6,4</td><td>6,0</td></tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Severity Rate</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr><td>Angola</td><td>163,8</td><td>110,7</td></tr> <tr><td>Brazil</td><td>82,2</td><td>101,5</td></tr> <tr><td>Cape Verde</td><td>0,0</td><td>0,0</td></tr> <tr><td>Tunisia</td><td>199,5</td><td>115,6</td></tr> <tr><td>Lebanon</td><td>103,2</td><td>23,8</td></tr> <tr><td>Portugal</td><td>192,6</td><td>225,3</td></tr> <tr><td>Secil Group</td><td>153,9</td><td>145,4</td></tr> </tbody> </table>	Frequency Rate	2018	2019	Angola	7,8	5,0	Brazil	2,4	4,0	Cape Verde	0,0	0,0	Tunisia	7,9	4,1	Lebanon	8,2	4,5	Portugal	7,5	8,6	Secil Group	6,4	6,0	Severity Rate	2018	2019	Angola	163,8	110,7	Brazil	82,2	101,5	Cape Verde	0,0	0,0	Tunisia	199,5	115,6	Lebanon	103,2	23,8	Portugal	192,6	225,3	Secil Group	153,9	145,4	
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	<p><b>103-2 The management approach and its components</b></p> <p>7.1 Development of the Community and Management of Local Impacts - Why are the Communities and Management of Local Impacts a priority?</p>	Page 70																																																																																																										
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GRI 413: Local Communities	<p><b>413-1 Operations with local community involvement, impact assessments and development programmes</b></p> <p>See Chapter 7.1 Community Development and Local Impact Management – What are we doing?</p> <table border="1"> <thead> <tr> <th rowspan="2">Initiatives under development</th> <th colspan="2">Portugal</th> <th colspan="2">Brazil</th> <th colspan="2">Cape Verde</th> </tr> <tr> <th>2018</th> <th>2019</th> <th>2018</th> <th>2019</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Evaluations of social impact, including gender impact assessments, based on participatory processes</td> <td>Não</td> <td>Não</td> <td>Não</td> <td>Não</td> <td>Não</td> <td>Não</td> </tr> <tr> <td>Environmental impact assessments and ongoing monitoring</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> <td>Não</td> <td>Não</td> </tr> <tr> <td>Public disclosure of the results of environmental and social impact assessments</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Local community development programmes based on the needs of the respective communities</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> <td>Não</td> <td>Não</td> </tr> <tr> <td>Stakeholders' involvement plans based on the mapping of interested parties</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> </tr> <tr> <td>Committees and broad processes of consultation of local communities that include vulnerable groups</td> <td>Sim</td> <td>Sim</td> <td>Não</td> <td>Não</td> <td>Sim</td> <td>Sim</td> </tr> <tr> <td>Labour councils, health and safety at work and other workers' representative bodies to deal with the impacts</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> <td>Não</td> <td>Não</td> </tr> <tr> <td>Formal complaint processes available to the local community</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> <td>Sim</td> </tr> </tbody> </table>	Initiatives under development	Portugal		Brazil		Cape Verde		2018	2019	2018	2019	2018	2019	Evaluations of social impact, including gender impact assessments, based on participatory processes	Não	Não	Não	Não	Não	Não	Environmental impact assessments and ongoing monitoring	Sim	Sim	Sim	Sim	Não	Não	Public disclosure of the results of environmental and social impact assessments							Local community development programmes based on the needs of the respective communities	Sim	Sim	Sim	Sim	Não	Não	Stakeholders' involvement plans based on the mapping of interested parties	Sim	Sim	Sim	Sim	Sim	Sim	Committees and broad processes of consultation of local communities that include vulnerable groups	Sim	Sim	Não	Não	Sim	Sim	Labour councils, health and safety at work and other workers' representative bodies to deal with the impacts	Sim	Sim	Sim	Sim	Não	Não	Formal complaint processes available to the local community	Sim	Sim	Sim	Sim	Sim	Sim																																						
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Standard	Indicator/Response	Location
	<p>In Angola and Lebanon several initiatives have been developed aiming to develop local communities, which are described in chapter "7.1 Community Development and Local Impact Management - What are we doing?". In Tunisia, there is an environmental monitoring committee involving members of the region's union members and people of the civil society. They aim to develop a work plan with the community in 2020.</p> <p>In Portugal, there is public disclosure only of the results of environmental assessments, since social impact evaluations are not carried.</p>	
<b>GRI 103: Management Approach</b>	<b>103-1 Explanation of the material topic and of its Border</b> Concerning the material topic "Product Safety and Quality"	Page 42
	<b>103-2 The management approach and its components</b> 4.2 Product Safety and Quality - Why are Product Safety and Quality a priority?	Page 42
	<b>103-3 Assessment of the management approach</b> Secil carries out regular monitoring and evaluation of the indicators associated with these topics. To assess the effectiveness of its management, it also relies on the feedback from our stakeholders, benchmarking analysis and external performance ratings, as and when available.	
<b>GRI 416: Health and Safety of Customers</b>	<b>416-2 incidents of non-compliance related with impacts on health and safety caused by the products and services</b> No non-conformities were recorded	



## GCCA TABLE





## GCCA TABLE

Secil responds to the Indicators established by the GCCA, to allow for monitoring and benchmarking at sector level. It is through these indicators that they intend to monitor compliance with the 2020-2030 Commitments presented in this report.

Some of the indicators coincide with the indicators of the Global Reporting Initiative (GRI) standards presented in the GRI Table, these indicators were therefore verified by an independent external entity to the process (KPMG), in particular for 2019. The remaining indicators were not subject to the external verification process.



## 2020-2030 Commitments

	AREA 	OUR COMMITMENTS 2020/2030	ALIGNED WITH SUSTAINABLE DEVELOPMENT GOALS
Pillar Health and Safety	 OUR PEOPLE	1. Apply the GCCA guidelines for best practices in Safety	 
		2. Promote the sharing of best practices in Health and Well-being	 
Pillar Climate Change and Energy	 PROTECTION OF THE PLANET	3. Define a strategy to mitigate climate change, with the publication of concrete goals and their evolution	
Pillar Environment and Nature		4. Implement the guidelines for the Environment and Nature	
Pillar Circular Economy		5. Establish reduction targets for emissions and publish their progress	 
	6. Promote circular economy principles in the value chain	 	
7. Implement the guidelines for the use of fuels and raw materials in cement production	 		
Pillar Social Responsibility	 INVOLVEMENT WITH THE COMMUNITY	8. Publish the Code of Conduct that incorporates the international principles of human rights	
		9. Implement the guidelines for evaluation of social impact	 
		10. Establish a process of systematic dialogue with the stakeholders	



# GCCA TABLE

## GCCA Indicators

**Note:** Verification by an external and independent entity was carried out under the GRI Guidelines for 2019, therefore, only the indicators in common with the GRI (identified in the "GRI Correspondence" column in the table) were verified by third parties.

OCCUPATIONAL HEALTH AND SAFETY	2018	2019	GRI Correspondence
Number of fatal accidents for company employees	2	2	
Number of fatal accidents for third-party employees (contractors and sub-contractors)	0	0	
Number of fatal accidents for others	0	0	
Number of accidents with lost workdays, for company employees	42	33	
Frequency index rate of accidents with lost workdays per 1 million hours worked, for company employees	8,3	6,8	
Number of accidents with lost workdays, for third-party employees (contractors and subcontractors)	29	32	
Frequency index rate of accidents with lost workdays per 1 million hours worked, for third-party employees (contractors and subcontractors)	29	32	
Total number of accidents (employees, contractors and subcontractors)	71	65	
Number of working days lost for company employees	1 021	757	
Severity index for company employees per 1,000,000 hours worked - per working day	201	155	



CLIMATE CHANGES	2018	2019	GRI Correspondence
Absolute total emissions (gross) of CO <sub>2</sub> (millions of tonnes of CO <sub>2</sub> )	4,01	3,82	305-1
Absolute total emissions (net) of CO <sub>2</sub> (millions of tonnes of CO <sub>2</sub> )	3,80	3,61	
Specific total emissions (gross) of CO <sub>2</sub> (kg CO <sub>2</sub> /tonne of clinker)	857	848	305-5
Specific total emissions (net) of CO <sub>2</sub> (kg CO <sub>2</sub> /tonne of clinker)	813	803	
Specific total emissions (gross) of CO <sub>2</sub> (kg CO <sub>2</sub> /tonne of cement product)	699	689	
Specific total emissions (net) of CO <sub>2</sub> (kg CO <sub>2</sub> /tonne of cement product)	663	652	

ENERGY EFFICIENCY	2018	2019	GRI Correspondence
Alternative raw materials (clinker and cement) (%)	2,14%	3,70%	
Clinker incorporation rate in cement (%)	79,03%	79,70%	
Rate of use of alternative fuels (%) (alternative fossil fuels and biomass)	19,5%	23,6%	302-1
Biomass utilization rate (%)	7,8%	20,2%	
Energy efficiency of the furnaces (MJ/tonne of clinker)	-	3 726	

POLLUTANT EMISSIONS	2018	2019	GRI Correspondence
Total particle emissions (t)	32	99	305-7
Specific particle emissions (g/tonne of clinker)	7	22	
Total NO <sub>x</sub> emissions (tonne)	5 731	6 744	305-7
Specific NO <sub>x</sub> emissions (g/tonne of clinker)	1 226	1 499	
Total SO <sub>x</sub> emissions (tonne)	1 306	1 506	305-7
Specific SO <sub>x</sub> emissions (g/tonne of clinker)	279	335	
% clinker produced in furnaces with monitoring (spot or continuous) of the main pollutants and micro-pollutants	19,5%	23,6%	
% of clinker produced in furnaces with (continuous monitoring of the main pollutants	100	100	
Dust	100	100	
NO <sub>x</sub>	100	100	
SO <sub>2</sub>	100	100	



LOCAL IMPACTS (QUARRIES)	2018	2019	GRI Correspondence
% of active quarries with active rehabilitation plans (KPI 1. KPI Rehabilitation)	60%	60%	
% of quarries having plans with the involvement of the community (KPI 2 Community Plans)	60%	60%	
% of active quarries with designated areas of high ecological value (forming part thereof or adjacent) (KPI 1 Biodiversity; "biodiversity value" defined in GRI EN1)	30%	30%	
% of quarries with high ecological value (in accordance with the previous indicator) with active biodiversity management plans (KPI 2 Biodiversity)	100%	100%	

WATER	2018	2019	GRI Correspondence
Total water uptake by source (G4-EN8)	2 175 826	1 627 291	
Source: Groundwater uptake (cubic metres)	1 516 770	1 394 971	303-1
Source: Surface water uptake (cubic metres)	102 233	158 114	303-1
Source: Capture of municipal / fresh water or other water utilities (cubic metres)	67 407	73 272	303-1
Source: Rainwater uptake (cubic metres)	1 974	1 085	
Source: Uptake of water from other sources (cubic metres)	487 442	-	
Total water discharged per destination (G4-EN22) (per water bodies)	1 310 831	969 863	
Destination: Body of surface water (cubic metres)	215 629	104 339	
Destination: Treatment facility (outside the unit) (cubic metres)	6 606	4 439	
Destination: Beneficiaries or other users (cubic metres)	1 088 596	861 175	
Total water consumption (GWT for the cement)	864 995	657 428	
Percentage of units with water recycling system (GWT for the cement)	12,5%	12,5%	

## TECHNICAL DATASHEET

Images | Secil

Illustrations | Santa Fé Orange

Design and Pagnation | Santa Fé Orange

Technical Support | Stravillia Sustainability Hub



**SECIL**

Companhia Geral de Cal e Cimentos, S.A.  
Office, Outão. Apartado 71 | 2901-864 Setúbal  
T. 212 198 100 / 265 534 766  
F. 265 234 629

[www.secil.pt](http://www.secil.pt)