



SUSTAINABILITY REPORT 2018

SEMAPA



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Message from the Chairman

On the road to Sustainability

Adding to the challenges of an economic and technological context in rapid change are the effects of environmental changes and new social expectations. The resulting unpredictability demands appropriate public responses, but it also increases the responsibilities of companies. In this context of disruption, substantial risks and great opportunities, we believe it is crucial that we reinforce our commitment with responsible, sustainable action.

Being fully aware of the increased demands of governance placed on companies by the current context, we are committed to continuing to meet the growing demands of our partners and stakeholders. We have embarked on a path of permanent dialogue, and we pay close attention to what all the parties interested in our activity communicate. We assume the responsibility for both creating value and developing our relationships with our economic and social partners and our employees.

This year we formally established the minimum standards for sustainable action that we expect from the companies in which we invest, as well as the corresponding follow-up processes. We will work together to turn what we believe is already a respectable and dedicated action into one of excellence.

By joining the United Nations Global Compact, Semapa reaffirms its commitment to conduct its activities with consideration for their economic sustainability and their environmental and social impacts, paying special attention to its workers and the surrounding communities.

We understand our fundamental mission of creating value for society as a long-term mission, with balanced economic, environmental and social components, and are always seeking, in the end, the well-being of people.

Going forward, our ambition is to remain a reference company that merits the respect and trust of those with whom we have working relationships.

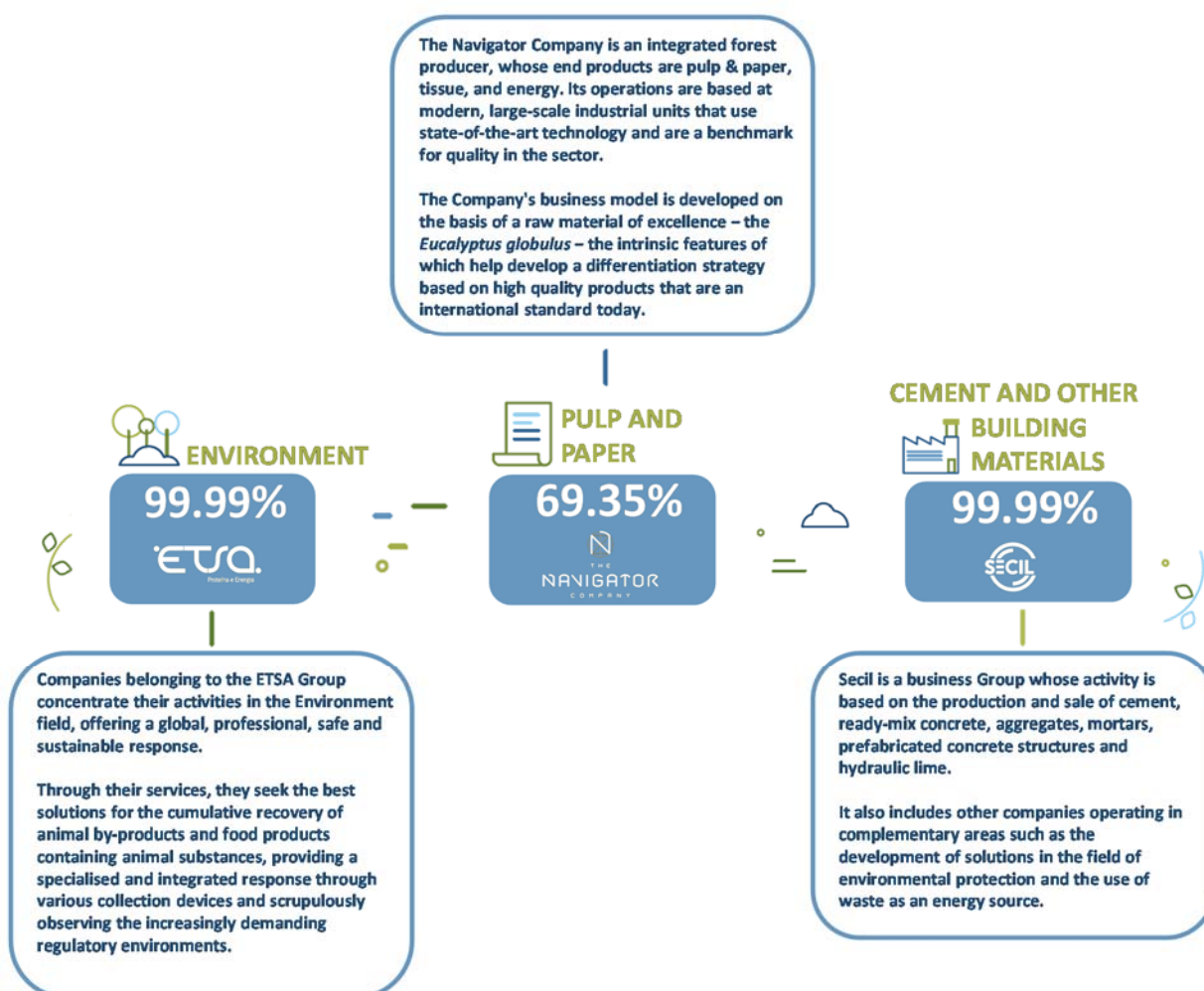
This path follows the route embarked on long ago by the founder of Semapa, Pedro Queiroz Pereira, whose legacy gives us the foundations on which we continue to build a sustainable future.

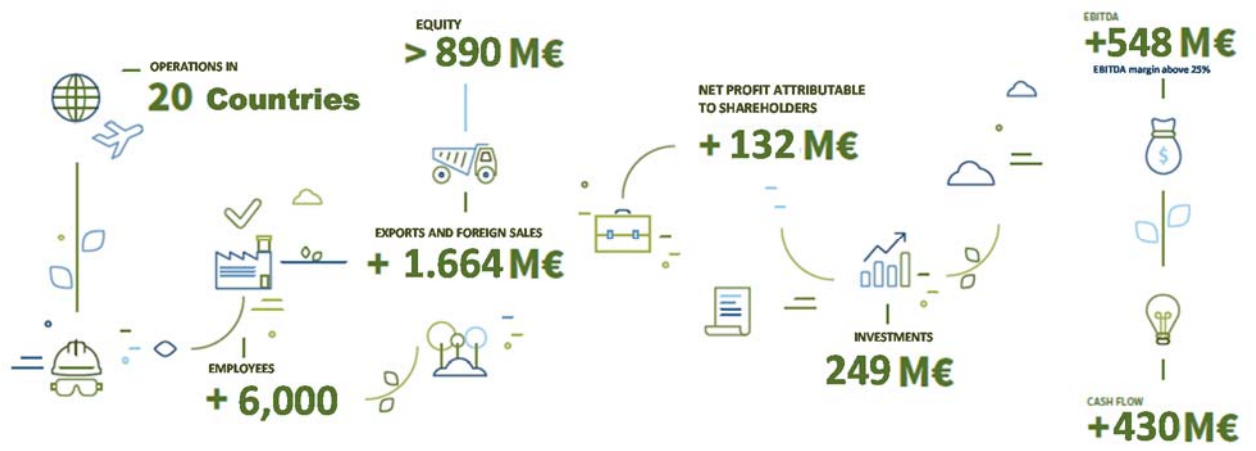
1. THE SEMAPA GROUP AND SUSTAINABILITY

1.1 PROFILE OF ACTIVITIES

Semapa is a public company based in Lisbon, whose shares are admitted to trading on the regulated market Euronext Lisbon.

Semapa is one of Portugal's largest industrial groups, employing over 6,000 people and operating on several continents, 3/4 of its revenue being generated in foreign markets. Its core activity is the management of holdings, organised mainly into three industrial business areas.





1.2 MISSION, PRINCIPLES AND VALUES

In the fundamental commitments that express the mission of each company, we have a paradigmatic example of the diversity of the various operations of the Group and how much they have in common: their shared commitment and concern for sustainability.

SEMAPA'S MISSION

To be a benchmark for **investment management** in key sectors of the **Portuguese and international** economy, aware of the principles of **sustainable development** and capable of balancing the requirements of **creating returns** for shareholders with an attractive project for professionals and a deep **social and environmental conscience**.

ETSA'S MISSION

We seek to be a **national and international reference** in the rendering industry, contributing to the development of this business area, with the values that define and differentiate us.

NAVIGATOR'S MISSION

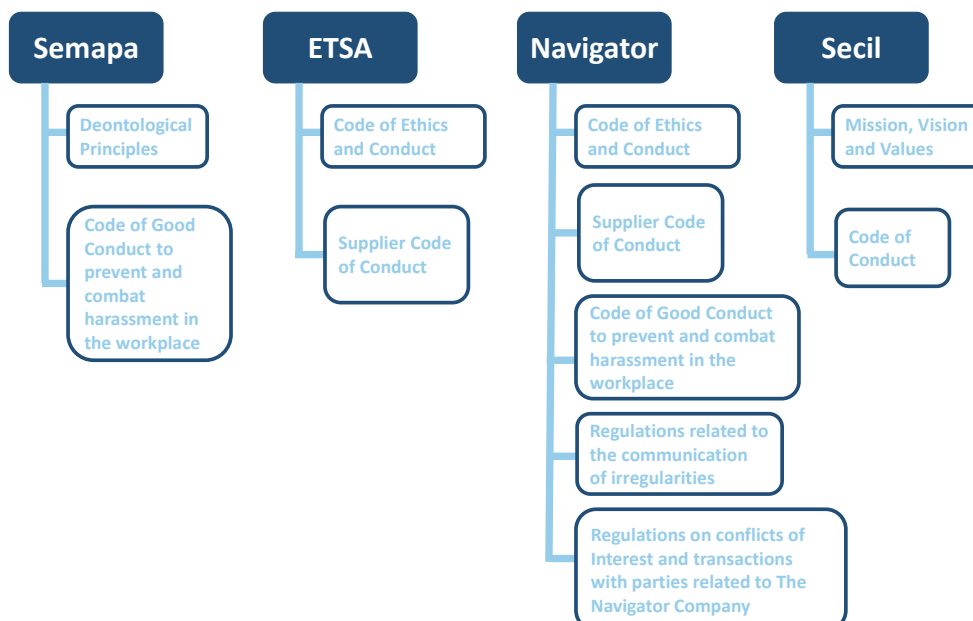
To be a **global company**, admired for the innovative and sustainable way it transforms the **forest** into products and services that contribute to **people's well-being**.

SECIL'S MISSION

To give shape to ideas, by providing our customers with cement based solutions, our people with careers worth having, our communities with responsible citizenship and our shareholders with value.

CODES OF CONDUCT

The Semapa Group has assumed the advantage of formalising and disclosing what it understands as its guiding principles and good practices to its employees and to the value chains in which it operates. The following codes of conduct are in force:



1.3 SUSTAINABILITY POLICIES

Semapa invests its resources in the creation of a sustainable future, seeking to generate value and a positive impact on the quality of life of present and future generations.

We intend to assimilate the sustainability practices in our daily activities and, in the decision-making process, to have a long-term vision established on four pillars:

1. Guarantee a suitable return to shareholders;
2. Improve environmental performance;
3. Ensure the well-being of our employees;
4. Have a positive impact on society.

The Charter of Commitment prepared by Semapa to ensure the sustainability of all the Group companies seeks to standardise the common guiding principles and commitments of each of the subsidiary companies, which have their own general and specific policies for the different components of sustainability.

ETSA is itself a business model oriented towards circular economy and sustainability.

In all its activity, the company assumes its responsibility for business, the people and the community.

This sustainability-based focus results from the values of its mission: Innovation, Excellence, Quality, Sustainability and Safety.

The Navigator Company carries out its business, based on a sustainable model originating in forests, a natural and renewable resource which the Company protects and values.

This sustainable business model is expressed in its Vision, Mission and Values.

The commitments and goals outlined bearing in mind long term value generation for its stakeholders and for society are aligned with the United Nations Sustainable Development Goals.

Navigator's activities are based on a sustainable model based on the forestry business

This model, inspired by the identity of the Company, is expressed in its Vision, Mission and Values. Its targets and strategies are also aligned with the United Nations Sustainable Development Goals.

Secil is committed to sustainability, seeking to align its economic performance with respect for the environment and responsible citizenship.

Its sustainability policy defines objectives and prioritises actions that contribute to a better life on a planet for all mankind. Questions such as global climate change, the circular economy or the promotion of biodiversity are challenges for Secil.

In the communities where it operates, it seeks to surpass and integrate the expectations of its stakeholders.

Secil is part of institutions and international partnerships that assume that same commitment, achievable through the goals of sustainable development.

CHARTER OF COMMITMENT FOR SEMAPA SUBSIDIARIES Criteria for Sustainable Action

In 2018, Secil prepared a Charter of Commitment for its subsidiaries. These commitments encompass a variety of sustainability issues, such as:

- Respect for human rights
- Subscription and promotion of the SDG
- Policies of ethics and diversity
- Programmes for employee training
- Respect for the environment
- Involvement with the community
- Sustainability criteria in their investment analysis processes
- Definition of a Sustainability Management Structure in the company
- Promotion and sharing of good practices

These principles are not exhaustive nor exclusive, and the subsidiaries are encouraged to exceed these minimum requirements and build its own sustainable future.

1.4 SUBSCRIPTION OF COMMITMENTS, PRINCIPLES AND PARTNERSHIPS

All the Group companies subscribe and commit to the fulfilling of the above described Group's **Charter of Commitment**, which lays out the **Criteria for Sustainable Action** that each of the Group companies is to follow. Additionally, Semapa draws up and prepares its Plan for Equality, in accordance with its legal obligation.

As a public commitment to society and a guarantee of an inclusive and sustainable posture, the Semapa Group companies subscribed to the following declarations of principles:

- **United Nations Global Compact** - Semapa
- **BCSD Portugal's Charter of Principles** - Navigator and Secil
- **GCCA Sustainability Charter** - Secil

All these documents are available on the websites of the corresponding companies or can be requested at the address sustentabilidade@semapa.pt.

RESPECT FOR HUMAN RIGHTS

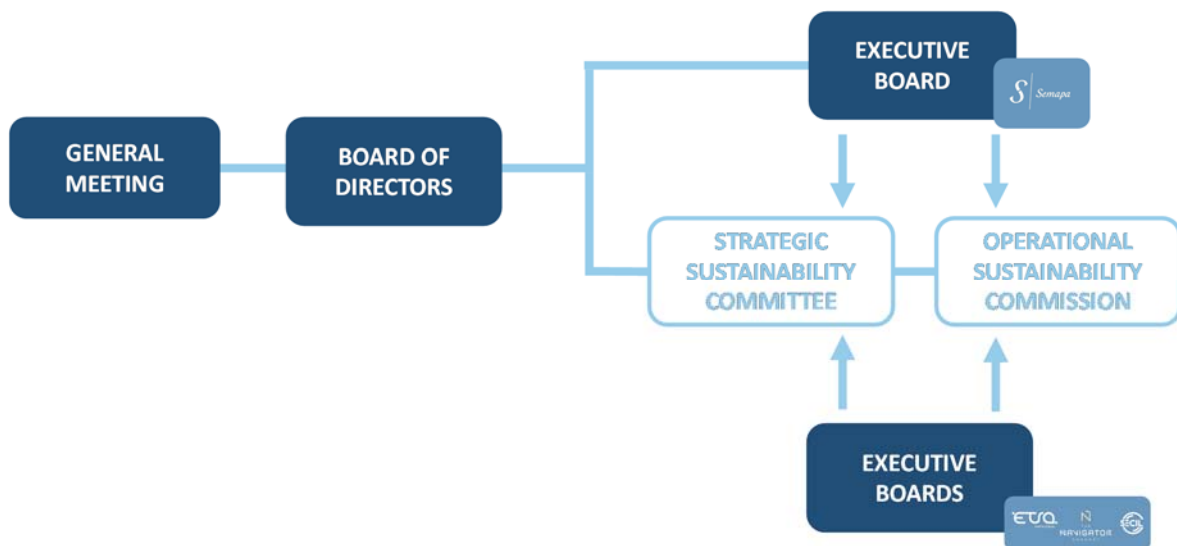
The laws governing Semapa and all its subsidiaries are deeply rooted in the respect for Human Rights. All the Group's operations are carried out in strict compliance with these principles.

The commitments and principles described above and subscribed by these different Group companies are proof of the concern for and dedication to human rights in general, and there are no cases of non-compliance to report in this respect.

1.5 SUSTAINABILITY MANAGEMENT

Sound governance is of the utmost importance for ensuring the success of any organisation. Corporate governance best practices seek to transform basic principles into real actions. Semapa has implemented its Sustainability Governance structure, thereby seeking to reinforce the work already being done by its subsidiaries and to lend more coherence to the Group's activities.

As presented in our first Sustainability Report for the previous year, a Sustainability Management position has been created, who reports to the Board of Directors. The Strategic Sustainability Committee has underway a set of transversal initiatives, promoted by the Operational Sustainability Commission, which began its work in 2018.



1.6 COMBATING CORRUPTION

Semapa has subscribed a set of commitments and principles to align itself with the major international sustainability issues, which include combating corruption.

In addition to the commitments subscribed by the Group, as mentioned above, the Global Compact and the BCSD Portugal's Charter of Principles, and the safeguards that derive from them, Semapa assumed the commitment to define, by the end of fiscal year 2018, a policy for the prevention of corruption for each of the business units of the Group, adapted to the realities of each company.

Today, Semapa's Deontological Principles explicitly set forth its complete intolerance of any form of *"direct or indirect participation in any form of corruption, fraud, money laundering, bribery or extortion"*.

Secil's Code of Conduct expresses these same provisions related to *"any form of corruption, fraud, money laundering, bribery, or extortion, and its employees must abstain from directly or indirectly participating in or adopting any behaviour that constitutes that practice"*.

The Navigator Company's Code of Ethics and Conduct, distributed to all the company employees and found on its website, contains this explicit mention in point III 8. (Integrity): *"The practice of corruption and bribery is forbidden, in all active or passive forms, through act or omission, by creating or maintaining situations of favouritism or other irregularities, or adopting behaviours which may create, in their counterparts, expectations of favouritism in their relations with The Navigator Group."*

In the extension to the value chain, The Navigator Company also has a Supplier Code of Conduct, which explicitly states: *"The Navigator Company promotes integrity and ethics in all aspects of its activities. The Navigator Company employees are expected to promote the interests of The Navigator Company and, in doing so, to act responsibly. The Navigator Company expects the supplier to comply with all applicable laws and regulations on corruption, bribery, prohibited business practices and extortion. Therefore suppliers must not offer bribes, kickbacks or improper gifts or payments of any kind to an employee, manager or director of The Navigator Company or to third parties for the purpose of obtaining or retaining business or gaining an improper advantage. Every form of corruption or bribery is forbidden, this being valid for active as well as passive bribery."*

As for ETSA, it adopted a deontological code which sets forth the conduct to be followed in strict compliance with the law and regulations, in the relations with public authorities and which explicitly: *"forbids all acts of corruption and bribery, in all their active and passive forms, whether by act or omission, whether by the creation and maintenance of situations of favour or irregular situations."*

The evaluation of the compliance with these principles is ensured at Navigator and at Secil through internal procedures subject to auditing and by autonomous channels for the communication of irregularities. At Semapa and ETSA this is guaranteed by the respective management bodies, as the scope of their operations is smaller.

In this regard, no incident of corruption was reported in the fiscal year in question.

The risk assessment in progress in the Group will make it possible to gauge the need for additional mechanisms of due diligence, auditing or mitigation.

2. SUSTAINABLE DEVELOPMENT GOALS

Semapa assumes its responsibility towards society in this joint project and commits to actively fulfil these international sustainability goals. We intend to align our sustainability strategy with the Sustainable Development Goals (SDGs), by setting targets and action programmes.

The SDGs of the United Nations, which have been ratified by nearly all countries, including Portugal, laid down 17 goals for guaranteeing sustainable development.

The SDGs highlight explicitly the importance of companies and economic agents in achieving these goals.

Throughout 2018, the SDGs were one of the subjects discussed in the meetings of the Strategic Sustainability Committee, which identified 3 levels for the application of these goals in the companies: Priority, Aspirational and Instrumental. This exercise was based on the value chain of each subsidiary, the assessment of the material topics and the mission of the Group and each of the companies.



PRIORITY SDGs



**PROMOTE SUSTAINED,
INCLUSIVE AND SUSTAINABLE
ECONOMIC GROWTH, FULL AND
PRODUCTIVE EMPLOYMENT
AND DECENT WORK FOR ALL**

The Semapa Group, a major employer not only in Portugal but also in international markets, is focused on generating value, offering decent and adequate job opportunities and developing companies that are competitive, innovative and efficient.

Safety, training and respect for equity are strategic themes.

The companies' responses

Navigator: *Learning Center* for Talent Management and Development of Human Capital and the 2020 Safe Horizon Project for Health and Safety

Secil: Programmes in Leadership and Coaching in Behavioural Safety. TME Programme for training and qualification of Human Capital.



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

The companies of the Semapa Group manage the environmental impacts of their production processes, which are prevented and controlled by their policies and environmental management systems. They are committed to being efficient in their consumption of resources and in promoting the circular economy.

The companies' responses

Navigator: Reduction of the energy intensity of pulp and paper; Corporate Plan for the Reduction of Water Consumption; Partnership in circular economy projects; Reuse of waste - recovery of sludge from WWTPs; Lower emissions of gases and particles. In regard to its customers: Increase the sale of products with the forestry certification label or EU Ecolabel (Programme for the Promotion of Forest Certification); offering of paper bags as an alternative product to plastic; increase in the number of visits of customers to the plants.

Secil: Efficient use of resources – water, energy and raw materials; Reduction, control and measurement of particle emissions; Reuse of materials, reduced consumption and recycling; Development and use of non-fossil alternative fuels; Concrete with lower cement content and more secondary raw materials; Development and production of thermal insulation, contributing to more efficient energy consumption.

ETSA: Circular economy through the recycling of by-products of the food industry; Training in eco driving for drivers of heavy vehicles; investment in the incineration of unpleasant smelling gases in the biomass energy recovery facility at ITS.



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

The Semapa Group is dedicated to the mitigation of climate change, as its processes and the life cycles of its products involve CO₂ emissions, as well as, the consumption and sequestration of carbon. Renewable energy is a priority in the operations of the companies and carbon neutrality is long-term goal.

The companies' responses

Navigator: Score "A" for Leadership on the Climate Change 2017 questionnaire of the CDP (Carbon Disclosure Project), being the only Portuguese company to obtain this score, and one of the five worldwide companies in the Paper & Forestry sector who received this rating. Mitigation of the effects of climate change: Carbon stock in the forest managed by Navigator; commitment to achieve the goal of Carbon Neutral Company by 2035; increased use of fuels from renewable sources (forest biomass); offsetting of emissions.

Secil: Strategy and actions to reduce the carbon footprint and reduction of CO₂ emissions; Reduction of incorporations: Cement with less clinker (low carbon clinker) concrete with less cement; Availability of a unique product for the infrastructures of society and its adaptation to climate change, especially fire resistance and events such as floods or storms. Preferential use of sea and rail transport in the movement of goods and fuels.

ETSA: Use of biomass as a thermal fuel, replacing fossil fuels; production of biodiesel from animal fat and used cooking oils; Consumption of ITS fuel (biological waste from the manufacturing activity - endogenous fuel), to avoid CO₂ emissions; Various companies of the Group hold the ISCC certification (certification that guarantees sustainability and the reduction of greenhouse gas emissions in the production process of biodiesel).

ASPIRATIONAL SDGs



ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

The Semapa Group, as a major employer, is concerned about the health and well-being of its employees, promoting policies and specific programmes in these areas.

The companies' responses

Navigator: Occupational health programme that encompasses nutrition, physiotherapy and psychology.

Secil: Training and qualification of drivers in Lebanon; Occupational health programmes and various campaigns in the area of health and well-being.

ETSA: Curative medicine in all the companies; enhancement of the hygiene and health at work programme.



ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

The Semapa Group assumes the responsibility of promoting the personal and professional development of the employees of all the companies. The attraction and retention of talent is a pressing concern of companies with a large number of employees.

The companies' responses

Navigator: Learning Center, Trainee Programme, Organisational Culture Programme, Corporate Volunteer Programme, Scholarships for employees' children; School visit programmes; Donations of paper to the educational community; *Dá a Mão à Floresta* Project (awareness for forest protection for children of the 1st Cycle of Basic Education).

Secil: Support of education campaigns held in developing countries, such as Tunisia and Angola. Participation in school councils of various learning establishments in Portugal and increase in various initiatives with universities to encourage research or entry into the working life, an example being the Secil Universities Award.

ETSA: Focus on training for all employees.



**BUILD RESILIENT
INFRASTRUCTURE, PROMOTE
INCLUSIVE AND SUSTAINABLE
INDUSTRIALIZATION AND
FOSTER INNOVATION**

The Semapa Group companies operate in value chains with a strong impact on the local economy in structuring areas for the society. They offer solutions and resilient products and focus in Research and Development to innovate and respond to future challenges.

Navigator: RAIZ – Instituto da Investigação da Floresta e Papel; Inpactus Project – Circular Bioeconomy; Biofuels; Operational Innovation Programme; Operational Excellence Programme (M2 and Lean); Industry 4.0.

Secil: Offer of resilient construction solutions with a sustainable life cycle; Areas of technical development (CDAC – Centre for the Development of Cement Applications/CTEC- Technical Centre) focused on process and product innovation; support for the development of infrastructures in developing countries (Tunisia, Angola); donation of computers and other technologies to social projects. Secil Innovation Award, designed to promote endogenous innovation.

ETSA: Department of R&D for the development of new products; investment infrastructures and equipment for the protection of the environment; implementation of a Lean Management project in the production department.

INSTRUMENTAL SDG



STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

The Semapa Group and all its companies interact with many groups in the civil society, in Portugal and abroad. Many partnerships have been established by each of the companies individually, which have improved their performance.

Navigator: Supplier Code of Conduct and the Performance Evaluation in Sustainability; Participation in CDP, WBCSD, BCSD Portugal, AFOCELCA – Forest Fire Fighting Defence, CELPA – Better Eucalyptus Project, WWF / NGP (New Generation Plantations); Protocols with universities, such as: the Cátedra Navigator Indústria 4.0 at the Instituto Superior Técnico ; FCT- UNL - Treatment and reuse of effluents; University of Minho – Satisfibre (production of bacterial cellulose); LNEG and University of Coimbra – Production of biofuels from residual forest biomass;

Partnerships - IBM - Artificial Intelligence and Cognitive Computational Capacity; ICNF – Protection of the Portuguese oyster in the Sado estuary; ATEC – Training laboratories at the Cacia plant; Sustainability Forum, Environmental Council and Local Environmental Monitoring Committees

Secil: Environmental Monitoring Committees; Secil Awards with professional associations; partnerships with universities; support to NGOs and IPSS (private social security institutions) of the communities surrounding the plants; support to the ICNF – PNA.

3. INVOLVEMENT WITH INTERESTED PARTIES

3.1 CONSULTATION AND INVOLVEMENT

For Semapa, the engagement with stakeholders is crucial in setting and prioritising the material topics related to its economic, environmental and social action, and the improvement in its way of communicating and interacting.

The integration of sustainability in its strategic and daily management is based on a permanent attitude of trust, professionalism and commitment.

Semapa has clearly identified its stakeholders.

In 2018 the stakeholders were consulted, with all stakeholders involved.

The main objectives of the consultation were to:

- define the material topics;
- get to know the relationship Semapa establishes with its stakeholders;
- identify ways to continually improve communication and involvement.

Key cross-sectional Topics:

Human capital and talent
Strategy and investment
Economic performance and results
Group values, culture and management

Key vertical Topics:

Impact on the environment
Impact on the community

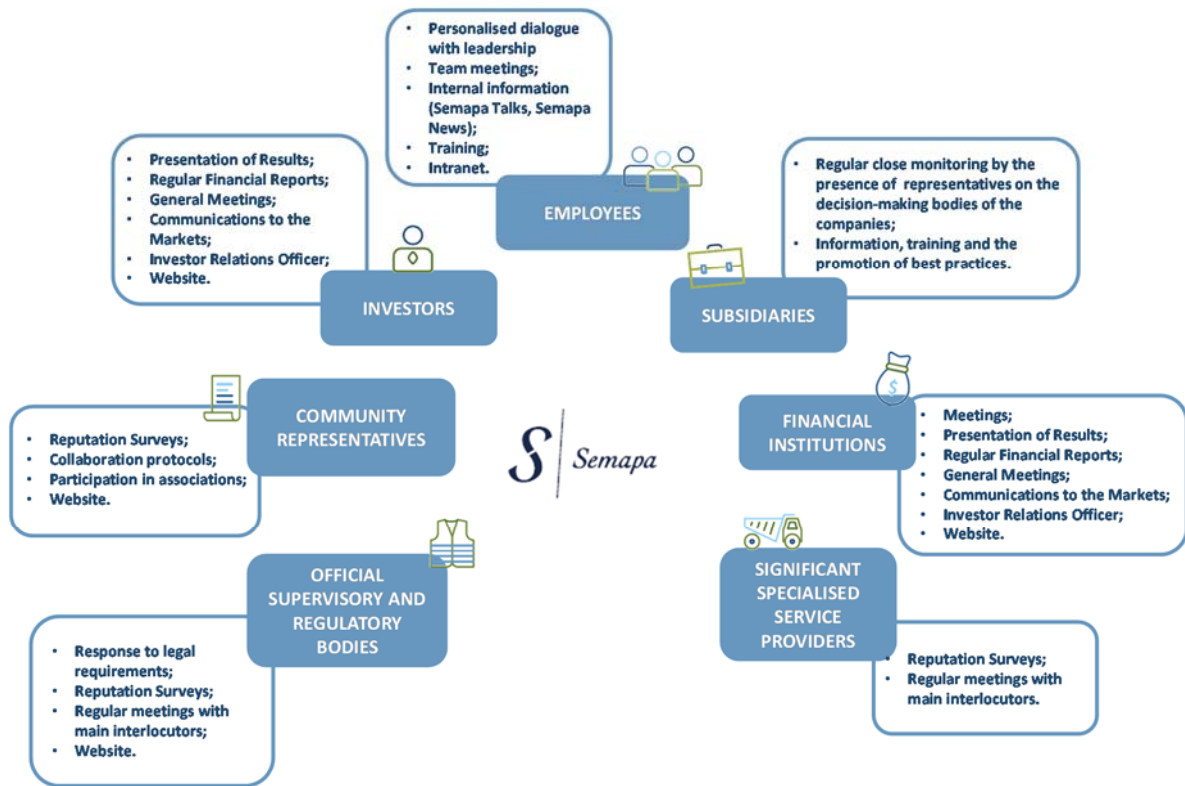
The key cross-sectional topics were identified as a priority for Semapa as a holding company. The key vertical topics were included due to their high degree of direct relevance for all of subsidiary companies and, therefore also for Semapa. This set of topics warrants our utmost, undivided attention and provides an instrument of support to top management and the decision-making process.

Throughout this report ***Stakeholders' insights*** appear, which resulted from the contributions and reflections of the various participants involved in this consultation regarding the identified material topics or Semapa's strategy for communication and involvement.

3.2 COMMUNICATION CHANNELS

Semapa communicates with each of its groups of stakeholders on a regular basis. There is a variety of forms of communication in order to respond to their different needs.

Main channels of communication with the interest groups



4. RISK MANAGEMENT

Sustainability and risk: two sides of one same coin

The key to creating value, at Semapa or any other company, requires the management of suitable levels of risk, which need to be grounded on the Group's sustainability principles. The sustainability of a company is intimately linked to its resilience and its alignment with the goals of the society where it operates, and it is therefore crucial to its operations to incorporate criteria of sustainability as the social and environmental impact in its analyses of risk and return. At Semapa, we see risk management as an integral part of our sustainable activity.

Increasingly, the main references and guidelines regarding the supervisory functions in business organisations highlight the importance of risk analysis and the responsibility of management in identifying suitable measures of mitigation. In the formal framework of governance, codes and best practices have given growing importance to risk management and the need for the management of organisations to orient their action in accordance with risk analyses, subject to the criteria of sustainability.

Likewise, the standardised systems that define the norms for integrated management systems (e.g., environment, quality) that are critical to the sustainability of an organisation expect action plans to be analysed bearing their risks in mind.

Semapa has therefore initiated a **strategic risk management project**. This project is carried out along three lines:

- **Risk management**, with the definition of a model and tools for monitoring and reporting risks, and benchmarking with comparable companies;
- **Operationalisation of risk management**, in which the main business risks (the top risks) are identified and described, along with their mitigation gaps, and initiatives are then defined for additional risk minimisation;
- **Risk governance**, which establishes a structure and guidelines for the management of business risks, formalising a risk policy for the company and establishing its model of governance.

The formalisation of the risk management processes will allow Semapa to:

- inform the process of support for decision-making at all levels;
- define the most significant risks and the corresponding measures of mitigation;
- address risks of differing natures and varying impacts;
- standardise the existing risk management practices through an integrated, formal and exhaustive process;
- create a risk culture that permeates across the organisation and all its hierarchical levels.

The formalisation of the risk management processes is also an important opportunity to increase our transparency and establish new partnerships.

The results from this exercise will be made available in a separate transparent document, the Risk Report, the main conclusions of which will be included in the annex to the Report and Accounts.

In 2018, risk management followed the practice of the previous years. The main financial risks managed by the Financial Department, in accordance with the guidelines issued by the Board of Directors, are given in detail in the Report and Accounts, as follows:

- Foreign exchange risk;
- Interest rate risk;
- Credit risk;
- Liquidity risk;
- Capital risk.

Semapa is aware that the main risks it faces in the society in which it operates is from the consequences of climate change. The material topics identified also encompass the social and environmental aspects. The risk management project mentioned above will be even more encompassing in its evaluation.

The subsidiary companies also manage the risks inherent in their activity. Detailed information is given in the GRI table attached hereto.

Pillars of Sustainability

Along with its responsibility for the creation of value, Semapa fully assumes its corporate citizenship, thus basing its activity on its four pillars of Sustainability: Value, People, Environment and Community.

These have always been part of Semapa's Vision but are now explicitly stated as four structural pillars that form an intrinsic set and mutually reinforce each other. In preparing the action programmes and establishing a sustainable outlook for the medium term, we work from the premise that reinforcing any one of these makes a decisive contribution to the joint solidity of the Group.

In the following chapters, we provide our stakeholders with a look into some of the main topics dealt with in each of these areas.



5. VALUE CREATION *Improving our value and our business*

5.1 ECONOMIC PERFORMANCE 1

Stakeholder insights

“The expectation is that the economic performance and the good results will continue to be a part of Semapa, which will reinforce them through an efficient financial management capable of calmly managing the risks with assurance and assertiveness.”

5.1.1 VALUE CREATION

Semapa’s activities are governed first and foremost by the sustainability of its economic results. In 2018, it presented once more a sound financial performance, illustrating the Group's capacity to adapt to very volatile environments in the countries where the subsidiaries operate.

Analysing key economic and financial indicators helps understand the Group's performance.

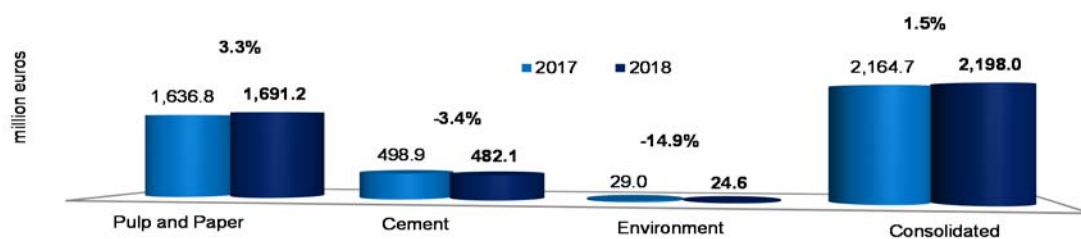
LEADING BUSINESS INDICATORS

| IFRS - accrued amounts (million euros) | 2018 | 2017 | Var. |
|--|-------------------|-------------------|------------------------|
| Revenue | 2,198.0 | 2,164.7 | 1.5% |
| EBITDA | 548.5 | 500.7 | 9.5% |
| EBITDA margin (%) | 25.0% | 23.1% | 1.8 p.p. |
| Depreciation, amortisation and impairment losses | (215.9) | (224.2) | 3.7% |
| Provisions | (19.0) | (4.2) | -348.3% |
| EBIT | 313.7 | 272.3 | 15.2% |
| EBIT margin (%) | 14.3% | 12.6% | 1.7 p.p. |
| Net financial results | (68.8) | (63.9) | -7.8% |
| Profit before taxes | 244.8 | 208.4 | 17.5% |
| Income taxes | (43.7) | (14.8) | -195.0% |
| Net profit for the period | 201.2 | 193.6 | 3.9% |
| Attributable to Semapa shareholders | 132.6 | 124.1 | 6.8% |
| Attributable to non-controlling interests (NCI) | 68.6 | 69.5 | -1.3% |
| Cash-flow | 436.0 | 422.1 | 3.3% |
| | 31/12/2018 | 31/12/2017 | Dec18 vs. Dec17 |
| Equity (before NCI) | 890.4 | 843.4 | 5.6% |
| Net debt | 1,551.6 | 1,673.7 | -7.3% |
| Net Debt / EBITDA LTM | 2.83 x | 3.34 x | -0.5 x |

REVENUE

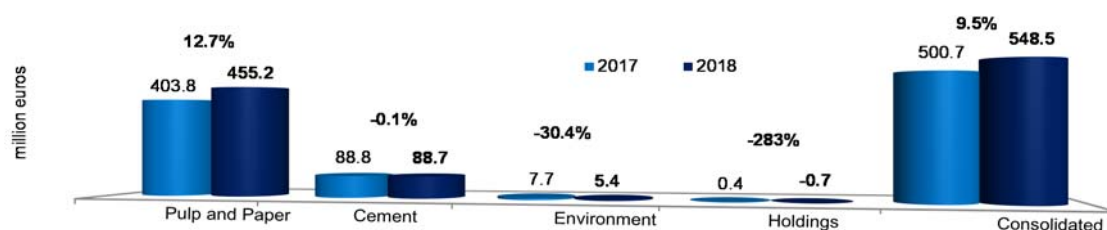
In 2018 the Semapa Group recorded consolidated revenue of 2,198.0 million euros, up by 1.5% from the same period in the previous year.

Exports and foreign sales amounted to 1,664.9 million euros, representing 75.8% of revenue.



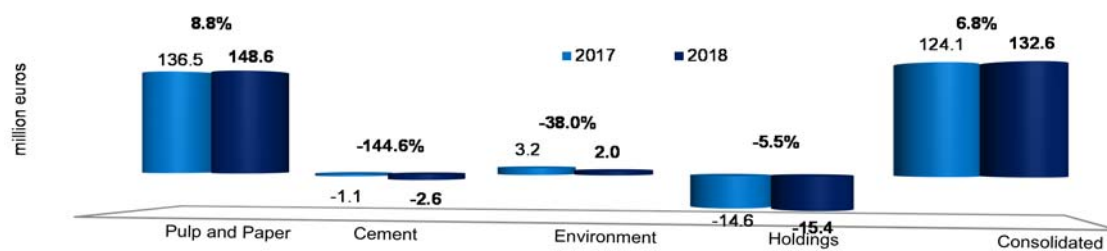
EBITDA

In 2018, EBITDA increased 9.5% in relation to the previous year, standing at 548.5 million euros. The consolidated margin stood at 25.0%, 1.8 p.p. higher than in 2017.

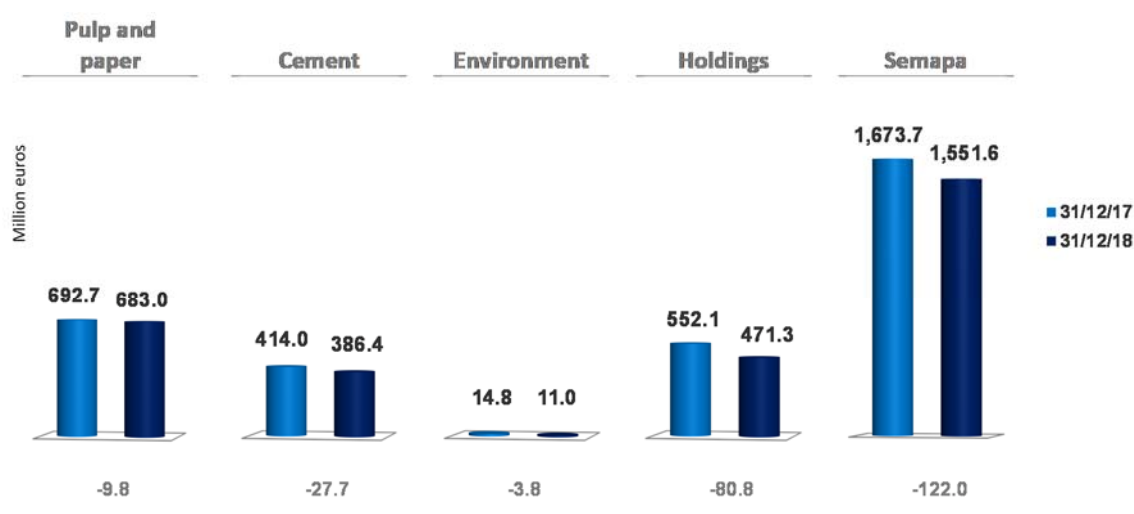


NET PROFIT ATTRIBUTABLE TO SEMAPA SHAREHOLDERS

Profit before taxes increased 17.5% and net profit attributable to Semapa shareholders stood at 132.6 million euros, up by 6.8% in relation to the previous year .



NET DEBT



On 31 December 2018, consolidated net debt stood at 1,551.6 million euros, representing a reduction of around 122.0 million euros over the figure in the previous year, having decreased in all areas.

5.1.2 SHAREHOLDER VALUE

Semapa creates value for its shareholders by distributing dividends and enhancing the value of its shares, seeking to reinforce their stability and long-term growth.

Consolidated Net Profit in 2018 attributable to Semapa shareholders was 132.6 million euros, which represents an improvement of 6.8% compared to the previous year.

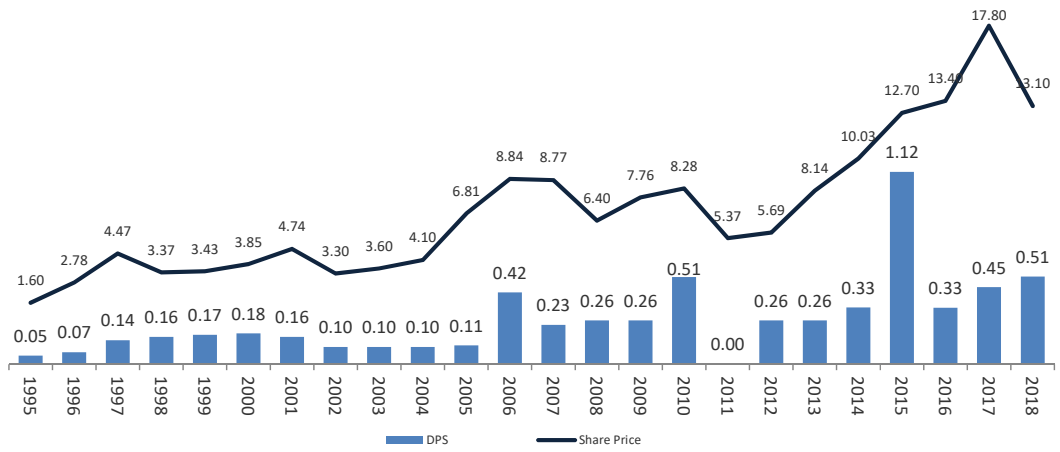
The evolution in Net Profit is explained essentially by the combined effect of the following factors, in comparison with the previous year:

- An increase in total EBITDA of approximately 47.8 million euros;
- An increase in depreciation, amortisation, impairment losses and provisions of 6.4 million euros;
- A deterioration in net financial results by about 5.0 million euros;
- An increase in income taxes of approximately 28.9 million euros.

In June 2018 Semapa distributed dividends with a total value of 41.3 million euros, corresponding to 0.512 euros per share.

In June 2018, Navigator paid dividends and reserves totalling 200.0 million euros, corresponding to 0.27894 euros per share.

VALUE CREATION



ANNUAL SHAREHOLDER RETURN: 19.3%

5.2 STRATEGY, INVESTMENT and BUSINESS DEVELOPMENT

Stakeholder insights

“Very efficient financial management and appropriate risk management. They assess risk very well, which is fundamental to the sustainability of the business, especially when one considers its geographic dispersion, including countries that are not very stable, in problem areas in terms of politics or war...”

Semapa invests for a sustainable future

Semapa’s purpose is to develop a portfolio of holdings in companies in different sectors of activity. In an economic setting in accelerated change or even disruption, Semapa considers essential the establishment of a diversified portfolio that will mitigate the risk of concentration, balance the differences in the evolution of the various businesses of the Group and adds new sources for the value creation.

Therefore, besides the investments and projects underway within the scope of the companies ETSA, Navigator and Secil, as detailed in the Report and Accounts, Semapa remains alert to opportunities for investment in other economic sectors where it can establish a significant position.

Semapa *Next*, the venture capital arm of Semapa formed to work through investments in risk capital funds, is also a co-promoter of the Techstars project to select, accelerate and finance start-ups in Portugal, its first edition having been launched in 2018.

5.3 RESPONSIBILITY ALONG THE VALUE CHAIN

With a view to the Sustainable Management of Suppliers, Semapa created a Roadmap of Best Practices in the Group, for the implementation of a set of procedures in all the companies that makes it possible to select suppliers and assess their sustainability performance. In 2018, a working group was established for this purpose with staff from the various Group’s companies, in order to promote the sharing of the best practices.

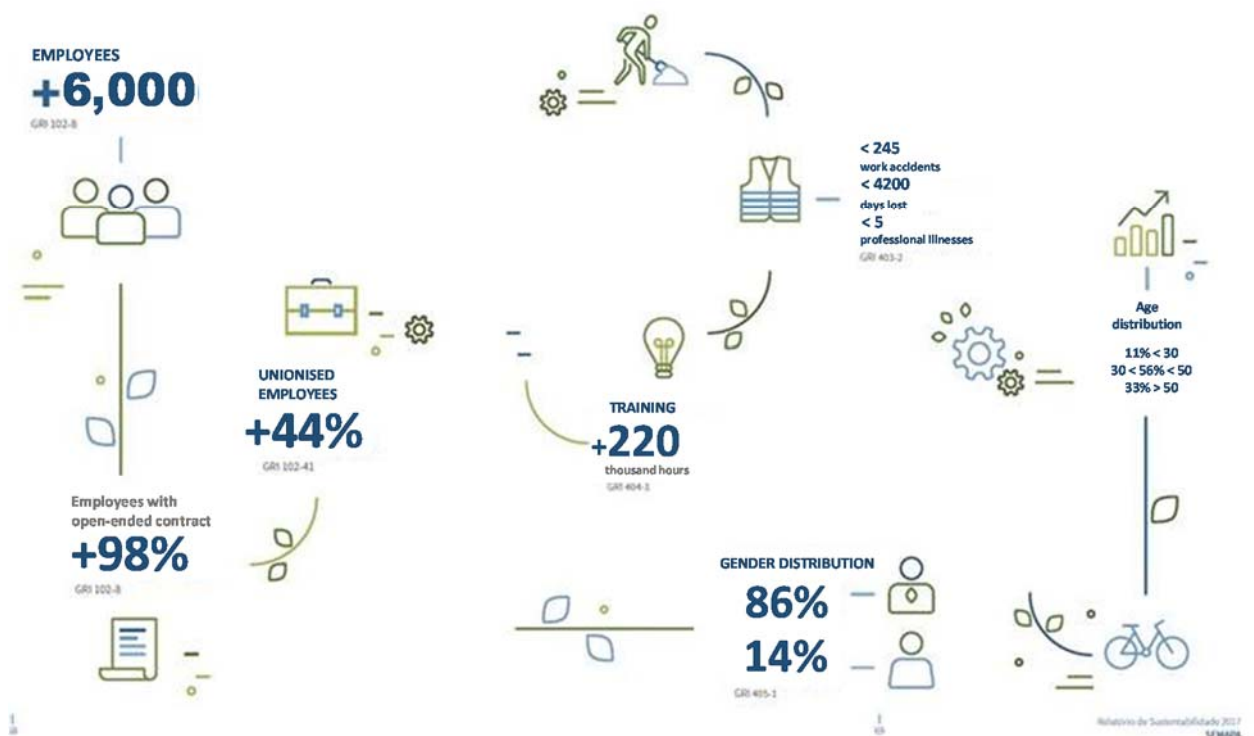
After a diagnostic the following Best Practices were identified:

- Supplier Code of Conduct;
- Sustainability Surveys;
- Auditing of Suppliers;
- Strengthen the relationship with Suppliers.

6. PEOPLE Improving our people

6.1 HUMAN CAPITAL AND TALENT

Focus on people



Stakeholder insights

“Semapa is seen as a company that bets on quality human resources and invests in human capital. It knows how to aggregate the experience of the resident staff with the hiring of new talent. The result is professionalism.”

Semapa believes that a Human Resource policy founded on the vocational and personal development and growth of its employees is the basis for the development and growth of the Group itself.

Human Resources are a priority, and there are several talent management programmes underway in the Group, both in Semapa as the holding and in its subsidiaries, with strong training and career management components. The Group's strong focus on sizing and

streamlining HR also depends largely on the appropriateness of qualifications, specialisation in some functions, and the development of the necessary skills.

The Group is thus keenly aware that its capacity to successfully implement the outlined strategies depends on its capacity to attract the most talented workers and to hire and retain the most qualified and competent employees for each function.

Semapa has developed a set of cross-company initiatives that complement and supplement the initiatives of each individual company, directed towards all employees of the Group's companies.

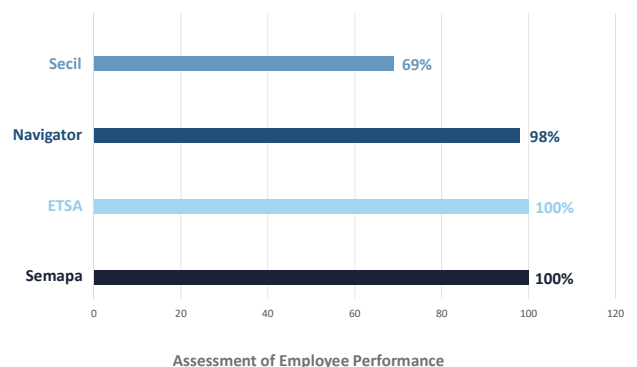
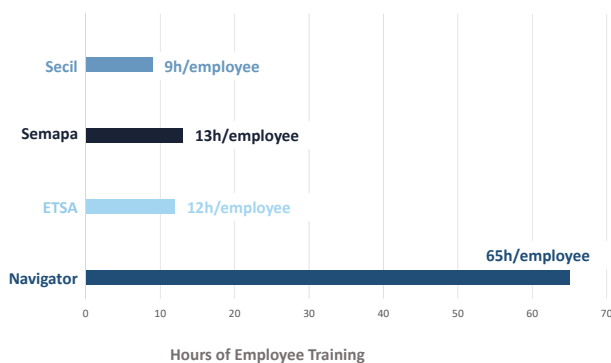
Three goals have been defined: professional training through the Learning and Talks programmes; professional development under the Mobility and JG programmes; and information, through the News initiative.

SEMAPA 2018

- Talento Project - to build up the Group spirit in its top talent
- SingularityU Portugal Summit Cascais

SEMAPA NEWS

- Disclosure the Semapa 2018 Encounter
- Dissemination of the video on the Recovery of the Sado oysters



NAVIGATOR

Coaching programme, a more participatory leadership

During 2018, various coaching sessions were held for the Navigator managers, focusing on the reinforcement of intrapersonal skills and leadership. This project came about following the assessment of leadership potential conducted in 2017, which encompassed almost all the Directors who report to the Executive Committee, and from a study of the organisational climate. The results obtained suggest that the organisation is moving towards a more participatory leadership, but a need to continue developing a culture of feedback, delegation and the development of their team members persists.

Assessment of Middle Management: Develop to Lead

A project begun in 2018 encompassing 36 leadership positions, mainly designed for employees recently promoted to leadership roles and for employees identified as having “Potential” and “High Potential” during the talent management meetings. This project includes the preparation of plans for individual development within the scope of the integrated strategy for Navigator.

New Learning Centre platform

Launched in December 2018, it is available for all employees and covers a wide range of courses in digital format. One of the examples of available training courses is the Industrial Challenge.

Industrial Challenge – Focus on safety and sustainable management of the forest

In 2018, the Industrial Challenge Programme was held in the four industrial units, through 32 sessions that encompassed more than 2,000 employees of the industrial areas. This programme included sessions on the subjects of Safety and the Forest, and a visit to the Navigator installations, as well as to the Aliança Nurseries and the RAIZ Institute.

SECIL

Build UP Development Programme

In this Programme, started in 2017, 178 employees of the SECIL Group have already participated. Besides the Individual Development Plans, various workshops were held in 2018 with the objective of developing management skills for change, problem analysis and solving, and the development of people (emotional intelligence, communication and feedback, team work and conflict management). Great emphasis was given on the manner in which each leader exercises his/her duties (leadership of service) and on interpersonal relationships.

SECIL MEETING

Secil believes that people aligned and committed determine the success of the organisation, and so, it held an annual meeting of the Group, which was a great opportunity to share the progress in Culture and Safety, reinforcing the protagonism of the leadership. It was also a moment of alignment of the next steps of Secil toward the defined goals, with progress of the project RETURN in all the geographical regions and served for inspiration and commitment of everyone to the needed transformation.



6.2 CULTURE AND TOP MANAGEMENT

Stakeholder insights

“It is important to promote an internal culture with critical mass for the current phase of transition that Semapa is experiencing. In this transition it is good to maintain certain values of entrepreneurship, dynamic management and risk management, which have been characteristics of the company. It’s good to maintain that inheritance.”

More important than what we did is how we did it

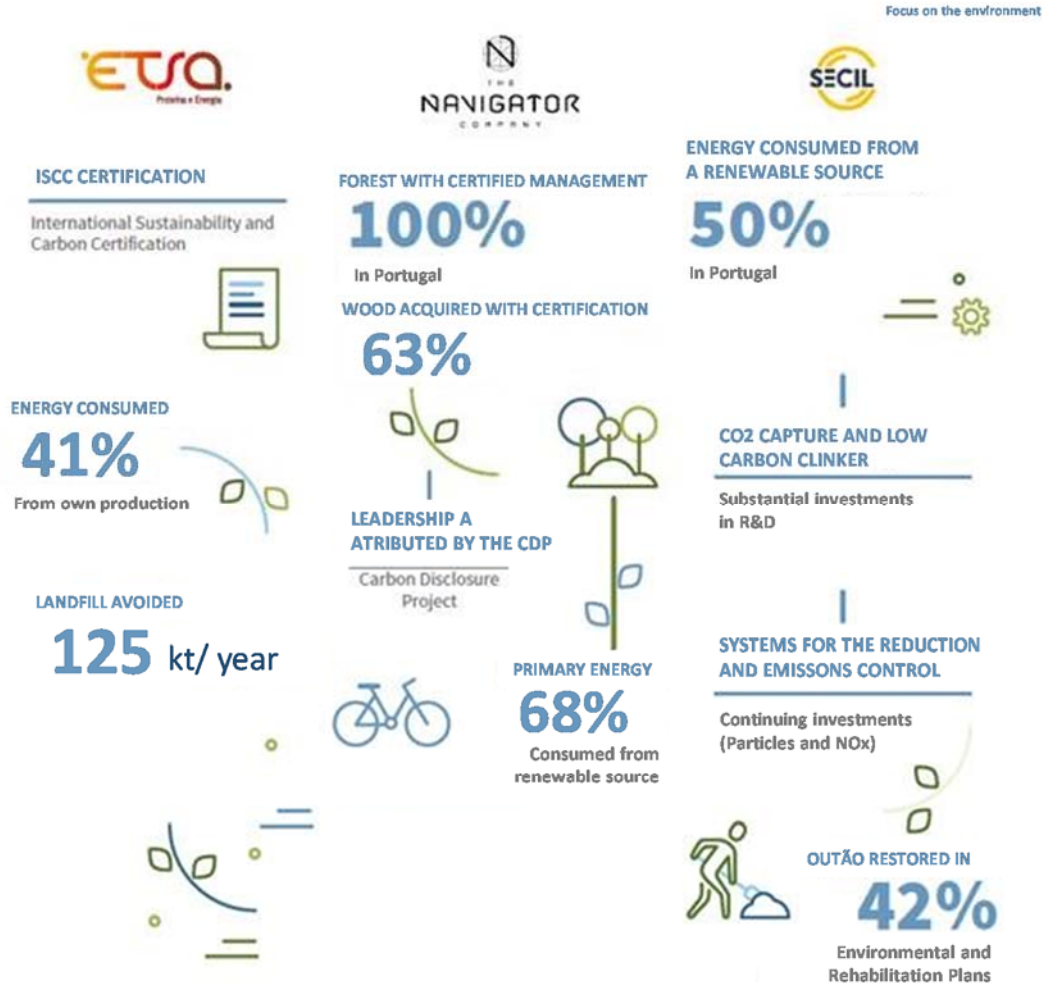
Pedro Queiroz Pereira

From this statement of the Group’s founder, Pedro Queiroz Pereira, quoted above, we learn unequivocally about the way our values are lived and practiced: values come before results. And as we have already had the opportunity of stating, that is a founding value in itself.

Even though some of the Group companies have already set forth the values of each company, and they are published on the respective websites, at Semapa as a Group, the values have not yet been formally codified. Nevertheless, the guidelines of our common values are present in our day-to-day activity, in all the companies and in all the geographical regions:

- **Ethics and Integrity**, as a way of being and of living;
- **Respect for people**: a posture of justice and sharing, a collaborative way of working, based on trust;
- A **coherent public posture that is transparent**, but never ostensive;
- A profound **social and environmental conscience**, which should direct each of our acts; and,
- **Innovation and Excellence** in our creation of value and in our entrepreneurial ambition.

7. PLANET Improving our planet



7.1 IMPACT ON THE ENVIRONMENT

Stakeholder insights

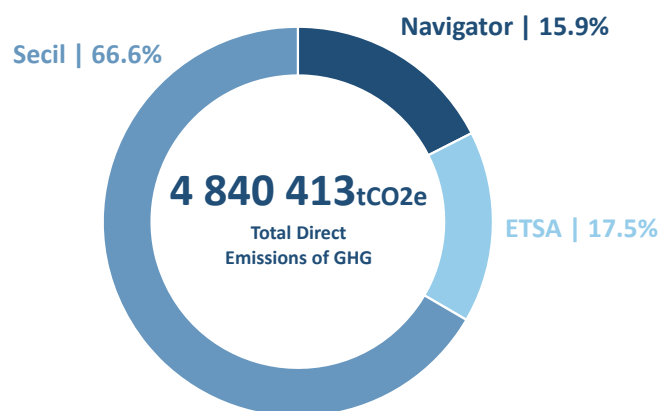
“The transparency of the Semapa Group is important regarding its activities in energy, the exploitation of natural resources and the value chain: to show that they care, show what they have already done and show what they are thinking of doing in terms of their environmental impact.”

Semapa, aware of its environmental responsibility, intends to contribute to a better management and conservation of natural resources and to minimise its impacts in terms of emissions, wastes and biodiversity, aiming for eco-efficiency. It is thereby also focusing on the larger global environmental problems, such as climate change and the circular economy, participating in their solutions.

The management of the environmental impact is the responsibility of each of the subsidiaries. Semapa’s direct environmental impacts are very limited, resulting essentially from the activities inherent to managing spaces for administrative services. Such responsibilities are dealt with in the sustainability policy. Good practices are already a part of the company’s routines. Even so, in this area, as well, the renovated structure for sustainability management is expected to make a further contribution.

7.1.1 CLIMATE CHANGE

The growing concern about the problem of climate change is on the current agenda for the development of the business. The Paris Agreement, signed in 2015, seeks to achieve a global response to the threat of climate change. The Semapa Group companies have already taken up these issues in their strategies and intend to make a positive contribution to a global solution.



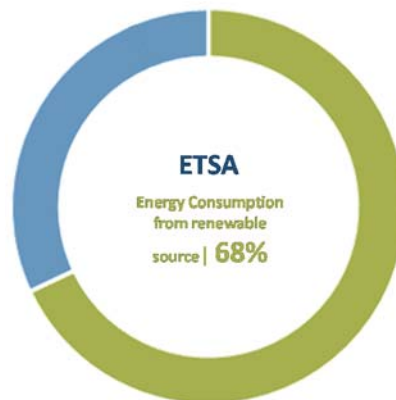
ETSA

ETSA is alert to the questions related to greenhouse gas emissions. Its activity promotes the reduction of these gases, using biomass as a thermal fuel, substituting fossil fuels. The main source of the energy consumed is from renewable sources, which represent 68% of the total.

Moreover, the most important companies of this subgroup, ITS, SEBOL and BIOLOGICAL hold an ISCC certification (International Sustainability and Carbon Certification).

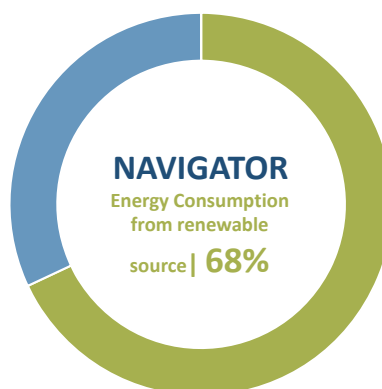
ISCC is worldwide the leading system for the certification of sustainability and the reduction of greenhouse gas emissions and the first recognised by the European Commission and all EU members. This system can be used to certify any type of biomass and bioenergy.

This certification guarantees that the biomass was produced in a conscientious manner that respects the environment, specifically through the reduction of greenhouse gases, the sustainable use of land and the protection of the natural environment.



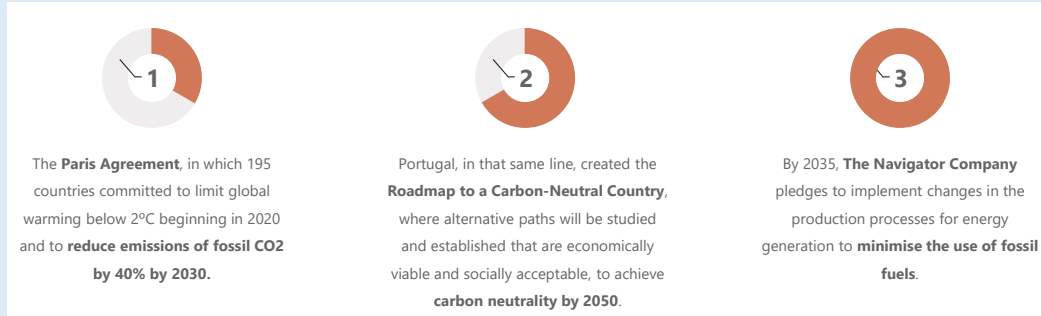
Navigator

Navigator undertook to modify its production procedures to reduce the use of fossil fuels to the minimum and become carbon-neutral by 2035.



NAVIGATOR IN THE RESPONSE TO CLIMATE CHANGE

The Navigator Company intends to implement a programme to achieve a neutral balance in CO₂ emissions in its production processes, minimising the use of fossil fuels, for which it has set 2035 as the deadline.



In order to minimise the use of fossil fuels, Navigator has proposed the development of a set of projects over the next 17 years. This programme, called **ROADMAP TO A CARBON NEUTRAL COMPANY**, aims to lead the company to a **carbon-neutral balance** in its production processes by 2035.

The programme involves 4 goals for implementation that are set forth jointly, depending on the needs of the industrial complexes and the investment opportunities.



CARBON DISCLOSURE PROJECT – “Leadership A”

Continuing the initiative undertaken the previous year, Navigator completed the “CDP Climate 2018” questionnaire for 2017, and was ranked on the **A** List. This score places Navigator in the Leadership Group being the only Portuguese company to obtain this score, and one of the five worldwide in the Forest and Paper sector who received this rating.

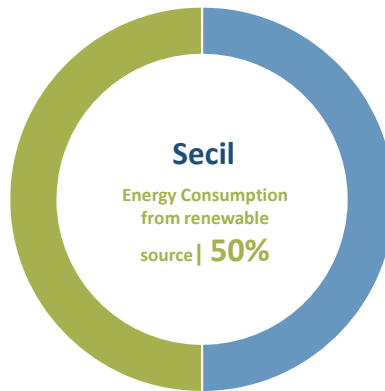


Secil

Secil has been investing for several years in the reduction of CO₂ emissions through thermal and electrical efficiency gains, the use of alternative fuels and the development of innovative carbon capture technologies.

Various initiatives have been implemented to reduce the carbon footprint of its value chain, such as the production of cement with less clinker (low carbon clinker) and concrete with less

cement. The company is currently developing a pioneer project for the capture and use of carbon in its Cibra-Pataias plant, in Portugal.



THE USE OF OLIVE STONES AS AN ALTERNATIVE FUEL IN THE TUNISIAN PLANTS

There is a large concentration of olive trees in Tunisia and consequently, a thriving olive oil industry, which means there is a great amount of olive waste available.

In 2017, and without additional investment, the olive pomace and stones began to be used as solid fuel in the clinker ovens in Gabès to reduce the costs and the emissions associated with the use of fossil fuels.

The substitution rate in 2018 was 6.1% and is projected to reach 13% in 2019 through the investment in a new installation.

A project is underway to equip the factory with an installation specifically for the burning of these wastes and to ensure the sustainability of supply through supply contracts based on availability and quality of waste.

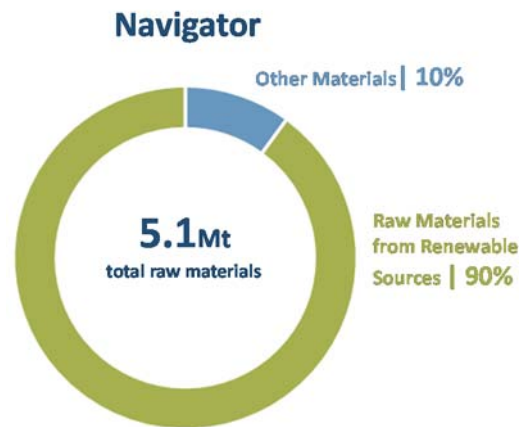
7.1.2 CIRCULAR ECONOMY

The circular economy is an approach to production and consumption that allows innovation, new products, services and new business models that contribute to a more balanced and creative relationship between companies, consumers and natural resources (BCSD).

NAVIGATOR

The Navigator Company is an excellent example of a circular economy, since it uses natural resources in an efficient way. It uses about 90% of renewable raw materials, and approximately 70% of the energy consumed comes from forest biomass.

Navigator has been investing in circular bio-economy with the support of the RAIZ Institute of R&D, and it has strengthened its academic and industrial partnerships to develop new products and technological solutions, using residual biomass and incorporating inorganic process wastes, resulting from the production of pulp and the operation of the biomass boilers (most of which are still taken to landfill) through concept proofs and demonstration projects in the framework of circular bio-economy.



INPACTUS PROJECT

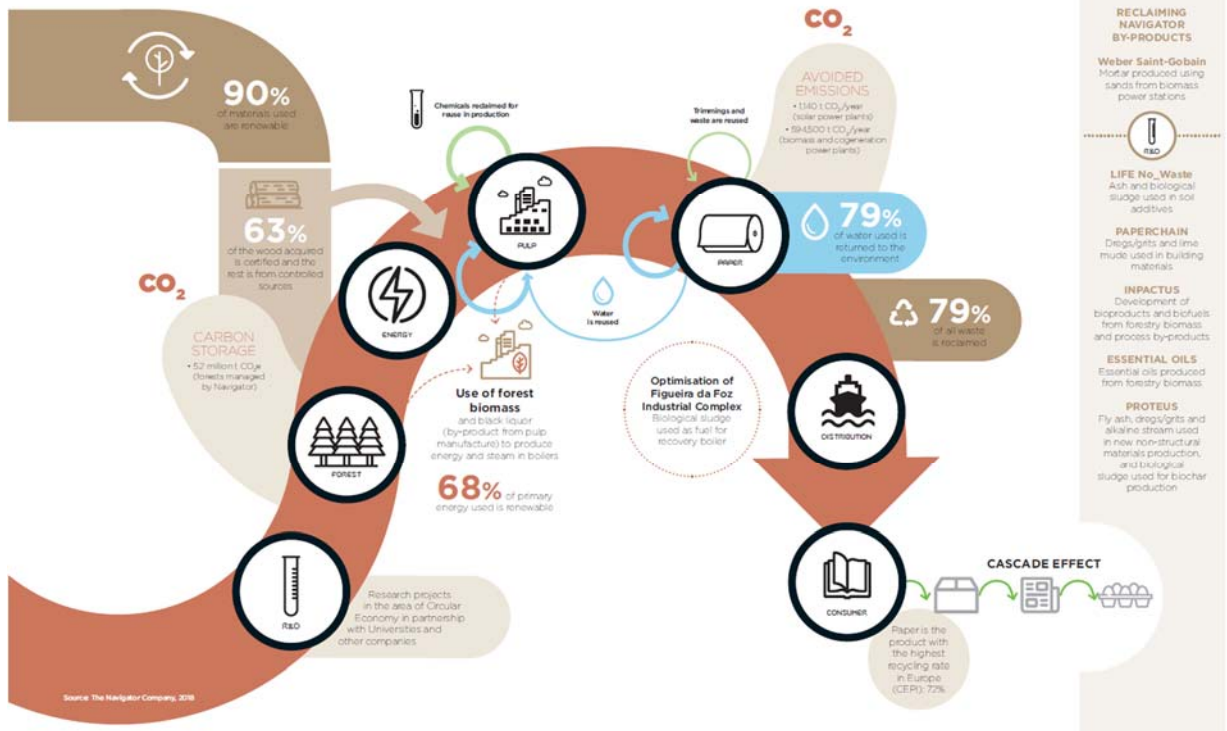
The Inpactus Project has been the great driver in this area of research in new products from biomass and wood, specifically in regard to bioactive and nutraceutical products, as well as biofuels and biocomposites. Two of the projects included in this large project merit a closer look

Use of sludge as fertilisers

Navigator, in partnership with another company, has been studying the possibility of using the organic sludge processed at the Setúbal Industrial Complex as fertiliser. The project is currently being studied at RAIZ and the results are expected to be made known next year. The company foresees being able to substitute up to 12% of the production of fertiliser in the eucalyptus plantations.

Biofuels

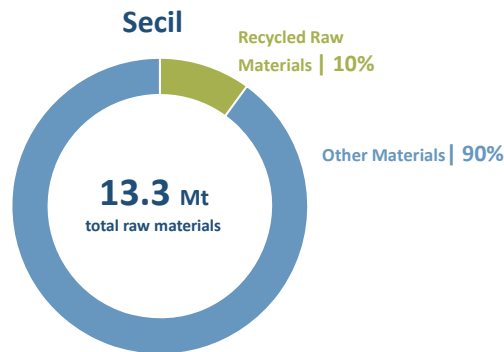
For several years Navigator has been testing the production of second generation biofuels, which use residual forest biomass, meaning they do not compete for the use of the land, thus freeing up areas that can be used for growing food. Currently RAIZ is testing other processes that are an alternative to the processes based on the paper industry, preparing to develop an industrial plant. This project is being carried out in partnership with LNEG - National Laboratory of Energy and Geology, universities and private companies.



SECIL

Encompassing its entire value chain, Secil recycles and reuses wastes from the demolition of buildings and infrastructures as a way of reducing the use of new aggregates and of virgin materials, as well as the environmental costs arising from the exploitation of resources and from the transport of wastes to landfills. It also developed a set of products for coating and thermal insulation that improve the energy efficiency of buildings.

Adopting the logic of the circular economy, Secil also uses the by-products of other industries, such as fuel, raw materials and waste materials, as is the case of the cork industry, the by-products of which are reclaimed to make mortars and light concrete with cork, for example.



SECIL AND THE CIRCULAR ECONOMY

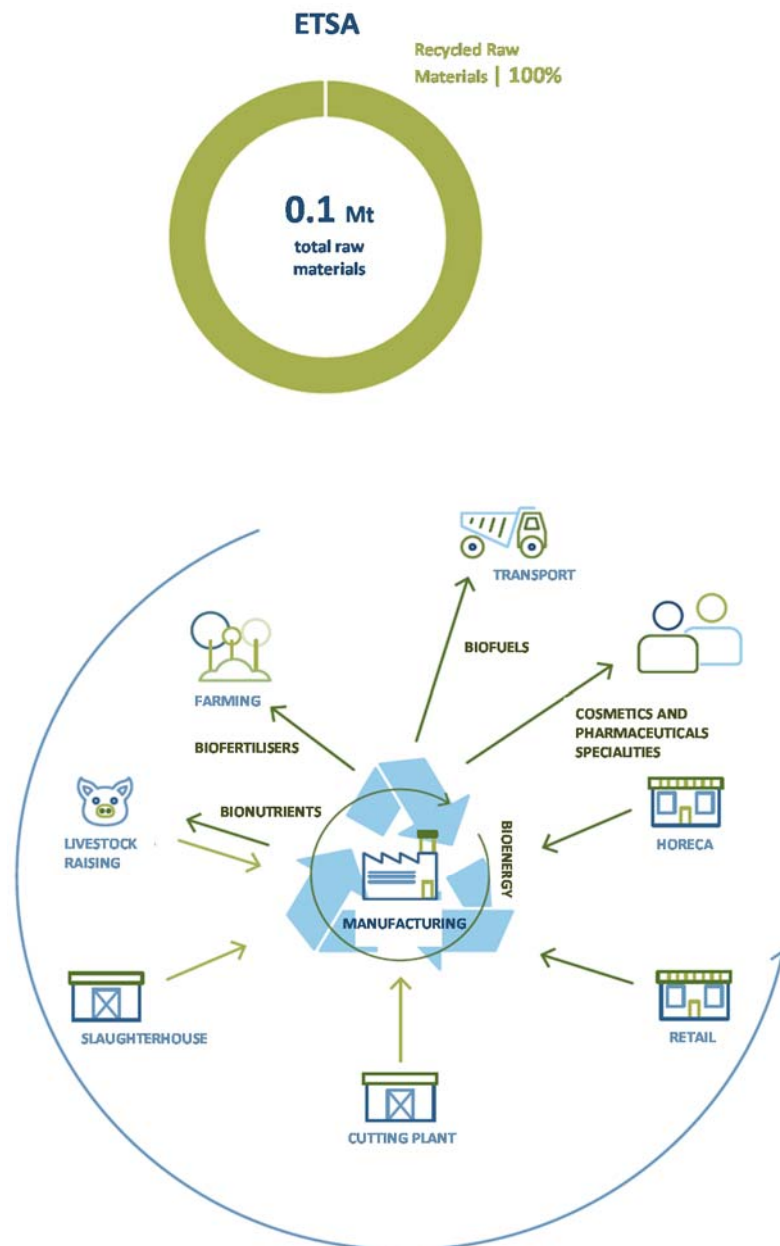


ETSA

ETSA's main activity is the collection of animal by-products and their conversion into end products with market value, thus reducing the consumption of natural resources and supporting the concept of circular economy.

Through these services, it seeks to deliver the best solutions for the recovery of animal by-products and foodstuffs containing animal products which are then used to produce food products for animals and fertilisers, as well as fuel.

ETSA also collects cooking oils used in restaurants, industrial kitchens and hotels through the company Biological, a leader in this business. The cooking oils are purified and sold to on produce biofuel, biodiesel in particular.



8. COMMUNITY *Improving our community*

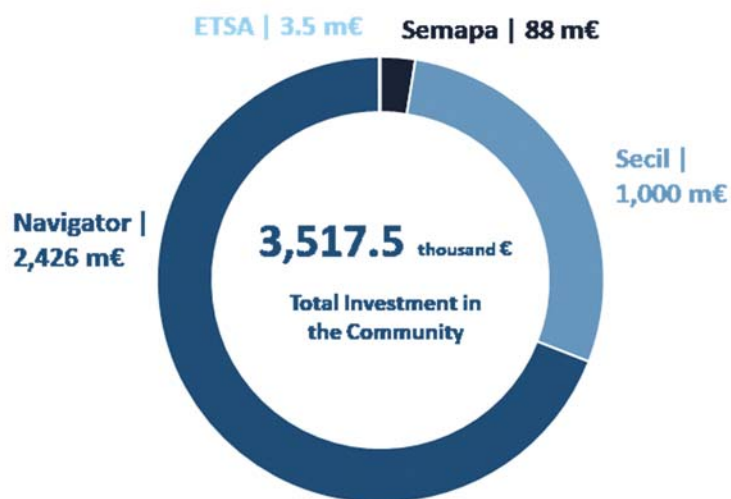
8.1 IMPACT ON THE COMMUNITY

Stakeholder insights

“The role of Semapa in the settings in which it operates is very important. A company is not an island; it lives in relationship with its surroundings. A company must have a strategy, a defined business, and it must have partnerships with society. Everything it does interferes with third parties, makes society better or worse, is part of the value chain of the society.”

The promotion of sustainable development of the communities with which it relates is one of the strategic principles that orient the actions Semapa. The Group has always been aware that sustainable growth depends on its customers, workforce and other partners, and on the support and ties it builds with the communities in which it locates its production units and commercial premises.

The Group companies are accordingly involved and committed to a wide array of projects ultimately aimed at improving the quality of life in the communities surrounding its plants and facilities, and to conserve the environment.



NAVIGATOR

Navigator seeks to strengthen its ties of proximity with society through its Corporate Social Responsibility. In 2018 this goal was achieved with the launching of two new programmes of involvement with the community in areas as diverse as rural development and sustainable lifestyles and the programme “Dá a Mão à Floresta” was continued. This is an initiative of education for sustainability that is designed to raise the awareness of children to the need to protect and value the forest.

Outgrowers

In its daily activity, the Navigator Company cares for the forest and the forestry products, as being responsible for the application of good management practices. The Outgrowers project was created with the goal of being a more direct communication channel with forest owners and helping them with a sustainable and caring management of their lands. One example is the campaign for forestry certification “Dê mais valor à sua Terra”, which above all seeks to communicate the concrete advantages of certification that are fundamental for enhancing the value of wood products on the world market. Within the scope of this campaign, a Linha Verde (*freephone number*) for information and an online page were set up (www.produtorestatais.pt). Additionally, the company held information sessions at forestry associations and was present at various events in the country - – ExpoMortágua, Feira do Vinho do Dão (Nelas), AgroGlobal (Santarém), Feira das Colheitas (Arouca) – and at Galiforest, an important forestry exhibition held in Galicia.

Dá a Mão à Floresta

The Navigator Company has carried out the Dá a Mão à Floresta project since 2010. Designed for a target audience between the ages of four and eleven, this educational programme seeks to make children aware of the need to protect and value the forest, awakening in them the values of environmental conscience, sustainability, friendship, respect, solidarity and optimism. The goal of the Campaign is to disseminate these values among children, creating roots for the education and awareness of sustainability.

In 2018, Dá a Mão à Floresta carried out a wide range of actions, embodied in a variety of street activities, roadshows in the schools with theatre plays and paper marionette shows, as well as events in commercial spaces, the Zoo and in the Monsanto Park in Lisbon.

For communication the project launched a monthly magazine, which is distributed free of charge to the homes of Club members, a blog, and pages on the Facebook and Instagram social networks were created. Over 9,000 children of the 1st cycle of Basic Education participated in this initiative in 2018.

#MYPLANET

In a world that is moving ever faster, marked by a stressful pace and habits that are unhealthy, Navigator communicates its values of sustainability to an adult urban public through a message of harmony with nature, using the #MYPLANET project. The initiative began in 2018 and rapidly earned its space in the weekend routine in various Lisbon gardens. Among the activities proposed there are moments of readings yoga classes, art workshops and plant adoptions. At the end of the year, #MYPLANET premiered a weekly television show, under its own name on a national channel, which tells stories of people who have embraced a more balanced lifestyle. At the same time, the first issue of the magazine #MYPLANET was published, which is distributed free and carries articles on the importance of living a more balanced life. The website is #MYPLANET (www.myplanet.pt), which gives information on practices for a sustainable lifestyle.

Main number for the initiative in 2018: around 6,000 participants.



Crassosado – Sustainable management of the Portuguese oyster

The Crassosado Project is part of the collaboration between Navigator and the Institute for the Conservation of Nature and the Forests and seeks to determine the threats and opportunities for the exploitation of the Portuguese oyster in the Sado estuary. It aims to help conciliate the profitability of the activity with the sustainable management of this important natural resource.

This collaboration is framed within the sustainability strategy of Navigator, reflected in its commitment to develop the surrounding communities, respecting the natural values of the regions where its industrial plants are located and making a decisive contribution to the national economy.

In 2018, special emphasis was placed on strengthening the close ties with the oyster farmers, with a view to the sustainable growth of the oyster-growing activity.

Nature at the Calouste Gulbenkian Foundation

The Navigator Company is a patron of the Music and Nature cycle at the Calouste Gulbenkian Foundation. One of the initiatives planned out in this partnership for each season consists of holding an Open Rehearsal of one of the Music and Nature concerts in the Gulbenkian Grand Auditorium, attended by children and youth from the schools of Greater Lisbon.

The main goals of this initiative are to promote training on sustainability in the educational community, raise awareness to the need to manage and use natural resources in a sustainable manner and promote environmental citizenship, specifically in the realm of protecting the forests and conserving the biodiversity.

SOCIAL DEVELOPMENT PROGRAMME IN MOZAMBIQUE

The Social Development Programme is a strategic matrix of The Navigator Company's intervention in Mozambique in its contribution to the socio-economic development of the country. In 2018 the programme began its fourth year, with an expanded set of achievements that respond to three priorities:

a) Food safety and the generation of income: distribution of improved seeds (about 123 mil kilos in the 2017/2018 campaign), which is accompanied by training in farm conservation techniques that protect the soil, increase productivity and improve food safety. Manioc is the main component of the family diet, and 65 mil stalks were distributed (varieties resistant to common diseases and that produce more).

b) Opportunities for economic growth: Creation of two pilot projects to foster the generation of income - setting up of 250 beehives, in partnership with a company that assumes the marketing of the honey, and the distribution of three young goats per family for breeding and the sharing of the first two kids (involving 180 families).

c) Support for the well-being of families: delivery of about 1,500 solar lights to promote the use of renewable energy, to be source of illumination, to supply energy to charge devices such as the mobile phone and to allow children to study after sundown.



The Programme seeks to reinforce the value chain, improving the living conditions of the families and the communities.

SECIL

Through its influence in the places where it carries out its operations, Secil provides significant support to Social Inclusion organisations. In 2018 the focus went to initiatives in Angola, where the company was actively engaged with civil society, supporting and participating in various activities, specifically programmes for the recovery and construction of various churches, schools, support to the security services and to sports activities for the masses, institutional support to UNACA, for example.

Donation of cement for the construction of the Children's Space in Benguela

The **Laymen for Development** is a **Catholic NGO** that has worked for **32 years** on behalf of full development and integrated in Portuguese-speaking countries. It currently has **projects in Angola, Mozambique, Portugal and São Tomé e Príncipe**, working mainly in the area of Training and Education, Community Stimulation and Organisation, Entrepreneurship and Employability, Qualification of Local Agents, and the Promotion of Volunteer and Pastoral Work.

Currently it is implementing “Espaço Criança” (Children's Space) in Benguela. It consists of the construction of a shelter for underprivileged children for the purpose of educating, training and integrating underprivileged children in the society. Secil participated in the project through the supply of the cement.



Other initiatives include those carried out in Lebanon, where the Sibline plant has a Corporate Social Responsibility Plan, the main objective of which is to improve its relationship with the neighbouring villages. This plan is aimed at families, youth and children, actively involving the community in general through activities, projects and exhibitions.

WORKSHOPS IN THE SCHOOLS

A workshop on ecological living was held, which involved new ecological actions by the Sibling plant.

At this workshop there were “zero energy” games that taught the students the importance of recycling and of teamwork to protect the environment.

The teachers received training on how to lead a sustainable life, and they were presented with a manual for that purpose.



In Portugal, Secil has a long tradition of involvement with the communities surrounding its plants at Setúbal, Maceira and Pataias, and in 2018, these initiatives included the following :

Multiannual Protocol of Collaboration with the Parish Governing Board of Maceira

For over 20 years, Secil (Maceira-Liz Plant) and the Parish of Maceira have had a close and very productive institutional relationship, which has brought a broad range of positive results to the local inhabitants.

In 2018 a multi-year Protocol of Financing and Collaboration was signed for the period 2018-2021, under which building materials will be donated (cement, concrete, prefabricated products) for use in the innumerable works under the responsibility of the Parish Governing Board, specifically repairs to public installations and affording good safety conditions for pedestrians through the creation of pavements along the national highways that pass through the parish.

Safe and Responsible Car Park at the Secil-Outão Plant

Secil made a decisive contribution to the implementation of the “Arrábida without cars” Programme, the goal of which is to create and maintain safe, responsible and environmentally friendly access to the Beaches of Serra da Arrábida, bordering the Secil Outão Plant (Figueirinha, Creio, Galapos and Portinho). Access to these beaches and the parking conditions are quite restricted and precarious, and Secil is cooperating with the public authorities (Municipality, Institute for the Conservation of Nature and Forests, GNR Police and Civil Protection, among others) through the creation of a dissuasive Car Park, which is free and secured. It is located in the old coal hangar of the Outão Plant, where beach goers can park their vehicles and catch a bus that takes them to the Arrábida beaches, improving the traffic flow and providing greater safety.

This also facilitates access to these beaches for first responders and emergency vehicles and for handicapped users; the landscape is more protected and the environment improved with lower CO₂ emissions from private vehicles waiting in long lines.

Between 31 May and 16 September 2018, Secil’s facilities accommodated 18 800 vehicles and 46 780 people, who were able to enjoy Arrábida in better conditions of safety, comfort and environmental protection.

ETSA

Support to the civil society and NGO, focused on environmental responsibility

In 2018, ETSA supported the development of the civil society, focused on the regions and the value chains in which it operates, including support for the following:

- Associação Zero
- Quercus
- Ginásio Clube de Coruche

SEMAPA

Associação Salvador

During the course of the entire 2018 financial year, the Semapa Group continued to support the operations and initiatives of the Associação Salvador, active in the area of mobility handicaps, with projects in the areas of learning, integration and awareness.

9. 2018 - HIGHLIGHTED PROJECTS

SEMAPA

SINGULARITY UNIVERSITY PORTUGAL SUMMIT CASCAIS – SEMAPA BROUGHT THE FUTURE TO PORTUGAL

Semapa is the Founding Partner of Singularity University Portugal, having signed a three-year agreement. This institution was born in Silicon Valley in 2008 to encourage individuals and organisations to learn, interlink and create innovative solutions that use emerging technologies, such as artificial intelligence, robotics and digital biology.

Semapa's main objectives in this partnership are as follows:

- Training and learning: awareness of the new technologies and the need for a change in mindsets; to inspire and alert to the changes that are appearing on the horizon; the promotion of personal growth and development through the exposure of management to the new challenges and new ways of thinking.
- Innovation and new businesses: source of inspiration and innovation through the transformation of current businesses and the development of new businesses.
- Visibility: opportunity for the Group to increase its visibility and be associated with the transforming areas, such as Teaching & Learning, and Technology & the Future.

On 8 and 9 October, Cascais was the setting for a conference that brought world-renowned speakers to Portugal, specialists in technologies of exponential growth and in disrupting markets, to speak about the challenges and opportunities of the future for leaders, the markets and companies.

Key ideas like anticipating the disruption of markets, being creative, being courageous, experimenting without fear of failing, using the latest technologies to create value, and contributing to a better world were transmitted during the two day of the conference by the international and Portuguese speakers.

Semapa's exhibition space was developed in partnership with its subsidiaries and was visited by all the participants of the conference plus hundreds of students from the Nova School of Business and Economics. At this forum, the Group presented some of the most innovative projects developed among its companies.

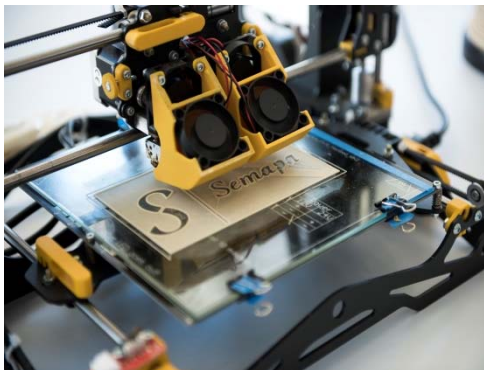
Employees of the Semapa Group were given the opportunity to watch the speeches through the site of SingularityU Portugal Summit Cascais, via streaming.

Semapa, as the "SingularityU Portugal Summit Cascais 2018 Carbon Offset Partner", offset the carbon dioxide emissions of the event through the planting of over five thousand trees in the region of Central Portugal, which are able to neutralise all the emissions of the event, including those of the air travel of more than 700 visitors.

"The goal of obtaining help to think in a different way was achieved. But this is just the awakening of the will to do other things on this path to change our relationship with the exterior,

and even internally,” highlighted Miguel Ventura, executive board member of Semapa, on the second day of the event. “Therefore, our partnership is not just for this event”. “

For Paula Castelão, director of Talent Management and Organisational Development at Navigator, *“The collaboration between companies and universities is critical and, together, it is possible to hasten the disruption that technology brings”.*





NAVIGATOR

DONATION OF A SERVICES VAN TO THE MUNICIPALITY OF SERTÃ

Within the scope of the project “Devolver a Voz à Comunidade” (Give the Community Back its Voice), developed and managed by the Sertã Municipality, in 2018 an itinerant van was donated to meet the most immediate needs of the people affected by the fires of 2017, specifically by the replacement of the assets needed to re-establish the normality of day-to-day life, as far as possible. This is one of the many projects supported by the Calouste Gulbenkian Foundation, by Navigator and other partners of the fund created to aid the community.

The van, duly identified, will cover the approximately 240 places in the municipality in 2019, serving various purposes: library, support to health services and as a mobile post for the Municipal Services Single Counter. It will also have Internet access, provide photocopies and offer all the services available at an ATM machine, representing a genuine support for the people whose lives were devastated by the fires.



SECIL

QUARRIES ALIVE INTERNATIONAL CONFERENCE

The Quarries Alive International Conference was held at the University of Évora and SECIL-Outão on May 2-5, with the theme, "Enhancing Biodiversity and Ecosystems Services in Quarries – Challenges, Strategies and Practice", co-organised by the University of Évora, SECIL and the Science College of the University of Lisbon (<http://quarriesalive2018.uevora.pt/>).

The Conference was attended by around 140 participants from various cement industries, organisations such as Cembureau and the Cement Sustainability Initiative (CSI), NGOs and universities of various countries, including Belgium, the United Kingdom, Spain, Portugal, Czech Republic, Australia, Poland and Lebanon.

The conference consisted of two days of presentation of papers, a study tour of the Arrábida Nature 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, in conjunction with the universities, undertook the publication of a book on the work done in the recovery of the biodiversity in the quarries of SECIL-Outão, a unique case of intervention in the territory over 35 years, which has already resulted in the recovery of an area of 44 hectares.



ETSA

PROJECT FOR THE INJECTION OF HYDROGEN IN THE SEBOL BIOMASS BOILER

In 2018 ETSA initiated a project for the injection of hydrogen (UC3) in the combustion air of the Seboul biomass boiler (Loures). Tests were conducted in April, and there was a reduction of 10% to 15% in fuel consumption.

A technology that increases the efficiency of combustion by the injection of small amounts of hydrogen.

The base principle of this technology is the injection of small amounts of hydrogen (H₂) and oxygen (O₂) in the combustion system. Once in operation, the UC3 technology—Ultimate Cell® Continuous Combustion—starts an electronically-controlled electrolysis process, resulting in the chemical separation of the molecules of hydrogen (H₂) and oxygen (O₂), which are injected into the combustion system. In the biomass boiler the values reached allowed a significant reduction in the costs of steam with a substantial increase in its production.

The commissioning of the equipment is scheduled for April 2019.



10. Images

[to be made available directly and in printed form]

11. SUPPLEMENTARY INFORMATION

11.1 ABOUT THE REPORT

In this document Semapa publishes its **Sustainability Report** for financial year **2018**.

This Report follows up on our report of last year, in which we explained for the grounding of our sustainability strategy and the principles that guide our activity in the present and in the medium-to-long term. Its objective is not only to meet the legal requirements D.L. 89/2017, but, above all, to give interested parties visibility and transparency regarding the performance of Semapa. The information set forth here demonstrates our commitment, expressed in concrete measures and actual practices, to guarantee the future sustainability of our operations.

This report covers the financial year ended on 31 December 2018 and presents the aggregate information on Semapa and the set of its subsidiaries. This Report was drawn up on the basis of the GRI – Global Reporting Initiative standards, following the option *in accordance – core*. The indicators are consolidated and result from the activities of Semapa and its subsidiaries. As a result of the nature of the Semapa Group, a significant part of the information given here originates in the operating companies, where the results of sustainable activity are more evident.

As always, this document will be posted on Semapa's website. Any questions or requests for clarification can be sent to the company at the email address: ***sustentabilidade@semapa.pt***

11.2 GRI/DINF INDEX

General Disclosures

| Standard | Indicator/Response | Page | Legal Framework |
|---|--|----------------|---|
| GRI 102: General Disclosures | Organizational profile | | |
| | 102-1 Name of the organization SEMAPA - Sociedade de Investimento e Gestão, SGPS, S.A. | | Companies Code Article 508-G (2) (a) |
| | 102-2 Activities, brands, products, and services | Page 3 | |
| | 102-3 Location of headquarters Av. Avenida Fontes Pereira de Melo, 14-10º 1050-121 Lisbon - Portugal | | |
| | 102-4 Location of operations | Page 4 | |
| | 102-5 Ownership and legal form Semapa is a public company, with head-office at Av. Fontes Pereira de Melo, in Lisbon, registered at the Commercial Registry Office of Lisbon with no. 502 593 130. Semapa is listed on the Lisbon Stock Exchange (Euronext Lisboa) and is part of the benchmark index, the PSI 20. | | |
| | 102-6 Markets served | Pages 3 and 4 | |
| | 102-7 Scale of the organization | Pages 3 and 4 | |
| | 102-8 Information on employees and other workers | Pages 3-4, 29 | |
| | 102-9 Supply chain Semapa does not have direct production activities and its suppliers are mainly providers of specialised services, with irrelevant impact when compared with the supply chain of the subsidiaries. This matter is not relevant for Semapa. Information about its subsidiaries may be looked up on their websites and/or sustainability reports. | | |
| | 102-10 Significant changes to the organisation and its supply chain Nothing to declare. | | |
| | 102-11 Precautionary Principle or approach 2018 Report and Accounts 02. Corporate Governance Report Part I - Information on Capital Structure, Organisation and Corporate Governance C. Internal Organisation III. Internal control and Risk Management | | |
| | 102-12 External initiatives | Pages 43 to 48 | |
| 102-13 Membership of associations Semapa participates actively in the following associations: <ul style="list-style-type: none"> • AEM – Assoc Emp. Emitentes de Valores Cotados em Mercado • CCE - Conseil de Coopération Économique • FpC - Forum para a Competitividade | | | |

| | | | |
|---|--|-----------------|--|
| Strategy | | | |
| 102-14 Statement from senior decision-maker | | Page 2 | Companies Code Article 508-G (2) (a) |
| 102-15 Key impacts, risks and opportunities | | Pages 21 and 22 | Companies Code Article 508-G (2) (a) and (d) |
| Ethics and Integrity | | | |
| 102-16 Values, principles, standards and norms of behaviour | | Pages 6 to 8 | |
| Governance | | | |
| 102-18 Governance structure | | Page 9 | |
| 102-21 Consulting <i>stakeholders</i> on economic, environmental, and social topics | | Page 19 | Decree-Law 89 Introduction, Paragraph 5 |
| 102-22 Composition of the highest governance body and its committees | | Page 9 | Securities Code Article 245-A (4) (r) |
| 102-24 Nominating and selecting the highest governance body | | Page 9 | Securities Code Article 245-A (4) (r) |
| Stakeholder engagement | | | |
| 102-40 List of stakeholder groups | | Page 20 | |
| 102-41 Collective bargaining agreements | | | |
| | | 2016 | 2017 |
| | | 2018 | |
| | Percentage of total employees covered by collective bargaining agreements | 50% | 51% |
| | | 44% | |
| 102-42 Identifying and selecting stakeholders | | Pages 18 and 19 | |
| In 2017 an in-depth reflection and analysis was made, validated by the Executive Board, in which Semapa identified and selected its groups of stakeholders. These counterparts have an all-encompassing outsider's view of the Group and similar companies. | | | |
| 102-43 Approach to stakeholder engagement | | Pages 19 and 20 | Decree-Law 89 Introduction, Paragraph 5 |
| 102-44 Key topics and concerns raised | | Page 19 | |
| Reporting practice | | | |
| 102-45 Entities included in the consolidated financial statements | | | |
| This Report covers the activities of Semapa and its subsidiaries, namely: | | | |
| <ul style="list-style-type: none"> • ETSA - Investimentos, SGPS, S.A. • The Navigator Company, S.A. • Secil - Companhia Geral de Cal e Cimento, S.A. | | | |
| 102-46 Defining report content and topic Boundaries | | Pages 19 and 57 | |
| 102-47 List of material topics | | Page 19 | |
| 102-48 Restatements of information | | | |

| | | | |
|--|--|---------|---|
| | The indicator 102-41 was restated, taking into account the employees covered by collective bargaining agreements and not those who are members of a trade union. | | |
| | 102-49 Changes in reporting Not applicable | | |
| | 102-50 Reporting period 01 January 2018 to 31 December 2018 | | |
| | 102-51 Date of most recent report Sustainability Report for 2017 | | |
| | 102-52 Reporting cycle Annual | | |
| | 102-53 Contact point for questions regarding the report | Page 57 | |
| | 102-54 Claims of reporting in accordance with the GRI Standards | Page 57 | |
| | 102-55 GRI Content index This table | | |
| | 102-56 External assurance This report was not submitted for external assurance. | | Decree-law 89 Introduction, Paragraph 8 |

Specific Disclosures

| Standard | Indicator/Response | Page | Legal Framework |
|--------------------------------------|---|--------------------|-----------------|
| Economic Performance | | | |
| Economic Performance | | | |
| GRI 103: Management Approach | 103-1 Explanation of the material topic and its Boundary Associated with material topics "Economic Performance and Results" and "Strategy and Investment" | Pages 19, 24 to 28 | |
| | 103-2 The management approach and its components | Pages 24 to 28 | |
| | 103-3 Evaluation of the management approach Semapa monitors and assesses indicators associated with this topic on a regular basis. To assess the efficacy of our management, we also count on the feedback of our stakeholders, the benchmark analysis and external performance ratings, where available. | | |
| GRI 201: Economic Performance | 201-1 Direct economic value generated and distributed | Pages 24 to 28 | |
| Indirect Economic Impacts | | | |
| GRI 103: Management Approach | 103-1 Explanation of the material topic and its Boundary Associated with material topics "Economic Performance and Results" and "Strategy and Investment" | Pages 19, 24 to 28 | |
| | 103-2 The management approach and its components | Pages 24 to 28 | |

| | | | |
|---|---|--------------------|---|
| | 103-3 Evaluation of the management approach Semapa monitors and assesses indicators associated with this topic on a regular basis. To assess the efficacy of our management, we also count on the feedback of our stakeholders, the benchmark analysis and external performance ratings, where available. | | |
| GRI 203: Indirect Economic Impacts | 203-1 Infrastructure investments and services supported | Pages 24 to 28 | |
| Anti-corruption | | | |
| GRI 103: Management Approach | 103-1 Explanation of the material topic and its Boundary Semapa attributes significant importance to ethical and governance issues, which includes anti-corruption. The topic is also mandatory according to Decree-law 89/2017, of 28 July. | | Companies Code Article 508-G (2) (b) |
| | 103-2 The management approach and its components | Pages 10 and 11 | |
| | 103-3 Evaluation of the management approach Semapa monitors and assesses indicators associated with this topic on a regular basis. To assess the efficacy of our management, we also count on the feedback of our stakeholders, the benchmark analysis and external performance ratings, where available. | | Companies Code Article 508-G (2) (c) |
| GRI 205: Anti-corruption | 205-1 Operations assessed for risks related to corruption | Pages 9 and 10 | Decree-Law 89 Introduction, Paragraph 5 |
| | 205-2 Communication and training about anti-corruption policies and procedures | Pages 10 and 11 | |
| | 205-3 Confirmed incidents of corruption and actions taken No incident of corruption was reported in the financial year in question. | Page 10 | |
| Environmental Performance | | | |
| Materials | | | |
| GRI 103: Management Approach | 103-1 Explanation of the material topic and its Boundary Associated with the material topic "Impact on the Environment" | Pages 19, 34 to 42 | Companies Code Article 508-G (2) (b) |
| | 103-2 The management approach and its components | Pages 34 to 42 | |
| | 103-3 Evaluation of the management approach Semapa monitors and assesses indicators associated with this topic on a regular basis. To assess the efficacy of our management, we also count on the feedback of our stakeholders, the benchmark analysis and external performance ratings, where available. | | Companies Code Article 508-G (2) (c) |
| GRI 301: Materials | 301-1 Materials used by weight or volume | Pages 38 to 42 | Companies Code Article 508-G (2) (e) |
| Energy | | | |
| GRI 103: Management Approach | 103-1 Explanation of the material topic and its Boundary Associated with the material topic "Impact on the Environment" | Pages 19, 34 to 42 | Companies Code Article 508-G (2) (b) |
| | 103-2 The management approach and its components | Pages 34 to 42 | |
| | 103-3 Evaluation of the management approach Semapa monitors and assesses indicators associated with this topic on a regular basis. To assess the efficacy of our management, we also | | Companies Code Article 508-G (2) (c) |

| | count on the feedback of our stakeholders, the benchmark analysis and external performance ratings, where available. | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|---|--------------------|--|------|-----------|------|-----|-------|----|-----------|--------------|------------|------------|-------|-------|-------|-------|--------------|---------------|---------------|---------------|--|
| GRI 302: Energy | 302-1 Energy consumption within the organisation | Pages 35 to 38 | Companies Code Article 508-G (2) (e) | | | | | | | | | | | | | | | | | | | |
| Water | | | | | | | | | | | | | | | | | | | | | | |
| GRI 103: Management Approach | 103-1 Explanation of the material topic and its Boundary Associated with the material topic “Impact on the Environment” | Pages 19, 43 to 42 | Companies Code Article 508-G (2) (b) | | | | | | | | | | | | | | | | | | | |
| | 103-2 The management approach and its components | Pages 34 to 42 | | | | | | | | | | | | | | | | | | | | |
| | 103-3 Evaluation of the management approach Semapa monitors and assesses indicators associated with this topic on a regular basis. To assess the efficacy of our management, we also count on the feedback of our stakeholders, the benchmark analysis and external performance ratings, where available. | | Companies Code Article 508-G (2) (c) | | | | | | | | | | | | | | | | | | | |
| GRI 303: Water | 303-1 Water withdrawal by source | | Companies Code Article 508-G (2) (e) | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>(cubic metres)</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>ETSA</td> <td>106</td> <td>86</td> <td>74</td> </tr> <tr> <td>Navigator</td> <td>67 516</td> <td>68 524</td> <td>66 560</td> </tr> <tr> <td>Secil</td> <td>1 670</td> <td>1 834</td> <td>1 766</td> </tr> <tr> <td>Total</td> <td>69 292</td> <td>70 444</td> <td>68 400</td> </tr> </tbody> </table> | (cubic metres) | 2016 | 2017 | 2018 | ETSA | 106 | 86 | 74 | Navigator | 67 516 | 68 524 | 66 560 | Secil | 1 670 | 1 834 | 1 766 | Total | 69 292 | 70 444 | 68 400 | |
| (cubic metres) | 2016 | 2017 | 2018 | | | | | | | | | | | | | | | | | | | |
| ETSA | 106 | 86 | 74 | | | | | | | | | | | | | | | | | | | |
| Navigator | 67 516 | 68 524 | 66 560 | | | | | | | | | | | | | | | | | | | |
| Secil | 1 670 | 1 834 | 1 766 | | | | | | | | | | | | | | | | | | | |
| Total | 69 292 | 70 444 | 68 400 | | | | | | | | | | | | | | | | | | | |
| Biodiversity | | | | | | | | | | | | | | | | | | | | | | |
| GRI 103: Management Approach | 103-1 Explanation of the material topic and its Boundary Associated with the material topic “Impact on the Environment” | Pages 19, 34 to 42 | Companies Code Article 508-G (2) (b) | | | | | | | | | | | | | | | | | | | |
| | 103-2 The management approach and its components | Pages 34 to 42 | | | | | | | | | | | | | | | | | | | | |
| | 103-3 Evaluation of the management approach Semapa monitors and assesses indicators associated with this topic on a regular basis. To assess the efficacy of our management, we also count on the feedback of our stakeholders, the benchmark analysis and external performance ratings, where available. | | Companies Code Article 508-G (2) (c) | | | | | | | | | | | | | | | | | | | |
| GRI 304: Biodiversity | 304- Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | | Companies Code Article 508-G (2) (e) | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>(Km²)</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Navigator</td> <td>534</td> <td>526</td> </tr> <tr> <td>Secil</td> <td>3</td> <td>3</td> </tr> <tr> <td>Total</td> <td>537</td> <td>529</td> </tr> </tbody> </table> | (Km ²) | 2017 | 2018 | Navigator | 534 | 526 | Secil | 3 | 3 | Total | 537 | 529 | | | | | | | | | |
| (Km ²) | 2017 | 2018 | | | | | | | | | | | | | | | | | | | | |
| Navigator | 534 | 526 | | | | | | | | | | | | | | | | | | | | |
| Secil | 3 | 3 | | | | | | | | | | | | | | | | | | | | |
| Total | 537 | 529 | | | | | | | | | | | | | | | | | | | | |
| Emissions | | | | | | | | | | | | | | | | | | | | | | |
| GRI 103: Management Approach | 103-1 Explanation of the material topic and its Boundary Associated with the material topic “Impact on the Environment” | Pages 19, 34 to 42 | Companies Code Article 508-G (2) (b) | | | | | | | | | | | | | | | | | | | |
| | 103-2 The management approach and its components | Pages 34 to 42 | | | | | | | | | | | | | | | | | | | | |
| | 103-3 Evaluation of the management approach Semapa monitors and assesses indicators associated with this topic on a regular basis. To assess the efficacy of our management, we also count on the feedback of our stakeholders, the benchmark analysis and external performance ratings, where available. | | Companies Code Article 508-G (2) (c) | | | | | | | | | | | | | | | | | | | |

| GRI 305: Emissions | 305-1 Direct (Scope 1) GHG emissions | Page 35 | Companies Code Article 508-G (2) (e) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|-----------|------------|-----------|------------|------------|-----|--|------|-------|-----|------|-------|-----|----------|-----|-----|-----|----|-----|----|----|-------|-----|----|----|-----|----|----|-----------|-----|----|----|-----|----|----|-----------------|-----|-----|----|----|-----|----|-----|-------|-----|-----|----|-----|-----|-----|-----------|-----|----|----|-----|----|-----|---|--|------------|-----------|-----------|------------|-----------|------------|--|-----|------------|--|--|-----------|--|--|-------|-----------|--|--|-----------|--|--|--|----------|------------|--|--|-----------|--|--|-----------------|-----------|--|--|------------|--|--|---|--|------------|--|--|-----------|--|--|
| | 305-2 Energy indirect (Scope 2) GHG emissions | Page 35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GRI 103: Management Approach | 103-1 Explanation of the material topic and its Boundary Associated with material topics "Values, Culture and Group Management" and "Human Capital and Talent" | Pages 19, 29 and 33 | Companies Code Article 508-G (2) (b) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 103-2 The management approach and its components | Pages 29 and 33 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 103-3 Evaluation of the management approach Semapa monitors and assesses indicators associated with this topic on a regular basis. To assess the efficacy of our management, we also count on the feedback of our stakeholders, the benchmark analysis and external performance ratings, where available. | | Companies Code Article 508-G (2) (c) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GRI 401: Employment | 401-1 New employee hires and employee turnover | | Companies Code Article 508-G (2) (e) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th rowspan="2">Gender</th> <th colspan="3">New hires</th> <th colspan="3">Departures</th> </tr> <tr> <th>< 30</th> <th>30-50</th> <th>>50</th> <th>< 30</th> <th>30-50</th> <th>>50</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Portugal</td> <td>Men</td> <td>54%</td> <td>10%</td> <td>1%</td> <td>11%</td> <td>3%</td> <td>9%</td> </tr> <tr> <td>Women</td> <td>14%</td> <td>2%</td> <td>0%</td> <td>12%</td> <td>5%</td> <td>7%</td> </tr> <tr> <td>Sub-Total</td> <td>45%</td> <td>9%</td> <td>1%</td> <td>11%</td> <td>4%</td> <td>9%</td> </tr> <tr> <td rowspan="3">Other countries</td> <td>Men</td> <td>24%</td> <td>8%</td> <td>0%</td> <td>21%</td> <td>8%</td> <td>11%</td> </tr> <tr> <td>Women</td> <td>24%</td> <td>17%</td> <td>6%</td> <td>30%</td> <td>14%</td> <td>19%</td> </tr> <tr> <td>Sub-Total</td> <td>24%</td> <td>9%</td> <td>0%</td> <td>22%</td> <td>9%</td> <td>12%</td> </tr> <tr> <td colspan="2">Rates of incoming and outgoing workers, by age group</td> <td>38%</td> <td>9%</td> <td>1%</td> <td>15%</td> <td>5%</td> <td>10%</td> </tr> <tr> <td rowspan="2">Rates of incoming and outgoing workers, by gender</td> <td>Men</td> <td colspan="3">10%</td> <td colspan="3">8%</td> </tr> <tr> <td>Women</td> <td colspan="3">6%</td> <td colspan="3">9%</td> </tr> <tr> <td rowspan="2">Rates of incoming and outgoing workers, by region</td> <td>Portugal</td> <td colspan="3">10%</td> <td colspan="3">6%</td> </tr> <tr> <td>Other countries</td> <td colspan="3">8%</td> <td colspan="3">11%</td> </tr> <tr> <td colspan="2">Total incoming and outgoing rate</td> <td colspan="3">10%</td> <td colspan="3">8%</td> </tr> </tbody> </table> | | Gender | New hires | | | Departures | | | < 30 | 30-50 | >50 | < 30 | 30-50 | >50 | Portugal | Men | 54% | 10% | 1% | 11% | 3% | 9% | Women | 14% | 2% | 0% | 12% | 5% | 7% | Sub-Total | 45% | 9% | 1% | 11% | 4% | 9% | Other countries | Men | 24% | 8% | 0% | 21% | 8% | 11% | Women | 24% | 17% | 6% | 30% | 14% | 19% | Sub-Total | 24% | 9% | 0% | 22% | 9% | 12% | Rates of incoming and outgoing workers, by age group | | 38% | 9% | 1% | 15% | 5% | 10% | Rates of incoming and outgoing workers, by gender | Men | 10% | | | 8% | | | Women | 6% | | | 9% | | | Rates of incoming and outgoing workers, by region | Portugal | 10% | | | 6% | | | Other countries | 8% | | | 11% | | | Total incoming and outgoing rate | | 10% | | | 8% | | |
| | Gender | New hires | | | Departures | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | < 30 | | 30-50 | >50 | < 30 | 30-50 | >50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Portugal | Men | | 54% | 10% | 1% | 11% | 3% | 9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Women | | 14% | 2% | 0% | 12% | 5% | 7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Sub-Total | | 45% | 9% | 1% | 11% | 4% | 9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Other countries | Men | | 24% | 8% | 0% | 21% | 8% | 11% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Women | | 24% | 17% | 6% | 30% | 14% | 19% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Sub-Total | | 24% | 9% | 0% | 22% | 9% | 12% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rates of incoming and outgoing workers, by age group | | 38% | 9% | 1% | 15% | 5% | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rates of incoming and outgoing workers, by gender | Men | 10% | | | 8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Women | 6% | | | 9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rates of incoming and outgoing workers, by region | Portugal | 10% | | | 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Other countries | 8% | | | 11% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total incoming and outgoing rate | | 10% | | | 8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Occupational Health and Safety | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GRI 103: Management Approach | Mandatory reply topic according to Decree-Law 89/2017, for which Semapa does not have a Management Approach, answering only to the associated GRI indicator. | | Companies Code Article 508-G (2) (b) and (c) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GRI 403: Occupational | 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | Page 29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| Health and Safety | 403-3 Workers with high incidence or high risk of diseases related to their occupation The industrial activities of the subsidiaries of Semapa involve high-risk activities and, sometimes, a high incidence of occupational disease. Risk assessment and monitoring programmes are developed for implementing preventive and corrective actions in the industrial units. | | Decree-Law 89 Introduction, Paragraph 5 |
| Training and Education | | | |
| GRI 103: Management Approach | 103-1 Explanation of the material topic and its Boundary Associated with material topics "Values, Culture and Group Management" and "Human Capital and Talent" | Pages 19, 29 and 32 | Companies Code Article 508-G (2) (b) |
| | 103-2 The management approach and its components | Pages 29 and 32 | |
| | 103-3 Evaluation of the management approach Semapa monitors and assesses indicators associated with this topic on a regular basis. To assess the efficacy of our management, we also count on the feedback of our stakeholders, the benchmark analysis and external performance ratings, where available. | | Companies Code Article 508-G (2) (c) |
| GRI 404: Training and Education | 404-1 Average hours of training per year per employee | Page 30 | Companies Code Article 508-G (2) (e) |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | Page 30 | |
| Diversity and equal opportunity | | | |
| GRI 103: Management Approach | Mandatory reply topic according to Decree-Law 89/2017, for which Semapa does not have a Management Approach, answering only to the associated GRI indicator | | Companies Code Article 508-G (2) (b) and (c) |
| GRI 405: Diversity and Equal Opportunity | 405-1 Diversity of governance bodies and employees | Page 29 | Decree-Law 89 Introduction, Paragraph 5 |
| Non-discrimination | | | |
| GRI 103: Management Approach | Mandatory reply topic according to Decree-Law 89/2017, for which Semapa does not have a Management Approach, answering only to the associated GRI indicator. | | Companies Code Article 508-G (2) (b) and (c) |
| GRI 406: Non-discrimination | 406-1 Incidents of discrimination and corrective actions taken No discrimination incidents were recorded | | Decree-Law 89 Introduction, Paragraph 5 |
| Freedom of Association and Collective Bargaining | | | |
| GRI 103: Management Approach | Mandatory reply topic according to Decree-Law 89/2017, for which Semapa does not have a Management Approach, answering only to the associated GRI indicator. | | Companies Code Article 508-G (2) (b) and (c) |
| GRI 407: Freedom of Association and Collective Bargaining | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk This risk is not identified in any operation or supplier | | Decree-Law 89 Introduction, Paragraph 5 |
| Child Labour | | | |
| GRI 103: Management Approach | Mandatory reply topic according to Decree-Law 89/2017, for which Semapa does not have a Management Approach, answering only to the associated GRI indicator. | | Companies Code Article 508-G (2) (b) and (c) |

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|---|--|--------------------|--|
| GRI 408: Child Labour | 408-1 Operations and suppliers at significant risk for incidents of child labour This risk is not identified in any operation or supplier | | Decree-Law 89 Introduction, Paragraph 5 |
| Forced or Compulsory Labour | | | |
| GRI 103: Management Approach | Mandatory reply topic according to Decree-Law 89/2017, for which Semapa does not have a Management Approach, answering only to the associated GRI indicator. | | Companies Code Article 508-G (2) (b) and (c) |
| GRI 409: Forced or Compulsory Labour | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour This risk is not identified in any operation or supplier | | Decree-Law 89 Introduction, Paragraph 5 |
| Security practices | | | |
| GRI 103: Management Approach | Mandatory reply topic according to Decree-Law 89/2017, for which Semapa does not have a Management Approach, answering only to the associated GRI indicator. | | Companies Code Article 508-G (2) (b) and (c) |
| GRI 410: Security practices | 410-1 Security personnel trained in human rights policies or procedures Private security companies are in charge of guaranteeing security in the Group's facilities, and they are required to address Human Rights' issues in the training of their Staff. | | Decree-Law 89 Introduction, Paragraph 5 |
| Human Rights Assessment | | | |
| GRI 103: Management Approach | Mandatory reply topic according to Decree-Law 89/2017, for which Semapa does not have a Management Approach, answering only to the associated GRI indicator. | | Companies Code Article 508-G (2) (b) and (c) |
| GRI 412: Human Rights Assessment | 412-1 Operations that have been subject to human rights reviews or impact assessments The Group's companies in different locations regularly assess the impact of their activities on Human Rights' issues. | | Decree-Law 89 Introduction, Paragraph 5 |
| | 412-2 Employee training on human rights policies or procedures No training provided on this topic. | | |
| | 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening Its value chain, the specifications for the acquisition of goods and services of the companies of the Semapa Group include a list of tenderers' obligations aimed at preventing various Human Rights risks. | | |
| Local Communities | | | |
| GRI 103: Management Approach | 103-1 Explanation of the material topic and its Boundary Associated with material topic "Impact on the Community" | Pages 19, 43 to 48 | Companies Code Article 508-G (2) (b) |
| | 103-2 The management approach and its components | Pages 43 to 48 | |
| | 103-3 Evaluation of the management approach Semapa monitors and assesses indicators associated with this topic on a regular basis. To assess the efficacy of our management, we also count on the feedback of our stakeholders, the benchmark analysis and external performance ratings, where available. | Pages 43 to 48 | Companies Code Article 508-G (2) (c) |
| GRI 413: Local Communities | 413-1 Operations with local community engagement, impact assessments, and development programs | Pages 43 to 48 | Companies Code Article 508-G (2) (e) |

| Supplier Social Assessment | | | |
|--|--|--|--|
| GRI 103: Management Approach | Mandatory reply topic according to Decree-Law 89/2017, for which Semapa does not have a Management Approach, answering only to the associated GRI indicator. | | Companies Code Article 508-G (2) (b) and (c) |
| GRI 414: Supplier Social Assessment | 414-1 New suppliers that were screened using social criteria Its value chain, the specifications for the acquisition of goods and services of the companies of the Semapa Group include a list of tenderers' obligations aimed at preventing various Human Rights risks. | | Decree-Law 89 Introduction, Paragraph 5 |
| Public Policy | | | |
| GRI 103: Management Approach | Mandatory reply topic according to Decree-Law 89/2017, for which Semapa does not have a Management Approach, answering only to the associated GRI indicator. | | Companies Code Article 508-G (2) (b) and (c) |
| GRI 415: Public Policy | 415-1 Political contributions Semapa does not make any contributions to political parties. | | Decree-Law 89 Introduction, Paragraph 5 |

Decree-Law 89 (Decree-law no. 89/2017, of 28 July).

CSC (Companies Code) | Additions made by Decree-Law no. 89/2017 of 28 July

CVM (Securities Code) | Changes made by Decree-law no. 89/2017 of 28 July

Report and Accounts