

SUSTAINABILITY REPORT





FROM EXCELLENCE TRUST IS BORN

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THE SEMAPA GROUP AND SUSTAINABILITY

ABOUT THE REPORT

Semapa publishes its
“Sustainability Report 2019”
which was prepared according to the
GRI - Global Reporting Initiative Standards,
following the option *in accordance - core*.
The report is in line with the United Nations’
Sustainable Development Goals and meets the
requirements of Decree-Law no. 89/2017
- Disclosure of non-financial and
diversity information of groups and
large companies.

Chapter 4 addresses the major sustainability challenges identified and taken on by the Group, where the topic of decarbonisation in response to the problem of climate change is highlighted. All of the Group's companies chose to highlight this issue in their sustainability reports. The contents of this document address the 6 material topics already identified, organized as always in 4 chapters, corresponding respectively to Value Creation in the Business, Valuing People, Protection of the Planet and Community Engagement.

PERIOD, SCOPE AND LIMITATIONS OF THE REPORT

This Report refers to the activities carried out in 2019 (January 1 to December 31, 2019) in line with the Annual Report. The indicators are consolidated and result from the activities performed by Semapa and its subsidiaries.

INFORMATION REVIEW

The information in the report has been audited by the external independent entity KPMG, which has issued an independent assurance report, hereto.

The report describes the year ended December 31, 2019 and presents aggregate information on Semapa and all of its subsidiaries.

This document will be published on the Semapa website (www.semapa.pt), as usual, and for clarifications or questions please send an email to the company to sustentabilidade@semapa.pt.

MESSAGE FROM THE CHAIRMAN AND CEO



**HEINZ-PETER
ELSTRODT**

CHAIRMAN OF THE BOARD
OF DIRECTORS

**SUSTAINABILITY AS
A COMMON VALUE FOR
THE ENTIRE GROUP.**



**JOÃO CASTELLO
BRANCO**

CEO

The year that ended, reported herein, featured the consolidation of activities in the area of Social Responsibility and Sustainability of the Semapa Group. The work carried out in the period underscores the maturity and autonomy achieved in these areas by senior staff of the Group's companies and shows how the set priorities have become an integral part of the activity of each company.

This continuity was ensured through the alignment of priorities and the coordination between the Board of Directors and the Executive Board, which brought to light the dynamics of leadership and the level of commitment demonstrated, and shall continue to mark Semapa's performance in the areas of sustainability and social responsibility.

The major issues which the Group identified were addressed during year, either by each of the companies in their current operations, or by mixed working groups across the Group coordinated by Semapa. As a result, the areas of cross collaboration were reinforced, with particular focus on health and safety, relevant counterparts and the sustainability of the supply chain. The particular impact of the work carried out at Group level in the area of staff training, as described further ahead, should be highlighted.

It is our intention with this report to provide all stakeholders with full and transparent information on our activities. Consequently, we have organised the information according to best practices, following the established 4P structure that has guided our communication on this subject. We are also proud to present, for the first time, a Sustainability Report that has been audited and certified by an external entity.

THE LARGE NUMBERS

PRESENT IN

20 COUNTRIES



EXPORTS
AND FOREIGN SALES

€ 1 645 M



EBITDA

€ 487 M

EBITDA MARGIN
ABOVE 20%



EQUITY

€ 961 M



INVESTMENTS

€ 203 M



CASH FLOW

€ 409 M



NET PROFIT
ATTRIBUTABLE
TO SHAREHOLDERS

€ 124 M







**WHO WE ARE
AND WHAT WE DO**

WHO WE ARE

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

As one of Portugal's largest industrial groups, Semapa employs over 6 000 people and is operating on several continents, 3/4 of its revenue being generated in foreign markets.



One of the biggest portuguese industrial groups with presence in **4 continents**



Portfolio that includes Pulp and Paper, Cement and Other Building Materials, Environment and Venture Capital



Listed in **Euronext Lisbon** (PSI20) since 1995



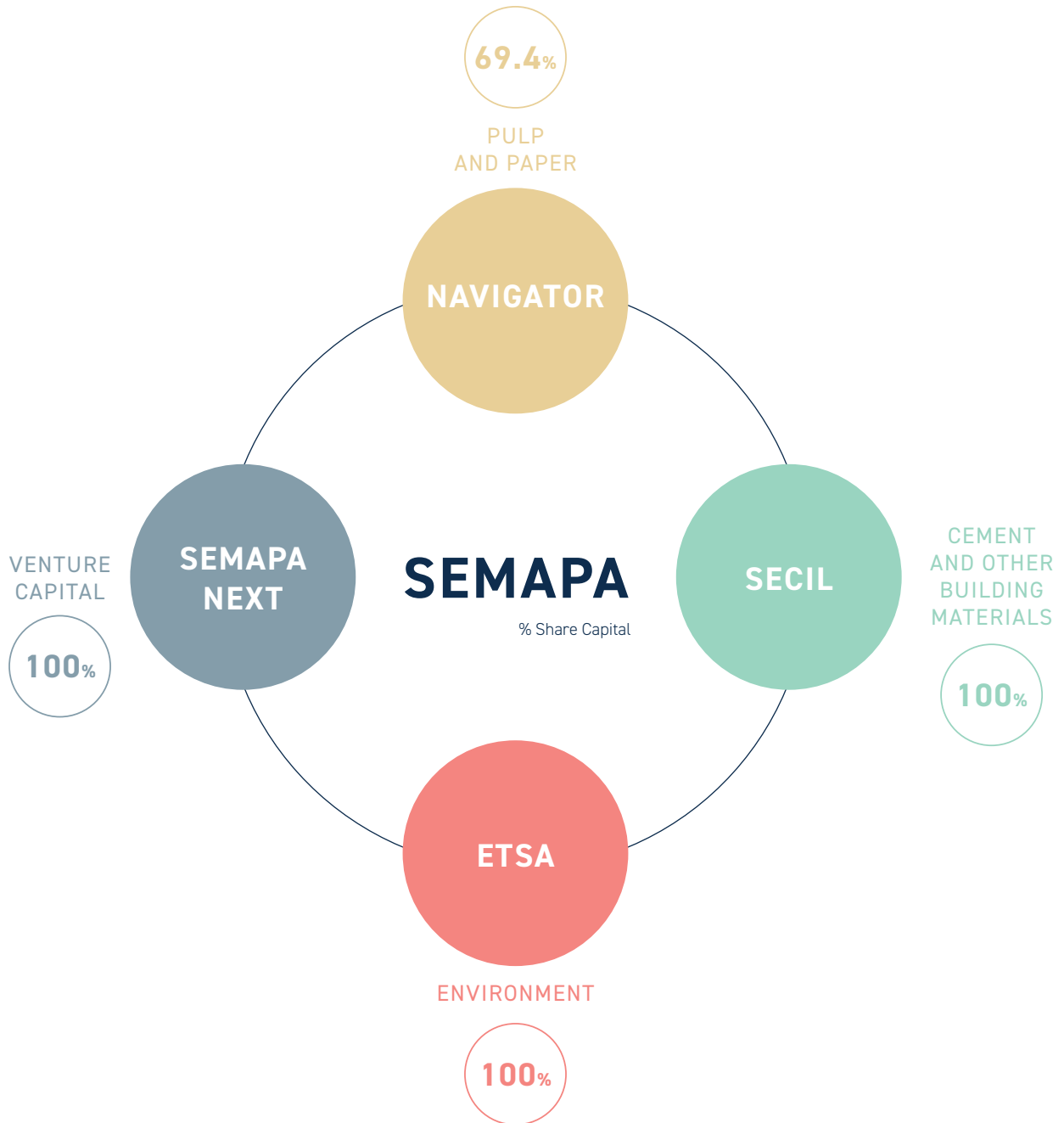
Queiroz Pereira family
- reference investor



Professional, experienced and diversified **management**

WHAT WE DO

Semapa's core activity is the management of holdings, organised into four business areas, three of which are industrial.



WHERE WE ARE

EUROPE

Plants and other facilities



2 (2 plants in Portugal)



THE
NAVIGATOR
COMPANY

19 (4 plants in Portugal)



74 (3 plants in Portugal)

AMERICA

Plants and other facilities



THE
NAVIGATOR
COMPANY

4



17 (2 plants in Brazil)

MIDDLE EAST AND ASIA

Plants and other facilities



1



2

(1 plant in Lebanon)

AFRICA

Plants and other facilities



1



3

(2 plants: Tunisia and Angola)

OUR IDENTITY



All companies of the Semapa Group have a clear mission that is embodied in a vision for the business based on strategic values and principles emanating from the parent company, which constitute the Group's identity overall.

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.



VALUES

- Social and environmental awareness;
- Integrity, ethics and honesty;
- Discretion;
- Respect, trust, collaboration and justice;
- Excellence, competence, innovation and entrepreneurship.

STRATEGIC PRINCIPLES

GROWTH to achieve growth with added value for shareholders, with a view to sustainable development with a firm social conscience;

PROMOTE to maintain high standards of environmental responsibility and promote development of local communities;

DEVELOP to develop its Human Resources, providing them with attractive career opportunities;

BE READY to be ready for business opportunities and to make acquisitions with the potential for generating value.



MISSION

We strive to provide an adequate response to the needs of society.

We focus our activities in the Environment field, promoting and reinforcing the health status and the defense of public health in the countries in which we operate.

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.

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.

VISION

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.

Extend to other business areas the leadership achieved in printing and writing paper and so raise Portugal's international profile.

We strive to be the preferred cement based solutions provider for our customers in the communities we serve.

VALUES

- INNOVATION
- EXCELLENCE
- QUALITY
- SUSTAINABILITY
- SAFETY

- TRUST
- INTEGRITY
- ENTERPRISE
- INNOVATION
- SUSTAINABILITY
- EXCELLENCE

- PEOPLE
- INTEGRITY
- ACCOUNTABILITY
- COLLABORATION
- PERFORMANCE

**THE VALUE OF SUSTAINABILITY
IN THE SEMAPA GROUP**





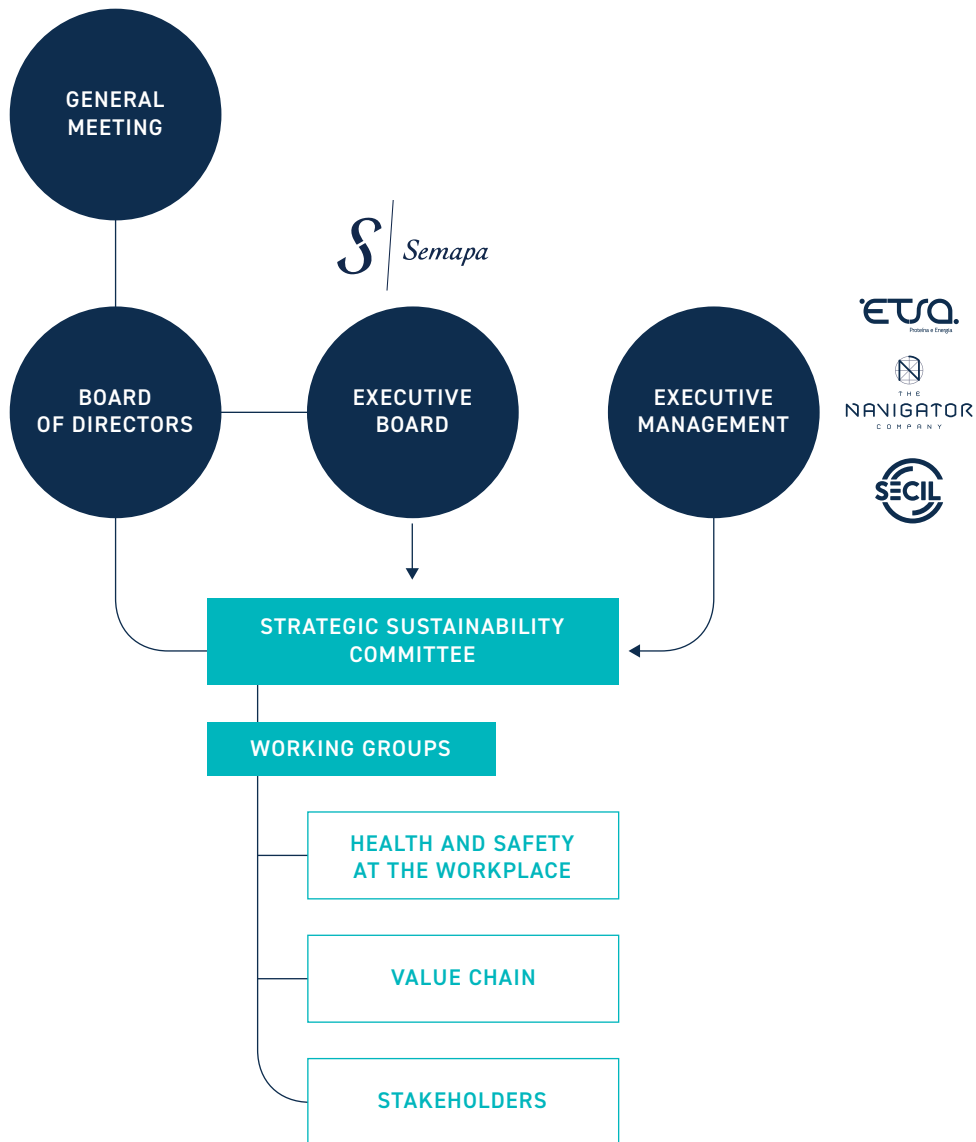
3.1 HOW WE MANAGE SUSTAINABILITY IN THE GROUP

PRINCIPLES

The Semapa Group is governed by a set of Criteria for Sustainable Action that are described in its **Letter of Commitment**. All companies in the Group subscribe and undertake to comply with this Letter. In addition to each of them adhering to other commitments, such as the **United Nations Global Compact** (Semapa), the **Charter of Principles of the BCSD - Business Council for Sustainable Development Portugal** - (Navigator and Secil), and **Letter of Commitments of the Global Cement and Concrete Association** (Secil).

GOVERNANCE

Corporate governance best practices are the essence of ethical and responsible organisations. As far as sustainability is concerned, Semapa has its own Governance structure, thereby seeking to reinforce the work that its subsidiaries already perform and to lend more coherence to Group activities.



In 2019, working groups were created at the level of the Sustainability Committee, which reports to the Strategic Committee, to address issues that concern all Semapa Group companies, as illustrated in the image

below. This structure depends in functional terms on the Group's Executive Board, which is responsible for the development and implementation of sustainability initiatives that are approved by the Board of Directors.

WORKING GROUPS (WG)

Three Working Groups are currently working on the following topics:

- HEALTH AND SAFETY;
- VALUE CHAIN;
- COMMUNICATION WITH EXTERNAL STAKEHOLDERS.

Their purpose is to enhance synergies between Semapa Group companies through collaboration in joint projects and initiatives in each of these areas. Each group functions independently under the leadership of their coordinators. The groups gather during the Sustainability Committee meetings, which are held at least once every quarter. Specialised meetings are also called, where appropriate.

For example: The Health and Safety Group

To illustrate the work developed across companies, by the end of the financial year the Safety and Health WG had already set up the following 3 projects:

Project 1

Semapa Wellbeing

Develop a set of initiatives that promote the Health and Welfare of employees.

Focus more on Health within the area of Health & Safety.



Project 2

Semapa Safety Leadership Walk

This project consists of gathering and alternating Top Managers of the companies to collectively lay out the "Safety Routes".

This initiative aims to contribute to the safety culture under the motto "Leading by example".



Project 3

Award & Recognition Program

Create an Award and Recognition Program to be implemented in the group companies, with final recognition granted by Semapa.

This Program fosters projects, practices and/or appropriate behaviour at individual or collective level that reinforce the Health and Safety culture.



3.2 THIRD PARTY RELATIONSHIP

Semapa actively relates to its stakeholders in order to incorporate their ideas and concerns into decision-making in each of its companies. The Group is attentive and continuously exploits all partnership opportunities with its stakeholders, thus contributing to the implementation of SDG 17.

The relevant stakeholders were identified according to best practices and presented in previous reports.

In summary, the following is a generic illustration of how Semapa relates and communicates with third party groups.

INVESTORS

- Presentation of Results;
- Periodic Financial Reports;
- General Meetings;
- Communication to Markets;
- Investor Relations Officer;
- Website.

COMMUNITY REPRESENTATIVES

- Reputational Assessment Survey;
- Collaboration Protocols;
- Participation in Associations;
- Website.

OFFICIAL SUPERVISORY AND REGULATORY BODIES

- Response to Legal Requirements;
- Reputational Assessment Survey;
- Regular Meetings with Main Counterparts;
- Website.

EMPLOYEES

- Face-to-face Discussions with Management;
- Team Meetings;
- Internal Information (Semapa Talks, Semapa News);
- Training;
- Intranet.

SUBSIDIARIES

- Close regular monitoring through the presence of representatives in decision-making bodies in companies;
- Information, training and promotion of the sharing of best practices.

FINANCIAL INSTITUTIONS

- Meetings;
- Presentation of Results;
- Periodic Financial Reports;
- General Meetings;
- Communication to Markets;
- Investor Relations Officer;
- Website.

MAJOR PROVIDERS OF SPECIALISED SERVICES

- Reputational Assessment Survey;
- Regular Meetings with Main Counterparts.

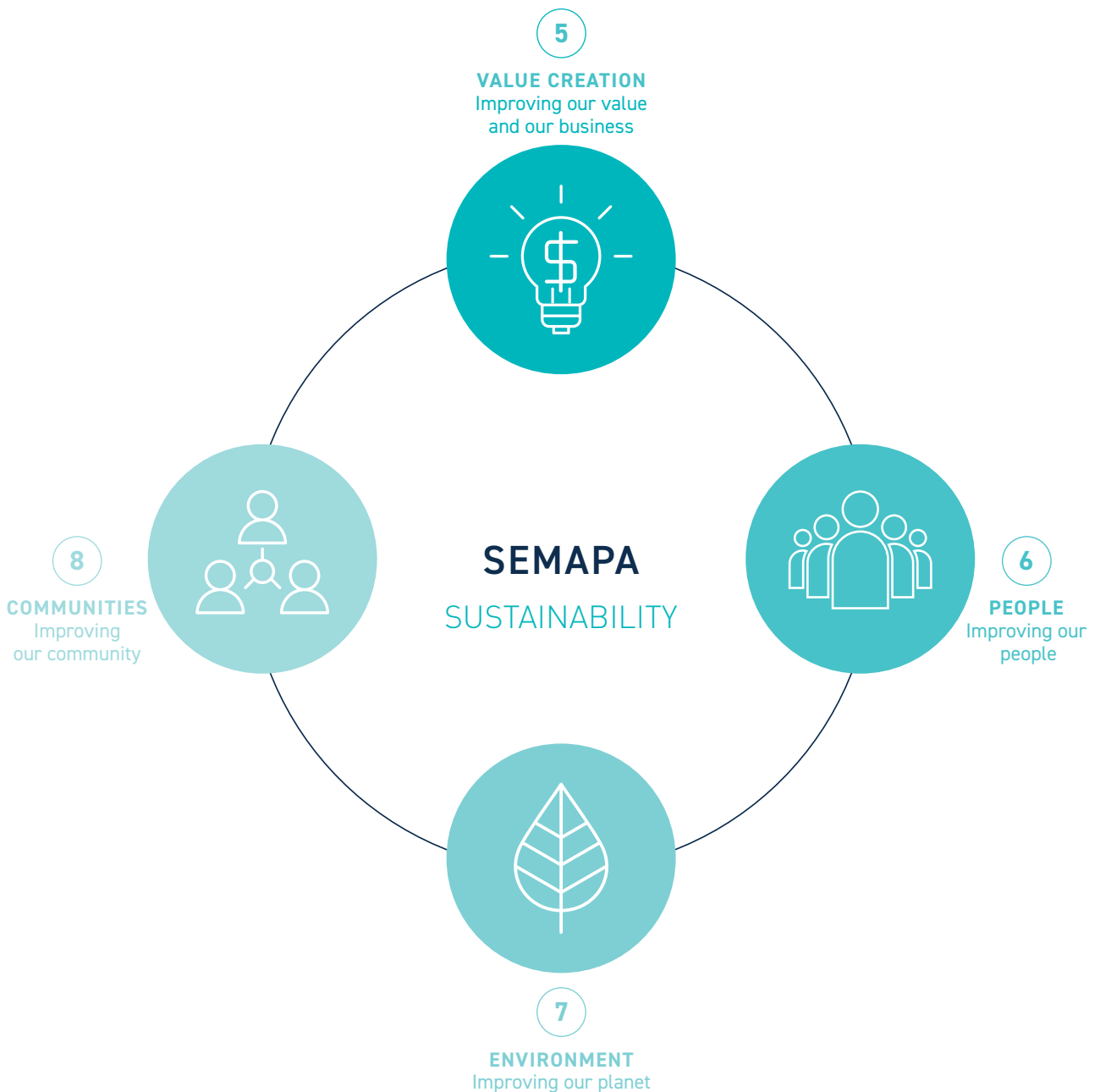


3.3 THE PILLARS OF SUSTAINABILITY AND MATERIAL TOPICS

Semapa's Sustainability Report is based on the concept of materiality to ensure that its content is meaningful and relevant to its readers.

Based on the Vision, Values and Strategic Principles, Semapa has established 4 Pillars of Sustainability, which support the material topics and together lay out the guidelines for the Group's operations: **Value Creation**, **People**, **Environment** and **Communities**.

4 PILLARS OF SUSTAINABILITY



MATERIAL TOPICS

Semapa still uses the material topics identified in its latest materiality analysis of 2018, based on a stakeholder survey, which remain current in relation to the Group's activity. These topics have been grouped into two categories: vertical and horizontal. The material horizontal topics

were identified as a priority for Semapa as a holding company. The material vertical topics were included due to their high degree of direct relevance for all subsidiary companies and, therefore, for Semapa as well.



MATERIAL HORIZONTAL TOPICS

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



MATERIAL VERTICAL TOPICS

- Impact on the environment
- Impact on the community

3.4 SEMAPA AND THE SUSTAINABLE DEVELOPMENT GOALS

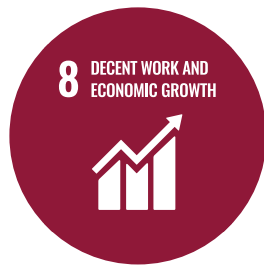
Semapa is committed to supporting the United Nations' 2030 Agenda, which sets 17 Sustainable Development Goals (SDGs) and therefore intends to align its strategy with these Goals, assuming its responsibility as a company in the fulfilment of these ambitious global goals.

The exercise of identifying and selecting the goals was based on the value chain of each subsidiary, the assessment of the relevant material topics and the mission of the Group and of each company. We report on the progress in each of these goals by the operating companies and Semapa itself. The quantitative targets will be set for 2020.

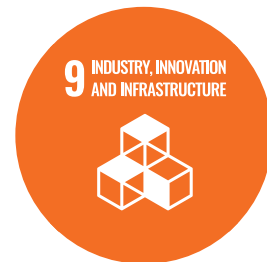
The Group has identified 3 levels of implementation of the SDGs:

- Priority
- Aspirational
- Instrumental

Priority



Aspirational



Instrumental



The Group's response in 2019:

PRIORITY GOALS



SEMAPA

The environmental impacts of the production processes are managed by all Semapa Group companies, which they try to prevent and control through their strong environmental management policies and systems. Furthermore, there is a growing concern about being efficient in the consumption of resources and promoting the circular economy.

ETSA

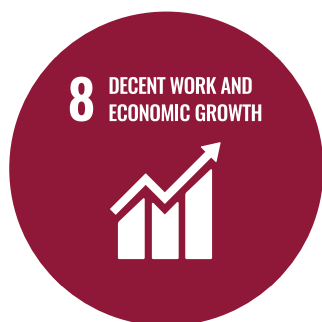
The core business is the recycling of products resulting from the food industry (Circular Economy); Training in fuel consumption management for truck drivers; High investment in the incineration of odorous gases, with the installation of energy recovery at ITS.

NAVIGATOR

Reducing water and energy consumption to a minimum: Corporate Water Use Reduction Programme and Corporate Energy Efficiency Programme; Circular Economy Projects; Forest Certification Promotion Programme.

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 extended use of non-fossil alternative fuels; Concrete with lower cement content and more secondary raw materials, such as cork; Development and production of thermal insulation, contributing to more efficient energy consumption in buildings.



SEMAPA

The Semapa Group, a major employer in Portugal and abroad, is focused on creating value and offering decent job opportunities in all its companies. Safety, training and respect for equality are strategic themes.

NAVIGATOR

Promoting worker safety. Target Zero Accidents; Cardinal rules for employees and suppliers.

SECIL

Programmes in Leadership and Coaching in Behavioural Safety; TME Program of Human Capital training and qualification, extended to a larger number of employees.



SEMAPA

The companies of the Semapa Group are committed to helping mitigate climate change. Its processes and the life cycles of its products involve CO₂ emissions, and the consumption and sequestration of carbon. Renewable energy and carbon neutrality are a priority and a long-term goal.

ETSA

Use of biomass as a thermal fuel; Biological waste from the manufacturing activity (endogenous fuel) is the main fuel to avoid CO₂ emissions; Various companies of the Group hold ISCC certification (certification that guarantees sustainability and the reduction of greenhouse gas emissions in the production process of biodiesel); The production of biodiesel from animal fat and cooking oils; Sebol has installed an equipment that produces hydrogen and oxygen by water electrolysis that are injected into the combustion air of the biomass boiler, thus increasing the yield of burning by about 10%.

NAVIGATOR

This is a highly relevant theme for Navigator, with special emphasis on 2019 when it launched its Roadmap to Carbon Neutrality, placing itself at the forefront of responding to international trends related to climate change.

This Programme is based on the following key axes: renewable energy, energy efficiency, reduction of CO₂ fossil fuel emissions and offsetting emissions which cannot be eliminated.

SECIL

Strategy and actions to reduce the carbon footprint and for the reduction of CO₂ emissions; Reduction of incorporations: Cement with less clinker (low carbon clinker) and concrete with less cement; Availability of a unique product for the infrastructures in 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; Enhancing the energy efficiency of equipment and installations.

ASPIRATIONAL GOALS



SEMAPA

The Semapa Group is concerned about the health and well-being of its Employees, promoting policies and specific programmes in these areas.

ETSA

Access to curative medicine in all the companies; Enhancement of the hygiene and health at work programme.

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.



SEMAPA

Promoting the personal and professional development of employees is a commitment of the Semapa Group. The attraction and retention of talent is a concern in all Group companies.

ETSA

Training for all employees; Enhancement of the hygiene and health at work programme.

NAVIGATOR

Promote training actions that ensure the retention of internal know-how. Platform *Learning Centre*. Literacy programmes of workers in Mozambique. School visit programmes.

SECIL

Support of educational campaigns held in developing countries, such as Tunisia and Angola; Participation in school councils of various learning establishments in Portugal; More initiatives with universities to encourage research or entry into the working life (e.g. Secil Universities Award); Study visits to facilities, namely Plants and the Cement Museum of the Maceira-Liz Factory.



SEMAPA

The Semapa Group operates in value chains with a strong impact on the local economy in structural areas for the society. It offers solutions and resilient products and focuses on R&D to innovate and respond to future challenges in the best way possible.

ETSA

Set up of the R&D department for the development of new products; Ongoing investment in infrastructures and equipment for the protection of the environment; Development of a Lean Management project in Production.

NAVIGATOR

RAIZ Research Institute: Inpactus project; Promotion of bioeconomy projects; Assessment tools for research projects.

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) focusing on process and product innovation; Support for infrastructure development in developing countries (Tunisia, Angola); Donation of computers and other technologies to social projects; Secil Innovation Award, aimed at promoting endogenous innovation.

INSTRUMENTAL GOALS



SEMAPA

The companies of the Semapa Group interact with many groups in the civil society, in Portugal and abroad. Individual companies entered into all sort of partnerships for the enhancement of performance.

ETSA

Fostering various partnerships in order to promote compliance with the remaining SDGs.

NAVIGATOR

Promotion of partnerships with numerous entities in order to foster compliance with other SDGs and involvement with different stakeholders.

SECIL

Environmental Monitoring Committees; Secil Awards with professional associations; partnerships with universities; support to activities of NGOs and social solidarity institutions in the communities around the plants; in-depth institutional relationship with local authorities in the areas where the plants are located, with financial and logistical support for various initiatives; support for publishing technical books or works of interest for the community; participation in Business and Institutional Cooperation Associations or Platforms.





**THE CHALLENGES
FOR THE GROUP**

4.1 TRENDS IN THE INTERNATIONAL AGENDA

WHAT ARE THE CHALLENGES FOR OUR GROUP IN A CONSTANTLY CHANGING WORLD?

Changes in the economy, the development of digital technologies, the collective recognition of our responsibilities in climate change and the increase in inequalities are all trends that present major challenges. These challenges are also opportunities for the future.

Whether related to climate, local communities or social inequalities, these challenges require a new commitment

from businesses, particularly from a company like Semapa, given its weight in the domestic economy. In all lines of business, the Group seeks to develop new models that combine economic performance with a positive impact on society and allocate funds to projects that are sustainable and therefore contribute to the common good.

Some of these challenges stand out, because they apply to several sectors of activity and, as such, need cross-cutting response from the company of the Semapa Group:



CLIMATE CHANGE, LACK OF RESOURCES AND ENVIRONMENTAL DEGRADATION

Sustainability is increasingly important for analysts and investors who question the practices of companies, but also for consumers, workers and society in general.



TECHNOLOGICAL PROGRESS AND USE OF DIGITAL TECHNOLOGIES

How we live, work and organise our every-day life has changed completely how we manage time and business.



DEMOGRAPHIC AND SOCIAL CHANGES

Growing population and living standards, ageing, generation gap, and issues associated with geographical mobility pose major challenges for businesses.



THE FUTURE OF LABOUR

New forms of working that respond to the needs of attracting and managing talent must be reinvented, as a result of previous trends and people's choices.

4.2 DECARBONISATION IN THE SEMAPA GROUP

In the international context, 2019 was undoubtedly a year marked by the great challenge of responding to Climate Change.



Which is why this Report pays special attention to this topic that will also be highlighted in the Sustainability Reports of the companies Navigator and Secil.

During the Climate Action Summit, Portugal submitted to the United Nations, one year ahead of schedule, the Roadmap for Carbon Neutrality 2050, which constitutes its Long-Term Development Strategy with Low Greenhouse Gas Emissions, as provided in the Paris Agreement.

Limiting the rise in temperature to 1.5°C by the end of the century: demonstrated a need for avoiding a Global Climate Crisis.

THE GLOBAL FRAMEWORK

Climate change was one of the major topics in 2019, marked by intense discussion on its risks and growing public awareness of the climate crisis. More than ever civil society is putting pressure on governments and businesses to take action to deal with the so-called climate crisis.

Internationally, meetings such as the UN Climate Action Summit have reinforced the urgency of setting more ambitious climate change mitigation and adaptation goals.

The European Green Deal has also strengthened the EU's strategy for a low-carbon economy by laying out the way for making Europe carbon neutral by 2050.

WHAT THE GROUP IS DOING

Aware of the climate emergency, the Group, and its subsidiaries, has incorporated in its strategies these matters and has elected them as a priority in terms of the necessary responses to this challenge.

Navigator launched in 2019 its Carbon Neutral Roadmap 2035, ahead of the date set by Portugal, with a large investment plan for the area (see highlight in Chapter 7.1.1) and best practices for sustainable forest management.

Secil has also invested in the reduction of CO₂ emissions in its production process and has focused on the circular economy, following the roadmaps established for European and domestic industry associations. (See Chapter 7.1.1)

The circular economy is the core activity of **ETSA**, which uses food waste as its raw material. (See Chapter 7.1.2)

All Group companies are definitely committed to reducing carbon emissions.



VALUE CREATION IN THE BUSINESS





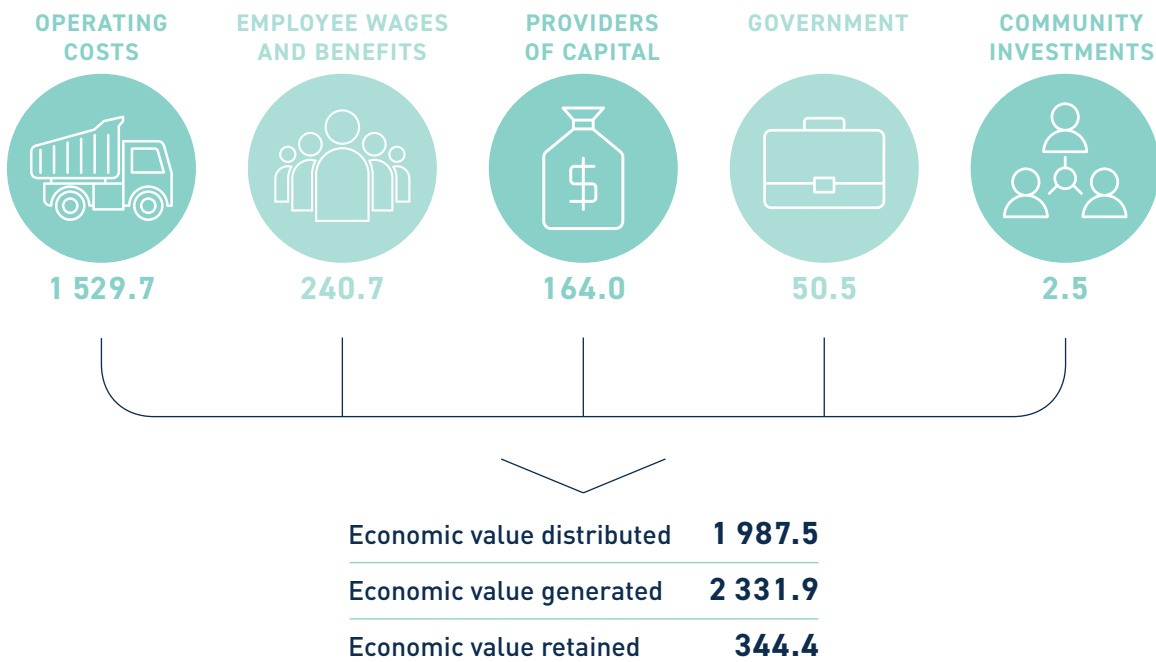
Cohesion
Tranquility
**Extraordinary
growth**

Good results
Good performance
Risk management
Partnership Strategy
Efficient financial management
New business
Report and inform

HIGHLIGHTS OF
STAKEHOLDER OPINIONS

5.1 ECONOMIC PERFORMANCE

The Semapa Group is focused on creating value, based on an economic performance with positive results, bearing in mind the direct and indirect impacts on the surrounding communities. It follows the principle of shared value generation by different stakeholders, as illustrated below.



Note: all values are in M€.

5.1.1 THE CREATION OF VALUE

Semapa's activities are governed first and foremost by the sustainability of its economic results. In 2019, 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

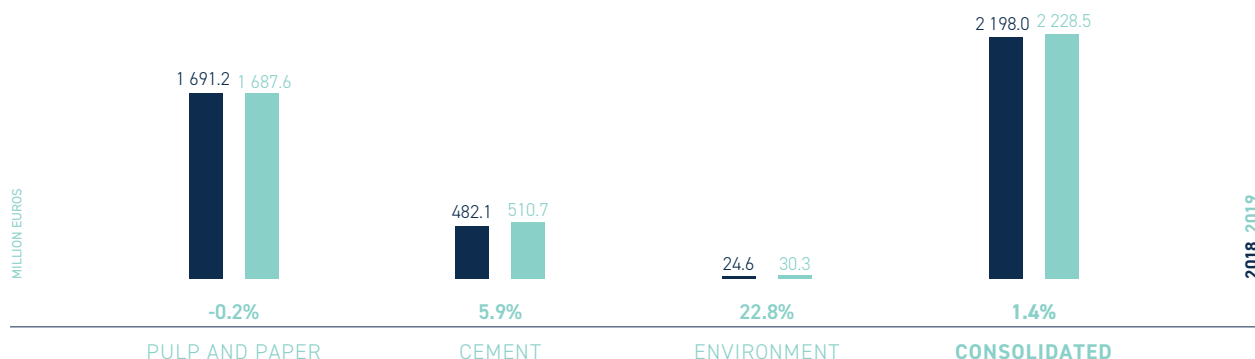
IFRS - accrued amounts (million euros)	2019	2018	Var.
Revenue	2 228.5	2 198.0	1.4%
EBITDA	486.8	548.5	-11.2%
EBITDA margin (%)	21.8%	25.0%	-3.1 p.p.
Depreciation, amortisation and impairment losses	(241.8)	(215.9)	-12.0%
Provisions	(4.1)	(19.0)	78.6%
EBIT	241.0	313.7	-23.2%
EBIT margin (%)	10.8%	14.3%	-3.5 p.p.
Net financial results	(54.4)	(68.8)	21.0%
Profit before taxes	186.6	244.8	-23.8%
Income taxes	(23.9)	(43.7)	45.3%
Net profit for the period	162.7	201.2	-19.1%
Attributable to Semapa shareholders	124.1	132.6	-6.4%
Attributable to non-controlling interests (NCI)	38.6	68.6	-43.7%
Cash flow	408.6	436.0	-6.3%
	31/12/2019	31/12/2018	Dec19 vs. Dec18
Equity (before NCI)	960.9	890.4	7.9%
Interest-bearing net debt	1 470.7	1 551.6	-5.2%
Lease liabilities (IFRS 16)	75.2	0.0	-
Total	1 545.8	1 551.6	-0.4%

Notes:

- EBITDA = EBIT + Depreciation, amortisation and impairment losses + Provisions
- EBIT = Operating profit
- Operating profit = Earnings before taxes, financial results and results of associates and joint ventures as presented in the Income Statement in IFRS format
- Cash flow = Net profit for the period + Depreciation, amortisation and impairment losses + Provisions
- Interest-bearing net debt = Non-current interest-bearing debt (net of loan issue charges) + Current interest-bearing debt (including debts to shareholders) – Cash and cash equivalents

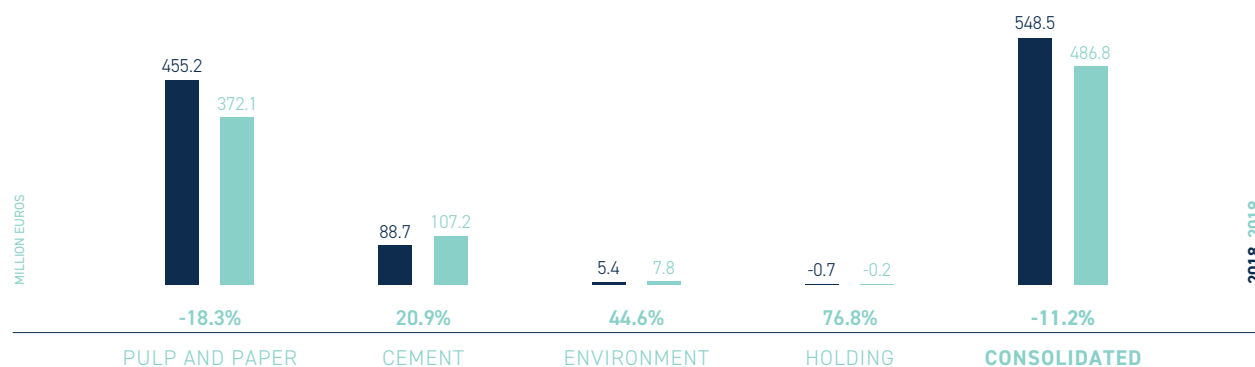
REVENUE

In 2019 the Semapa Group recorded consolidated revenue of 2 228.5 million euros, an increase of 1.4% over the previous year. Exports and foreign sales amounted to 1 644.7 million euros, accounting for 73.8% of revenue.



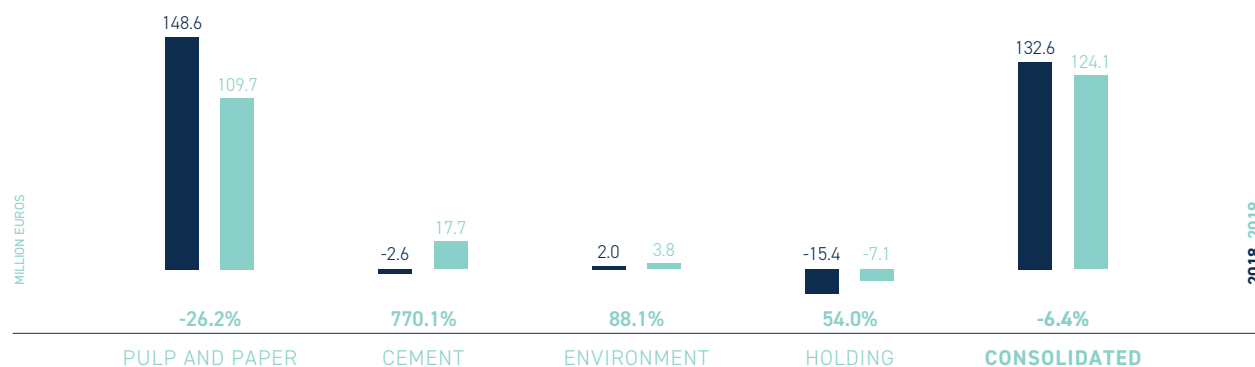
EBITDA

In 2019, EBITDA decreased around 11.2% in relation to the previous year, standing at 486.8 million euros. The consolidated margin stood at 21.8%, 3.1 p.p. below that in the same period in the previous year.



NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Net profit attributable to Semapa shareholders stood at 124.1 million euros, down by 6.4% in relation to the previous year.



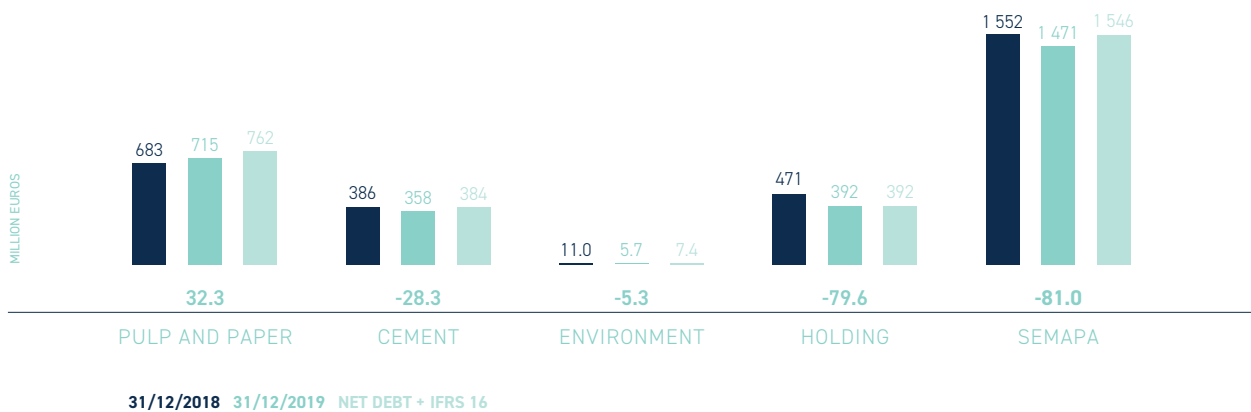
IMPACT OF THE ADOPTION OF IFRS 16

On 1 January 2019, the Group adopted Accounting Standard IFRS 16, although the 2018 results were not restated in accordance with the standard. As a result of the adoption of the standard, net debt increased (lease liabilities), against fixed assets, which are amortised instead of recognizing the cost in external supplies and services.

The main impacts of the adoption of IFRS 16 as of December 2019 were as follows: reduction of external supplies and services of around 15.4 million euros, increase in depreciation, amortization, and impairment losses of around 13.6 million euros, increase in financial charges of around 2.9 million euros, and lease liabilities increase of around 75.2 million euros.

NET DEBT

At 31 December 2019, consolidated net debt stood at 1 470.7 million euros, representing a reduction of 81.0 million euros from the figure recorded at year-end 2018. Including the effect of IFRS 16, net debt would have been 1 545.8 million euros, 5.8 million euros below the figure at the end of 2018.



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.

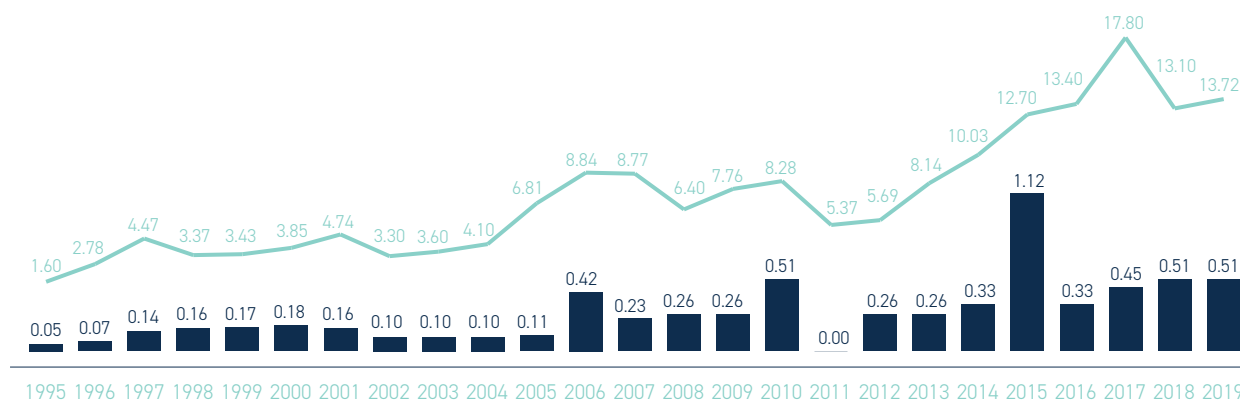
In 2019, net profit attributable to Semapa shareholders was 124.1 million euros, which represents a decrease of 8.5 million euros compared to the previous year. The Net Profit variation of 2019 is due essentially to the combined effect of the following factors:

- An improvement in EBITDA from Cement and Other Building Materials (+18.5 million euros) and Environment (+2.4 million euros), which did not manage to offset the reduction of 83.1 million euros from the Pulp and Paper business segment;
- An increase in depreciation, amortisation and impairment losses of 26.0 million euros, mainly due to the impact of IFRS 16, the beginning of the depreciation of recent investments of Navigator and brand impairments of 16.8 million euros from Cement and Other Building

Materials. This latter amount results from the combined effect of: i) impairment of the Secil brand in Lebanon (18.8 million euros), due to the less positive expectation regarding future cash flows arising from the social-economic instability in this part of the world; and, ii) the impairment reversal of the Secil brand in Portugal (2 million euros);

- Reduction of provisions by 14.9 million euros;
- An improvement in net financial results by about 14.5 million euros. The net financial results for 2019 includes 4.1 million euros from the impairment record, under IFRS 9, on cash and equivalents of Lebanon which reflects the rating and the current risk of the Lebanese financial system;
- Decrease of about 19.8 million euros in income taxes.

In April 2019 Semapa distributed dividends with a total value of 41.3 million euros, corresponding to 0.512 euros per share.



DPS SHARE PRICE

ANNUAL SHAREHOLDER RETURN = 19.2%

5.2 STRATEGY, INVESTMENT AND BUSINESS DEVELOPMENT

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 creating value.

Therefore, besides the investments and projects that the companies Navigator, Secil and ETSA are developing, as

detailed in the Accounts Report, Semapa is still looking out for investment opportunities in other economic sectors where it can play a significant role.

Semapa Next, the venture capital arm of Semapa dedicated to investments in venture capital funds, is also a co-promoter of the Techstars project for selecting, accelerating and funding start-ups in Portugal, its second edition having been initiated in 2019.

5.3 RESPONSIBILITY ALONG THE VALUE CHAIN

Sustainability is an integral part of our direct operations, which are reflected in the four strategic pillars. Semapa aspires at improving the performance of the operations in its business areas throughout its value chain, namely at the level of its suppliers. For this it created a Working Group that focuses on this subject, as mentioned in Chapter

3.1. The Group assumes its responsibility by working with its stakeholders and with this group in particular to propagate the use of best practices and to ensure greater transparency, and to achieve with less risk a lesser integrated impact on the environment.



VALUING PEOPLE



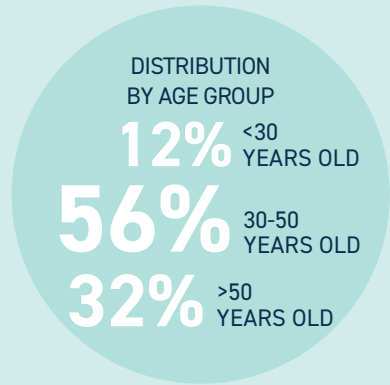


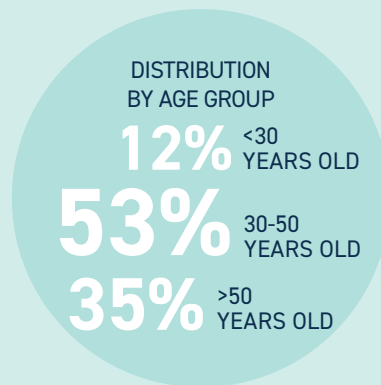
Talent
Strategy
Soft skills
Labour Relations
Equality
Fundamental
Diversity
Culture Basic pillar
Opportunities
Report and inform

HIGHLIGHTS OF
STAKEHOLDER OPINIONS



GROUP





6.1 HUMAN CAPITAL AND TALENT

Semapa believes that the Group's development and growth is founded on its workers. Human Resources are therefore a priority, with several Talent and Career Management programmes being developed in all the Group's companies.

There is an outspoken concern for **human capital**, particularly with regard to the development of the necessary skills of all its employees. The success of the Group depends, unambiguously, on its capacity to attract and retain talent. Better qualified employees will be more capable of supporting the company on the path to success.

In recent years, new initiatives were addressed at all of the Group's employees, in addition to those initiatives that each company already had, with emphasis on three projects: vocational training (Learning and Talks programs); professional development (Mobility and JG programs); and information (News). The Semapa Talent Project was relaunched this year.

SEMAPA | TALENT MANAGEMENT PROGRAMME



In 2019, Semapa strengthened its initiatives with regard to Talent Management.

In 2019, Semapa strengthened its Talent Management initiatives.

As this is an essential theme in the pursuit of its goals, with the actions currently underway, Semapa intends to continue to strengthen the skills necessary for its growth as a Group, as a reference employer in the market, which attracts, motivates, develops and recognizes the best professionals in the various areas of knowledge.

With this objective in mind, during this financial year the **Semapa Talent Project** entered a new phase, the main purpose of which is to:

- a) Know and develop its talents;
- b) Facilitate mobility between group companies by transferring skills and thus creating opportunities for growth;
- c) Improve performance assessment instruments that favour the best performances and create a culture of feedback;
- d) Ensure the best compensation practices in the market, from a total reward perspective;

- e) Intensify the communication dynamics within the Group, favouring synergies and strengthening the foundations of the Semapa culture.

Giving preference always to co-creative work (between Semapa and its participants) in a collaborative environment, all Group companies will develop a mapping project for the design and implementation of talent development programmes starting in 2020.

A **survey of HR practices** of the Holding and its subsidiary companies was also carried out with regard to talent management. This initiative is now a shared work base available to the Group's companies that can facilitate the transfer of best practices between them.

Fundamental to the success of these initiatives has been the dynamics of contacts and regular meetings with all of the Group's HR Departments, which have jointly planned all the initiatives in progress.

It was also in this context that the **Talent Committee** was created under the Board of Directors, which meets in an advisory character and assesses issues in the area of talent management in all of its dimensions. In 2019 we focused on strengthening the structuring and systematisation of in-house knowledge, at the level of talents and talent management practices. The conditions have now been created for the development and the growth of our **Human Capital in 2020**.

NAVIGATOR | LEARNING CENTRE



Developing skills with a few clicks of the mouse

The innovative, comprehensive and inclusive training tool, the Learning Centre portal, was highlighted in the WBCSD document "Business Leadership for the Future of Work" as an example of a best practice in capacity building, talent management and preparing future leaders at Navigator.

More than a traditional training area, Navigator's Learning Centre offers a proactive and participative approach to the enhancement of the Company's human capital for the challenges of the present and the future. With a bilingual digital training program (Portuguese

and English) that is accessible by computer, tablet or smartphone, this learning portal was redesigned in 2019 to include, freely accessible and readily available, e-learning, b-learning and video courses, with a few clicks of the mouse. Over the past year, 500 online training courses were provided in 17 different areas, including management, safety, leadership and behaviour, and in the industrial, commercial and forestry technical areas. Overall employee participation rate was 95%.

In 2019:	588	Courses delivered
	3 111	Employees involved
	165 343	In-house training hours

ETSA | MAIS ETSA PROJECT



In-house learning Lean Management

ETSA has implemented a plant management model (Lean Management) in all its production sites. The goal is to create an efficient management model for plant operations and support services, by developing internal skills to ensure their operation and contributing to a new organisational culture.

It focuses on Excellence in all Operations, based on human capital enhancement and the implementation of a set of principles (associated with Lean management) and

best practices. It seeks further to involve unequivocally all employees in the daily management of units.

In the beginning, a consulting company was hired to deliver intensive in-house training (6 months) to approximately 100 technical employees of the Group, with the direct involvement of ETSA's Management.

After the principles of Lean Management were taught, the basic concepts were implemented: visual management boards, a model of meetings between different hierarchical levels, and the 5S and PDCA concepts, etc.

SECIL | MISSION, VISION AND VALUES PROJECT



The Mission, Vision and Values were discussed in all parts of the world where Secil holds operations; working groups were set up in all countries to ensure the former are in line with each country's strategic ambitions. The groups' outputs were compiled, analysed, approved by Secil's Executive Board and Board of Directors.

Secil Group's mission is the purpose of its existence; the organisation's vision is its ambition for the next decade, what it envisages and what it aims to achieve; and finally,

the values are the way the Secil Group expects to act and lead, the conduct of all employees.

The Mission, Vision and Values put together helped to create the Secil Code of Conduct, which is also a fundamental pillar of the Group and its strategy. The document compiles a set of principles and rules that apply to all employees, ensuring that all people who make up the organisation and the Group itself are engaged in high standards of business ethics and personal integrity whilst performing their duties.

6.2 CULTURE AND TOP MANAGEMENT

Semapa puts special emphasis on how values are experienced and put into practice in the Group. Quoting the founder of the Group, Pedro Queiroz Pereira, “**values come before results**”.

The Group's largest companies have already stated their values, which are published on the respective websites. At Semapa as a Group, the values have not yet been formally codified due to the diversity of contexts. Nevertheless, the guidelines of our common values are present in our day-to-day activity, in all the companies and in the different locations:

- **Ethics and Integrity**, as a way of being and of living;
- **Respect for people**, an attitude of justice and sharing, a collaborative way of working, based on trust;
- **Coherent public posture that is transparent**, but never ostensive;
- **Profound social and environmental awareness**, which should direct each of our acts;
- **Innovation and excellence** in our creation of value and in our entrepreneurial ambition.



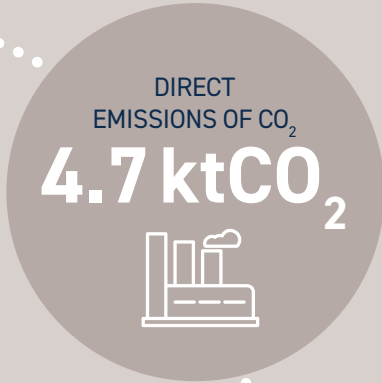
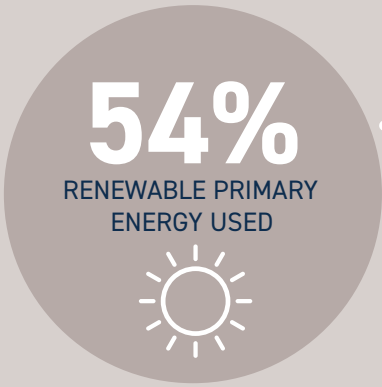


**PROTECTION
OF THE PLANET**

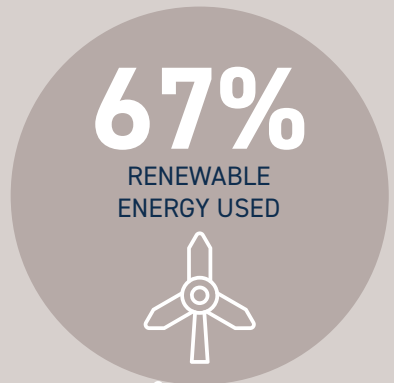
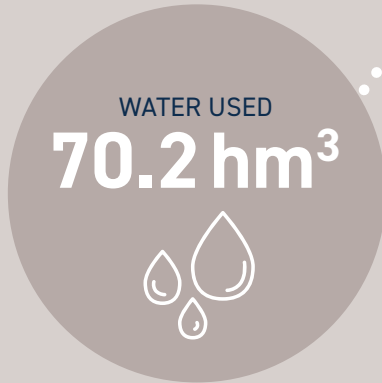


Water
Transparency
Emissions **Talent**
Sustainability
Energy
Innovation
Natural resources
Value chain
Environmental impact
Great concern

HIGHLIGHTS OF
STAKEHOLDER OPINIONS



GROUP



INNOVATION
PROJECTS
**LOW-CARBON
CLINKER**



RAW MATERIALS
RECYCLED
319 070 t



INNOVATION
PROJECTS
**CLEAN
CEMENT LINE**



45%
RENEWABLE PRIMARY
ENERGY USED
IN PORTUGAL



CERTIFICATION
ISCC



68%
PRIMARY ENERGY
OF RENEWABLE SOURCE



100%
OF RAW MATERIALS
ARE BY-PRODUCTS
OF OTHER INDUSTRIES



7.1 IMPACT ON THE ENVIRONMENT

The Semapa Group is aware of the environmental responsibility of its activities. Consequently, the Group puts a lot of effort into reducing its environmental impacts, while managing and sparing the natural resources it uses. Semapa is therefore committed to continuous improvement, from an eco-efficiency perspective, while paying close attention to how each of its companies autonomously addresses the major issues of sustainability and environmental management.

Semapa's environmental responsibilities are part of its sustainability policy and the adoption of best practices is already a common reality in the Group's companies. On an individual level, Semapa has a very low environmental impact, linked only to its space management function for administrative services.

7.1.1 CLIMATE CHANGE

NAVIGATOR

ROADMAP TO CARBON NEUTRALITY

In the next 15 years, the Company will reduce its CO₂ emissions by 90%.

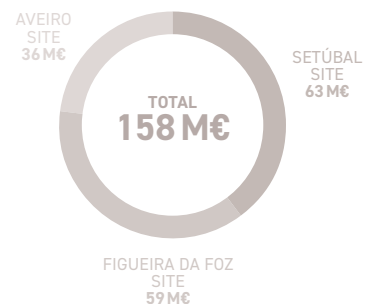
The low-carbon economy is finally on the global agenda to tackle changes in the climate that impact the planet. While societies adapt to a climate that is different to the one in which they evolved, one way of responding to the current emergency is to reduce carbon emissions and/or increase their sequestration in a global strategy conducive to carbon neutrality. Countries under the Paris Agreement committed to limiting global warming, a path that is made by reducing emissions, which are largely the product of human activity.

Aware of its contribution to mitigating the effects of climate change, Navigator has committed to achieving carbon neutrality by 2035, becoming the first Portuguese company - and one of the world's first - to bring forward the national and European targets by 15 years. The "The Navigator Company Roadmap to Carbon Neutrality" was presented in 2019. However, in its efforts to achieve a low carbon economy, the Company began investing several years ago in the improvement of process efficiency, the implementation of technological solutions that enable the reduction of energy consumption and the use of energy from renewable sources. A new chapter will begin in 2020, after the new biomass boiler at the Figueira da Foz plant goes into operation.

Navigator's strategy for carbon neutrality, which involves a total investment of € 158 million, is based on four objectives of change in its production processes, which will take place simultaneously, taking into account the specific conditions of the industrial complexes:

- Producing 100% electric energy from renewable sources.
- Reducing CO₂ fossil emissions by replacing technologies.
- Reducing specific energy consumption by 15% until 2025, against consumption values in 2015.
- Offsetting emissions which cannot be eliminated.

PLANNED INVESTMENTS IN THE ROADMAP TO CARBON NEUTRALITY



SECIL

CCL CLEAN CEMENT LINE



The cement of the future will be produced at the Secil-Outão plant.

In the next four years the Clean Cement Line (CCL) project will be implemented at the plant in Outão. The research, development and innovation project has the following objectives: Energy efficiency (reduce by at least 20%); CO₂ emission reduction (by at least 20%); and Electric power generation (covering at least 30% of needs).

The contract signed with the Portuguese Government, which designated the project as PIN - Project of National Interest, estimates that the investment will be completed in 2023. Consequently, the plant will be a European reference in energy and environmental efficiency, with at least 20% less power consumption and CO₂ emissions.

The re-engineering of the manufacturing process consists of adopting a set of technologies and processes that together improve performance and reduce consumption. No fossil fuels will be used, a solar field and a waste heat recovery system will be installed to use the heat from the process which will be converted into electric power, combustion in the furnace will be improved and low carbon LCC clinker produced.

A multidisciplinary team from Secil designed the whole process and will be implementing it. The project will, in turn, be monitored by national and international technical and scientific partners.

SECIL

LCC LOW CARBON CLINKER



Secil is responding to the challenges of decarbonisation and circular economy by finding innovative solutions for producing clinker with less carbon emissions, maintaining the strength and durability characteristics of this intermediate product in the manufacturing of cement.

Lowering the carbon incorporated in the clinker and reducing specific energy consumption per tonne produced is possible by incorporating, in the final cooling phase of the clinker, new materials – e.g. clays or fly ash - which are calcined by the clinker at high temperature, without additional energy consumption or CO₂ emissions.

In this process, products from other industrial sectors, such as clay or ash from thermal power plants, are being used, thus reinforcing the circularity of the economy and reducing the environmental impacts of other end-of-life treatments.

Secil has already performed very satisfactory tests in several of its Plants' kilns, which were preceded by laboratory testing of the materials to be incorporated, and confirmed by tests to the fired material. Subsequently, the concrete and mortar were tested in use and showed good strength and structural performance.

This project also has the economic advantage of requiring very little investment in the current facilities, which can produce, simultaneously, Low Carbon Clinker or traditional clinker.

7.1.2 CIRCULAR ECONOMY

ETSA

PROHY HYDROLYSED PROTEIN

In the past three years, the R&D Department of ETSA developed an innovative process for producing hydrolysed protein from some raw materials of pig origin, used currently in the process of Sebol.

The process consists of raw material hydrolysis through heat treatment, by applying steam at high temperature and pressure, followed by several separation and dehydration steps. Hydrolysed protein is a yellow powder with a very high protein content (> 93%, compared to the protein content of the meal produced today that has 52% less) and has a high digestibility and solubility in water.

The process still results in high quality pig fat and bi-calcium phosphate.

All three products are premium raw materials for the manufacture of compound feed and offer much higher added value compared to the traditional products of the animal by-product recycling industry.

The project, co-financed by Community Funds, is currently in the process of licensing.

SECIL & NAVIGATOR

CIRCULAR ECONOMY

Partnership for the use of sand.

In 2019, the Portuguese Environment Agency started to consider sands from energy production in Navigator's biomass boilers as a by-product for use in the cement industry. Washed and pre-treated, the sand can be used to produce concrete and cement mortars, with significant environmental advantage, since it replaces raw material that is extracted. The reuse of this waste is done in partnership with Secil Britas, in Setúbal, and with Arfil, which processes the sand from the Aveiro biomass boiler. Another Navigator partner, Weber Saint-Gobain, then transforms it into mortar. In 2019, around 6 900 tonnes of sand were shipped to Secil Britas (with Secil Outão as the final destination) and 300 tonnes to Saint-Gobain, which incorporates it into its products.



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**COMMUNITY
ENGAGEMENT**



Relationship
Engagement
Anti-corruption Trust
Transparency
Values
Information
Give visibility
Communication
Impact on investors
Job creation

HIGHLIGHTS OF
STAKEHOLDER OPINIONS

Any productive activity can impact the communities where such productive and commercial activities take place, and all of the work performed by the Semapa Group is no exception. Thus, encouraging the sustainable development of the surrounding communities is one of the fundamental principles of the Semapa Group –

sustainable growth depends not only on its relations with customers, suppliers, partners, but also on the positive impact on the local communities.

Thus, the Group's companies carry out activities with the neighbouring communities, aimed at improving their quality of life and preserving the surrounding environment.



8.1 IMPACT ON THE COMMUNITY

SECIL

SUPPORT GRANTED TO *MOVIMENTO ASSOCIATIVO SETUBALENSE*

Secil underscores, in its Mission, its responsible citizenship in the neighbouring communities. In the case of the Secil-Outão plant, this translates into a structured programme of support to the *Movimento Associativo* association of Setubal, founded in 2003.

Ever since, Secil funds a wide range of social, sports and cultural solidarity associations every year, some of the most representative in the municipality, through a dynamic process of interaction.

The beneficiary associations present in their Report and Accounts for the previous year and the Budget and Activities Plan for the current year an assessment of the level of activity and the benefits to the population, which determines the allocation of financial support. Different institution's figures show that about 1/3 of the population of Setubal benefits from initiatives and projects financed by Secil.

In the past 15 years, more than 3 million euros were distributed to 100 different institutions. At the same time, in 2019 Secil also sponsored specific events, such as the Festival Fest'Asso organised by the Setúbal Parish Council, the Bocage Literary Prize organised by the animal league of Setubal and Azeitao (LASA – Liga dos Amigos de Setúbal e Azeitão), and the car race Rampa PQP in Arrábida.

NAVIGATOR

DAR A MÃO À FLORESTA

More than 10 thousand children lent a helping hand to the forest.

"It is an excellent idea to tell children we need to protect the forest, and to help them come to that conclusion on their own through play." This quote from the father of one of the children who took part in the event *Dá a Mão à Floresta* at the Hello Park, in Monsanto, is a clear illustration of the social responsibility of Navigator vis a vis the young ones. In 2019, 95 activities were carried out, mainly with the school community (4 to 10 year olds), across the country from north to south, and it involved over 10 thousand children.

Raising awareness of biodiversity conservation and the rational use of water were the themes of the roadshow that travelled to about 90 schools in Lisbon, Porto, Coimbra, Aveiro, Almada, Setúbal, Figueira da Foz and Vila Velha de Ródão. *Dá a Mão à Floresta* was also at the Monsanto Park, the Zoo and the Bussaco National Forest, and "spread the scent" of the forest in some shopping centres, where it handed out to the little ones bags with rosemary, lemon, lavender or eucalyptus leaves.

This project's success is reflected in the growing numbers of loyal followers (30% more on Facebook and 150% more on Instagram, compared to 2018), and the magazine *Dá a Mão à Floresta* almost tripled the number of subscribers. New initiatives are planned for 2020, such as a website with interactive games and cartoons.



GRI INDEX





GRI INDEX

DISCLOSURE OF NON-FINANCIAL INFORMATION (DECREE-LAW No. 89/2017)

GRI standards	Location/response	Location	Legal framework
GRI 102: General disclosures	Organizational profile		
	102-1 Name of the organisation Semapa – Sociedade de Investimento e Gestão, SGPS, S.A.		Companies Code Article 508-G (2) (a)
	102-2 Primary brands, products and services	Pages 14-15	
	102-3 Location of headquarters Av. Fontes Pereira de Melo, 14-10º 1050-121 Lisbon – Portugal		
	102-4 Location of operations 2. WHO WE ARE AND WHAT WE DO	Pages 14-17	
	102-5 Nature of ownership and legal form Semapa is a public limited 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 2. WHO WE ARE AND WHAT WE DO	Pages 14-17	
	102-7 Scale of the organisation 2. THE LARGE NUMBERS	Pages 10-11	

102-8 Information on employees and other workers

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT, BY GENDER:

		2017	2018	2019
Permanent and fixed-term contract	Men	4 772	4 861	4 894
	Women	750	810	831
	Subtotal	5 522	5 671	5 725
Temporary workers and trainees	Men	74	74	98
	Women	11	11	18
	Subtotal	85	85	116
Total employees		5 607	5 756	5 841

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE, BY GENDER:

		2017	2018	2019
Full-time	Men	4 839	4 933	4 989
	Women	750	814	841
	Subtotal	5 589	5 747	5 830
Part-time	Men	0	2	3
	Women	6	7	8
	Subtotal	6	9	11
Total employees		5 607	5 756	5 841

Note:

Figures do not include employees from Portucel Moçambique, Secil Angola and Betotrans. Employees from Secil Spain, Netherlands, Madeira and Pre-cast Concrete were included in 2019, but were not reflected in the 2018 report.

GRI standards	Location/response	Location	Legal framework
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 in the organisation or its supply chain	Nothing to report.		
102-11 Precautionary Principle or approach	2019 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		Page 22	
102-13 Membership of associations	Semapa participates actively in the following associations: • AEM – Assoc Emp. Emitentes de Valores Cotados em Mercado • CCE - Conseil de Coopération Économique • FpC - Fórum para a Competitividade		
Strategy			
102-14 Statement from senior decision maker	1. MESSAGE FROM THE CHAIRMAN AND CEO	Pages 8-9	Companies Code Article 508-G (2) (a)
102-15 Key impacts, risks, and opportunities	Corporate Governance Report	Pages 92-94	Companies Code Article 508-G (2) (a) and (d)
Ethics and Integrity			
102-16 Values, principles, standards, and norms of behaviour	2. WHO WE ARE AND WHAT WE DO, OUR IDENTITY	Pages 18-19	
Governance			
102-18 Governance structure	3. THE VALUE OF SUSTAINABILITY IN THE SEMAPA GROUP, 3.1 HOW WE MANAGE SUSTAINABILITY IN THE GROUP	Pages 22-23	
102-21 Consulting stakeholders on economic, environmental, and social topics	3. THE VALUE OF SUSTAINABILITY IN THE SEMAPA GROUP, 3.3 THE PILLARS OF SUSTAINABILITY AND MATERIAL TOPICS	Pages 25-26	Decree-Law 89 Introduction, Paragraph 5
102-22 Composition of the highest governance body and its committees	Corporate Governance Report	Pages 68-91	Securities Code Article 245-A (4) (r)
102-24 Nominating and selecting the highest governance body	Corporate Governance Report	Pages 68-91	Securities Code Article 245-A (4) (r)
Stakeholder Engagement			
102-40 List of stakeholder groups	3. THE VALUE OF SUSTAINABILITY IN THE SEMAPA GROUP, 3.2 THIRD PARTY RELATIONS	Page 24	

GRI standards	Location/response	Location	Legal framework
102-41 Collective bargaining agreements			
		2017	2018
		2019	
	Percentage of employees covered by collective bargaining agreements	51%	44%
	47%		
102-42 Identifying and selecting stakeholders			
	3. THE VALUE OF SUSTAINABILITY IN THE SEMAPA GROUP, 3.2 THIRD PARTY RELATIONS 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.	Page 24	
102-43 Approach to stakeholder engagement			
	3. THE VALUE OF SUSTAINABILITY IN THE SEMAPA GROUP, 3.2 THIRD PARTY RELATIONS	Page 24	Decree-Law 89 Introduction, Paragraph 5
102-44 Key topics and concerns raised			
	3. THE VALUE OF SUSTAINABILITY IN THE SEMAPA GROUP, 3.2 THIRD PARTY RELATIONS	Page 24	
Reporting Practice			
102-45 Entities included in the consolidated financial statements			
	This Report covers the activities of Semapa and its subsidiaries, namely: • 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			
	1. ABOUT THE REPORT	Pages 6-7	
	3. THE VALUE OF SUSTAINABILITY IN THE SEMAPA GROUP, 3.3 THE PILLARS OF SUSTAINABILITY AND MATERIAL TOPICS	Pages 25-26	
102-47 List of material topics			
	3. THE VALUE OF SUSTAINABILITY IN THE SEMAPA GROUP, 3.3 THE PILLARS OF SUSTAINABILITY AND MATERIAL TOPICS	Page 26	
102-48 Restatements of information			
	Nothing to report.		
102-49 Changes in reporting			
	Nothing to report.		
102-50 Reporting period			
	01 January 2018 to 31 December 2019		
102-51 Date of most recent report			
	Sustainability Report for 2018, March 2019		
102-52 Reporting cycle			
	Annual		
102-53 Contact point for questions regarding the report			
	1. ABOUT THE REPORT	Page 7	
102-54 Claims of reporting in accordance with the GRI Standards			
	1. ABOUT THE REPORT	Pages 6-7	
102-55 GRI content index			
	This table		
102-56 External assurance			
	1. ABOUT THE REPORT	Pages 6-7	Decree-Law 89 Introduction,
	10. LIMITED ASSURANCE INDEPENDENT REPORT	Pages 84-86	Paragraph 8

SPECIFIC CONTENTS

GRI standards	Location/response	Location	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 39 and 44	
	103-2 The management approach and its components	Pages 38-39	
	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 5. VALUE CREATION IN THE BUSINESS, 5.1 ECONOMIC PERFORMANCE and 5.2 STRATEGY AND INVESTMENT	Pages 38-44	
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 39 and 44	
	103-2 The management approach and its components	Pages 38-39	
	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 The indirect economic impacts resulting from investments in infrastructure and services have not been systematically assessed. The figures corresponding to investment in the community are presented in indicator 201-1.		
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 Semapa has subscribed a set of commitments and principles to align itself with the major international sustainability issues, which include combating corruption.		
	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. 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. Currently, 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".		Companies Code Article 508-G (2) (c)

GRI standards	Location/response	Location	Legal framework
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption The assessment of the risks of corruption has not been systematically carried out to cover 100% of operations.		Decree-Law 89 Introduction, Paragraph 5
	205-2 Communication and training about anti-corruption policies and procedures		
	205-3 Confirmed incidents of corruption and actions taken No incident of corruption was reported in the financial year in question.		

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 56-61	Companies Code Article 508-G (2) (b)																			
	103-2 The management approach and its components 7. PROTECTION OF THE PLANET, 7.1 IMPACT ON THE ENVIRONMENT	Page 59																				
	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		Companies Code Article 508-G (2) (e)																			
	<table border="1"> <thead> <tr> <th>Unit (tonnes)</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>ETSA</td> <td>118 000</td> <td>123 200</td> <td>123 900</td> </tr> <tr> <td>Navigator</td> <td>5 361 049</td> <td>5 140 214</td> <td>5 100 544</td> </tr> <tr> <td>Secil</td> <td>12 600 499</td> <td>11 712 334</td> <td>12 054 197</td> </tr> <tr> <td>Total</td> <td>18 079 548</td> <td>16 975 748</td> <td>17 278 641</td> </tr> </tbody> </table>	Unit (tonnes)	2017	2018	2019	ETSA	118 000	123 200	123 900	Navigator	5 361 049	5 140 214	5 100 544	Secil	12 600 499	11 712 334	12 054 197	Total	18 079 548	16 975 748	17 278 641	
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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 56-61	Companies Code Article 508-G (2) (b)																																							
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GRI 302: Energy	302-1 Energy consumption within the organization		Companies Code Article 508-G (2) (e)																																							
	RENEWABLE ENERGY CONSUMPTION: <table border="1"> <thead> <tr> <th>Units (GJ)</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>ETSA</td> <td>181 087</td> <td>257 348</td> <td>257 348</td> </tr> <tr> <td>Navigator</td> <td>26 515 741</td> <td>26 265 821</td> <td>25 805 941</td> </tr> <tr> <td>Secil</td> <td>7 008 885</td> <td>3 983 906</td> <td>3 983 906</td> </tr> <tr> <td>Total</td> <td>33 705 713</td> <td>30 507 075</td> <td>30 047 195</td> </tr> </tbody> </table> RENEWABLE ENERGY CONSUMPTION: <table border="1"> <thead> <tr> <th>Units (GJ)</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>ETSA</td> <td>207 769</td> <td>112 256</td> <td>0</td> </tr> <tr> <td>Navigator</td> <td>11 742 326</td> <td>12 418 288</td> <td>12 922 614</td> </tr> <tr> <td>Secil</td> <td>7 946 334</td> <td>12 901 195</td> <td>12 901 195</td> </tr> <tr> <td>Total</td> <td>19 896 429</td> <td>25 431 739</td> <td>25 823 809</td> </tr> </tbody> </table>	Units (GJ)	2017	2018	2019	ETSA	181 087	257 348	257 348	Navigator	26 515 741	26 265 821	25 805 941	Secil	7 008 885	3 983 906	3 983 906	Total	33 705 713	30 507 075	30 047 195	Units (GJ)	2017	2018	2019	ETSA	207 769	112 256	0	Navigator	11 742 326	12 418 288	12 922 614	Secil	7 946 334	12 901 195	12 901 195	Total	19 896 429	25 431 739	25 823 809	
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GRI standards	Location/response	Location	Legal framework
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ELECTRIC ENERGY CONSUMPTION:

Units (GJ)	2017	2018	2019
ETSA	28 986	29 365	29 365
Navigator	4 901 205	4 785 894	4 728 956
Secil	1 987 232	2 194 273	2 194 273
Total	6 917 423	7 009 532	6 952 595

SALE OF ENERGY:

In the Semapa Group, the subsidiary The Navigator Company produces electricity in its process and sells it to the grid, namely:

Units (GJ)	2017	2018	2019
Navigator	5 764 804	5 663 269	5 233 438

TOTAL ENERGY CONSUMPTION:

Units (GJ)	2017	2018	2019
ETSA	417 842	398 969	286 713
Navigator	37 394 468	37 806 734	38 224 074
Secil	13 475 620	19 079 374	19 079 374
Total	51 287 930	57 285 077	57 590 161

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 56-61

Companies Code|
Article 508-G (2) (b)

103-2 The management approach and its components

7. PROTECTION OF THE PLANET, 7.1 IMPACT ON THE ENVIRONMENT

Page 59

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 Total water withdrawal**

Companies Code|
Article 508-G (2) (e)

Units (1000 m ³)	2017	2018	2019
ETSA	86	74	66
Navigator	68 524	66 560	68 541
Secil	1 834	1 686	1 626
Total	70 444	68 320	70 232

Amending note:

Secil's 2018 data has been amended and the final values have been updated. The units in the Sustainability Report 2018 were represented in x1000 m³ or Mega-litres by mistake, but they should have been in cubic meters.

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 56-61

Companies Code|
Article 508-G (2) (b)

103-2 The management approach and its components

7. PROTECTION OF THE PLANET, 7.1 IMPACT ON THE ENVIRONMENT

Page 59

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Companies Code|
Article 508-G (2) (c)

GRI standards	Location/response	Location	Legal framework
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GRI 304: Biodiversity **304-1 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)

Units (ha)	2017	2018	2019
ETSA	0.0	0.0	0.0
Navigator	53 416.0	52 581.0	53 770.0
Secil	490.5	490.5	490.5
Total	53 906.5	53 071.5	54 260.5

Amending note:
The value of Secil classified areas has not change in the last three years. The values in 2017 and 2018 were amended to 490.5 ha. The unit was amended to hectares.

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 56-61 Companies Code| Article 508-G (2) (b)

103-2 The management approach and its components 7. PROTECTION OF THE PLANET, 7.1 IMPACT ON THE ENVIRONMENT Page 59

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** Companies Code| Article 508-G (2) (e)

Units (tCO ₂)	2017	2018	2019
ETSA	640 408	843 414	857 226
Navigator	736 565	769 615	752 023
Secil	4 051 204	4 008 843	3 064 087
Total	5 428 177	5 621 872	4 673 336

Amending notes:
Secil's data for 2018 were updated, with the implementation of a new methodology for reporting on sustainability, which focuses on data consolidation. Consequently, they are not comparable to 2017 data.

305-2 Energy indirect (Scope 2) GHG emissions

Units (tCO ₂)	2017	2018	2019
ETSA	3 778	3 842	3 834
Navigator	0	0	0
Secil	204 041	247 138	252 921
Total	207 819	250 980	256 755

Amending notes:
Secil's data for 2018 were updated, with the implementation of a new methodology for reporting on sustainability, which focuses on data consolidation. Consequently, they are not comparable with 2017 data.

GRI standards	Location/response	Location	Legal framework																																																																																																								
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GRI 401: Employment	401-1 New employee hires and employee turnover		Companies Code Article 508-G (2) (e)																																																																																																								
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GRI 403: Occupational health and safety	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		Decree-Law 89 Introduction, Paragraph 5																																																																																																								
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GRI standards	Location/response	Location	Legal framework
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FREQUENCY RATE:

	2017	2018	2019
Semapa	n.a.	n.a.	n.a.
Secil	4.8	6.4	6.0
Navigator	9.5	10.6	7.8
ETSA	n.a.	67.4	51.8

SEVERITY RATE:

	2017	2018	2019
Semapa	n.a.	n.a.	n.a.
Secil	128.2	153.9	145.4
Navigator	328.1	455.7	458.9
ETSA	n.a.	1 836.3	1 503.5

Notes:

Methodology used - Single Report Formulas

Frequency rate = (No. accidents resulting in absence / No. hours worked) x 1.000.000

Severity rate = (No. work days lost/ No. hours worked) x 1.000.000

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.

Training and education

GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	Location	Legal framework
	Associated with material topics "Values, Culture and Group Management" and "Human Capital and Talent".	Pages 48-53	Companies Code Article 508-G (2) (b)
	103-2 The management approach and its components 6. VALUING PEOPLE, 6.1 HUMAN CAPITAL AND TALENT	Pages 51-52	
	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 standards	Location/response	Location	Legal framework
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GRI 404:
Training and education

404-1 Average hours of training per year per employee

Companies Code |
Article 508-G (2) (e)

AVERAGE TRAINING HOURS

		2017	2018	2019
Board of Directors	Men	1	1	4
	Women	1	0	0
	Total	1	1	4
Top Management	Men	21	10	19
	Women	26	15	38
	Total	22	11	22
Senior Managers	Men	61	34	40
	Women	73	45	48
	Total	65	38	43
Middle Management	Men	21	14	43
	Women	16	20	48
	Total	20	15	44
Operatives	Men	30	40	40
	Women	10	33	23
	Total	28	40	38
Total	Men	32	36	40
	Women	27	33	34
	Total	31	36	39

404-3 Percentage of employees receiving regular performance and career development reviews

	2018	2019
Semapa	100%	100%
Secil	69%	59%
Navigator	98%	98%
ETSA	100%	100%

Note:

This indicator was not reviewed in 2017.

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

Decree-Law 89 |
Introduction, Paragraph 5

	Gender		Age		
	Men	Women	<30	30 a 50	>50
Governance bodies	0.9%	0.1%	0.0%	0.2%	0.7%
Top Management	2.2%	0.4%	0.0%	1.0%	1.6%
Senior Management	9.4%	4.6%	1.6%	8.6%	3.9%
Middle Management	8.6%	1.7%	0.8%	5.1%	4.5%
Administrative Staff	7.7%	4.3%	1.7%	6.0%	4.3%
Operatives	56.6%	3.4%	7.8%	33.6%	18.5%

GRI standards	Location/response	Location	Legal framework
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)
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.		

GRI standards	Location/response	Location	Legal framework
	<p>412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</p> <p>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.</p>		
Local communities			
GRI 103: Management approach	<p>103-1 Explanation of the material topic and its Boundary</p> <p>Associated with material topics "Impact on the Community".</p>	Pages 64-66	Companies Code Article 508-G (2) (b)
	<p>103-2 The management approach and its components</p> <p>8. COMMUNITY ENGAGEMENT, 8.1 IMPACT ON THE COMMUNITY</p>	Page 66	
	<p>103-3 Evaluation of the management approach</p> <p>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.</p>		Companies Code Article 508-G (2) (c)
GRI 413: Local communities	<p>413-1 Operations with local community engagement, impact assessments, and development programs</p> <p>Some of the activities in the community are highlighted in Chapter 8. However, for further details we recommend you read the Sustainability Reports of the subsidiaries, namely Navigator and Secil.</p>	Pages 64-66	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	<p>414-1 New suppliers that were screened using environmental criteria</p> <p>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.</p>		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	<p>415-1 Political contributions</p> <p>Semapa did not make contributions to political parties.</p>		Decree-Law 89 Introduction, Paragraph 5

(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

**LIMITED ASSURANCE
INDEPENDENT REPORT**







LIMITED ASSURANCE INDEPENDENT REPORT FOR SEMAPA – SOCIEDADE DE INVESTIMENTO E GESTÃO, SGPS, S.A.

**(Free translation from a report originally issued in Portuguese language.
In case of doubt, the Portuguese version will always prevail.)**

Introduction

We have been engaged by the Board of Directors of **Semapa – Sociedade de Investimento e Gestão, SGPS, S.A.** (“Entity”) to perform a limited assurance work on the sustainability information, prepared by the Entity and included in the 2019 Sustainability Report for the period ended 31 December 2019.

Management responsibilities

Management is responsible for:

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

Our responsibility

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

Scope of the work to be performed

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



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

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

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

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

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

Conclusion

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

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

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



Use and disclosure of the information provided

Our limited assurance report is issued exclusively for use and information of the Board of Directors of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A. as part of the disclosure of the 2019 Sustainability Report, and shall not be used for any other purpose. We do not accept or assume any responsibility to third parties other than the Entity for our work, this assurance report or our conclusions.

Lisbon, 27 March 2020

KPMG & Associados -
Sociedade de Revisores Oficiais de Contas, S.A.
Represented by
Paulo Alexandre Martins Quintas Paixão (ROC No. 1427)

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Company Registration and Corporate Taxpayer Number: 502 593 130 | Share Capital: EUR 81 270 000
ISIN: PTSEM0AM0004 | LEI: 549300HNGOW85KIOH584 | Ticker: Bloomberg (SEM PL); Reuters (SEM.LS)

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