



**CEMENTOS
MOLINS**



**SUSTAINABILITY
REPORT
2016**



**CEMENTOS
MOLINS**

SUSTAINABILITY
REPORT
2016





Julio Rodriguez
Managing Director

We hereby present our Sustainability Report 2016. Our aim is to explain our company's economic, social and environmental development following the guidelines of the Global Reporting Initiative (GRI, G4). For the Cementos Molins Group, year 2016 was a genuine landmark in the firm's sustainable development. First of all, we have drawn up a Corporate Sustainability Policy, which was approved by the Board of Directors on 28 July 2016. This new policy represents a global framework of strategic guidelines and commitments which, from now on, will constitute the essential reference for all our businesses. Secondly, we are also advancing significantly in publishing this document. With this new Sustainability Report, which will appear annually, we want to give a clear example of our permanent commitment and effort so that the interest groups have a true, genuine image of the company's performance in environmental issues. We believe it is important to highlight that we are in permanent contact with the interest groups and that their comments and suggestions are a very valuable contribution to defining our strategy and for permanently improving operations. Finally, it is important to point out that in 2016 a new Sustainability Barometer was created, made up of two components: "'Planet' and 'People'". Our commitment to permanently improving sustainable development is shown by the fact that most of the variable remuneration for the management teams is subject to obtaining the targets set in the said barometer. This report, drawn up according to the GRI standard, is a major step forward for the Group, but since it is the first one, in many cases we only give information regarding year 2016, as we do not have all the information conveniently structured, as required by the GRI standard, for previous years. As well as this Sustainability Report 2016, we have the Management Report 2016, both accessible for consulting on our web www.cemolins.es. Here you can also find additional useful information for fully understanding the actions of the Cementos Molins Group during this financial year.

2016 Key figures

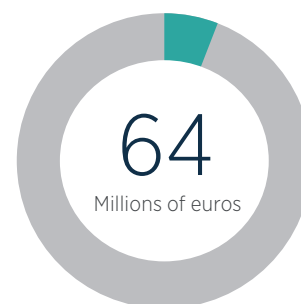
BUSINESS



Sales



EBITDA



Net result

Integration according to the final participation percentage

*PEOPLE

4,541 employees



 85%

participation
in the employee
satisfaction surveys

 25h

Almost **106.000 hours**
of overall training.
25 hours per person

 45%

reduction in our
accident frequency
index

*ENVIRONMENT



25.1 Millions of euros
invested in the environment



More than **6% of the energy consumption** corresponds to **alternative fuels** and **43.2% is biomass**

*COMPANY



More than **10 social action projects** with a strong impact, developed in different countries



Strong commitment and social collaboration through **donations to 12 foundations and NGOs in Spain**



More than **93,000 health service** and more than **11,000 free vaccines** in the Community Development Centres for the local population in Bangladesh



INDEX



General vision of the
Cementos Molins Group

p. 8



Corporate
government

p. 20



Sustainability
policies

p. 26



Product, quality
and clients

p. 36



People

p. 48



Environment

p. 60



Relationship with
the local environment

p. 78

Cementos Molins...

a company that is nearly 90 years old.

Cementos Molins, S.A. was created on 9 February 1928 by Juan Molins Parera. The company was founded with the aim to continue exploiting the quarries and making limestone and natural cement in Pallejà, Vallirana and Sant Vicenç dels Horts. Joaquín Molins Figueras, managing director since the company was founded and President of the Board of Directors from 1934 to 1976, promoted the manufacturing of calcium aluminate cement, according to the patent acquired to Lafarge.

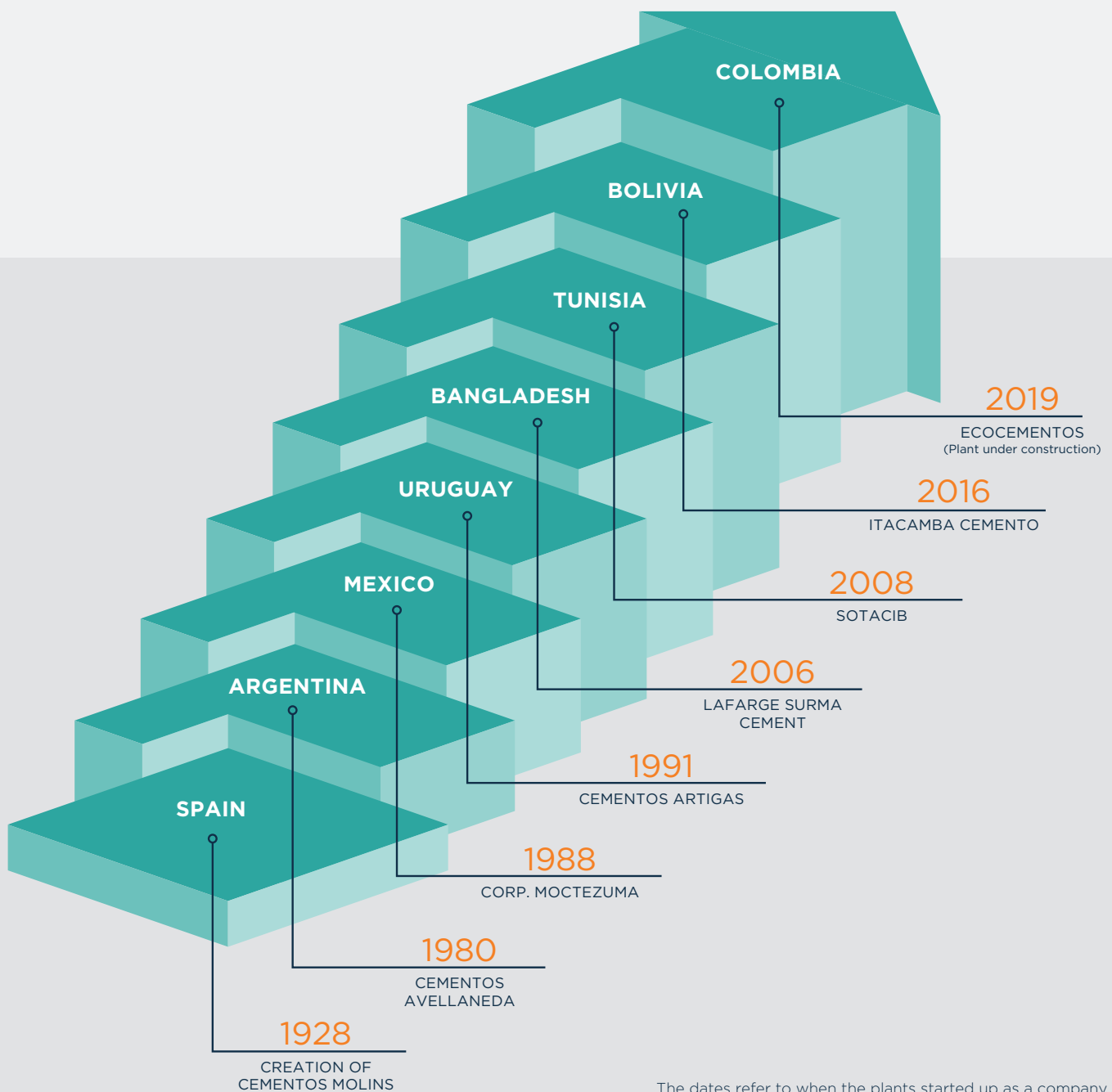
Already in 1943, Cementos Molins made an important qualitative leap into the future, with an innovative rotary kiln for manufacturing Portland cement. Since then and to date, our firm has been evolving constantly and it has consolidated its position as an international group in the cement sector. In recent years, the main factor has been the international development of our activities.

The following graph shows the main landmarks in the development of the Cementos Molins Group.

A family company with nearly 90 years history, deeply rooted in its territory and committed to its original values



Almost 90 years' history... in constant transformation



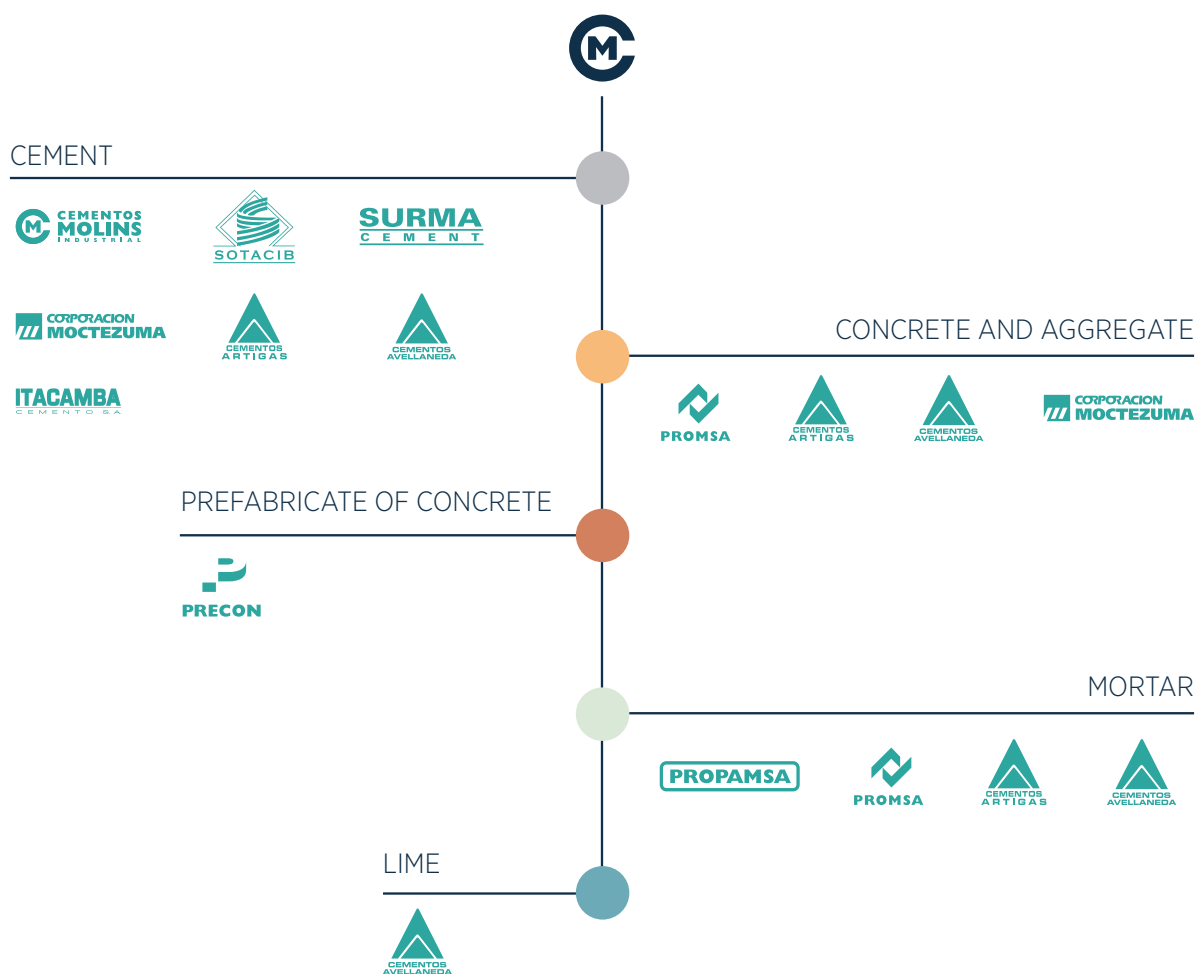
The dates refer to when the plants started up as a company within Grupo Molins

Our activity

In the Cementos Molins Group we focus on manufacturing and selling cement, concrete, mortars, aggregates and concrete prefabricates, with production activities and premises in Spain, Argentina, Uruguay, Mexico, Bolivia, Colombia (under construction), Bangladesh and Tunisia.

In the Cementos Molins Group we mainly focus on manufacturing, distributing, and selling cement, concrete, mortars, aggregates and concrete prefabricates

WE SPECIALISE IN ...

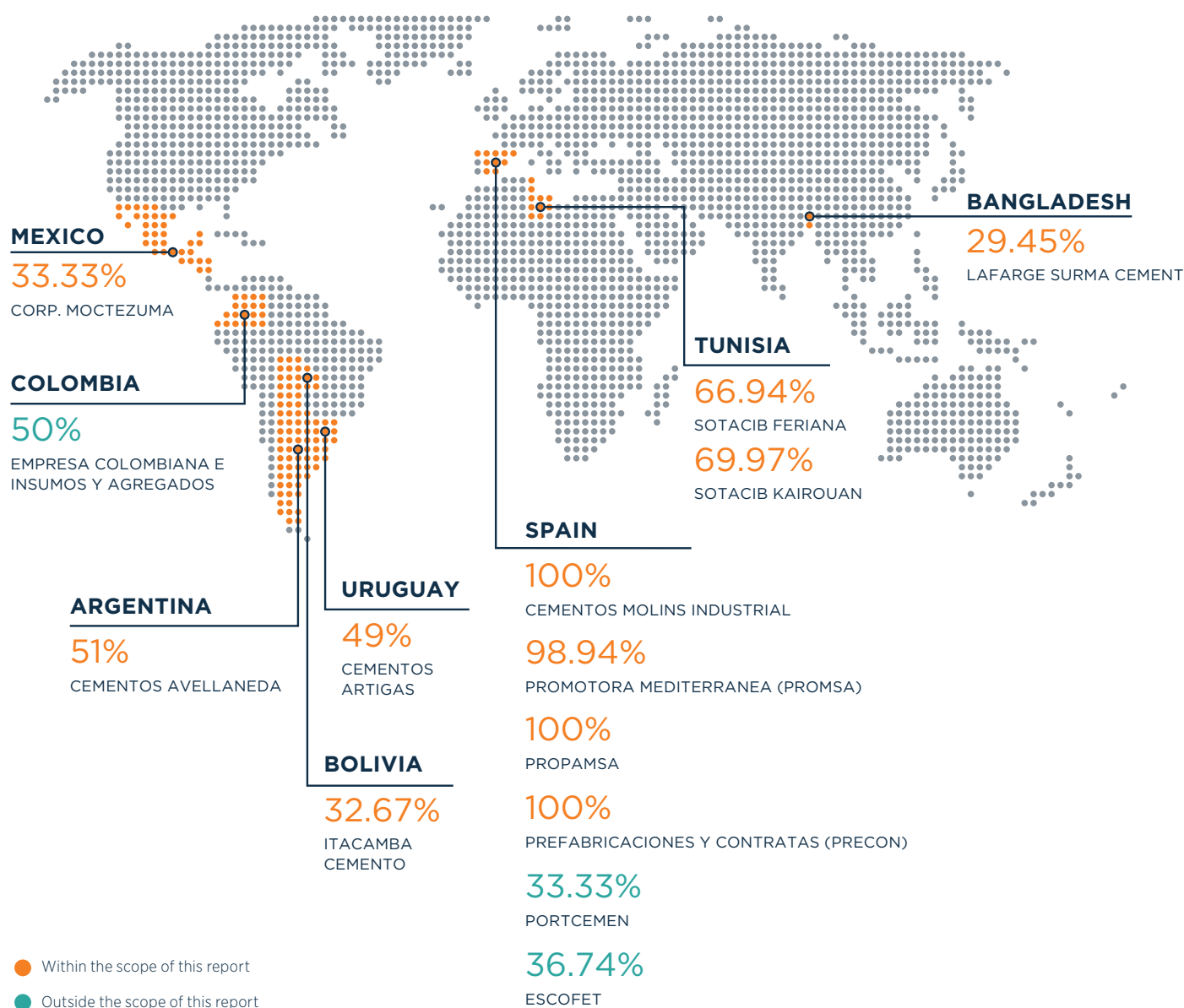




Geographical vision of the Cementos Molins Group

Cementos Molins is made up of **different Spanish and international companies**. The following map shows the location of the various companies, as well as a list of those that are inside and outside the scope of this Sustainability Report and the percentage of shares attributable to each one of them.

We have various companies located in different countries and distributed over four of the five continents on the planet



THE GROUP IS MADE OF SIX SPANISH COMPANIES:



Cementos Molins Industrial, S.A.
(CMI)



Propamsa S.A.U.



Promotora Mediterránea-2, S.A.
(PROMSA)



Portcemen, S.A.



Prefabricaciones y Contratas,
S.A.U. (PRECON)



Escofet 1886, S.A.

AND 8 INTERNATIONAL COMPANIES:



Cementos Avellaneda, S.A.



Lafarge Surma Cement Limited
y Lafarge Umiyam Mining Private
Limited



Cementos Artigas, S.A.



Corporación Moctezuma, S.A.



Itacamba Cemento, S.A.



Société Tuniso-Andalouse de
Ciment Blanc, S.A. (Sotacib)

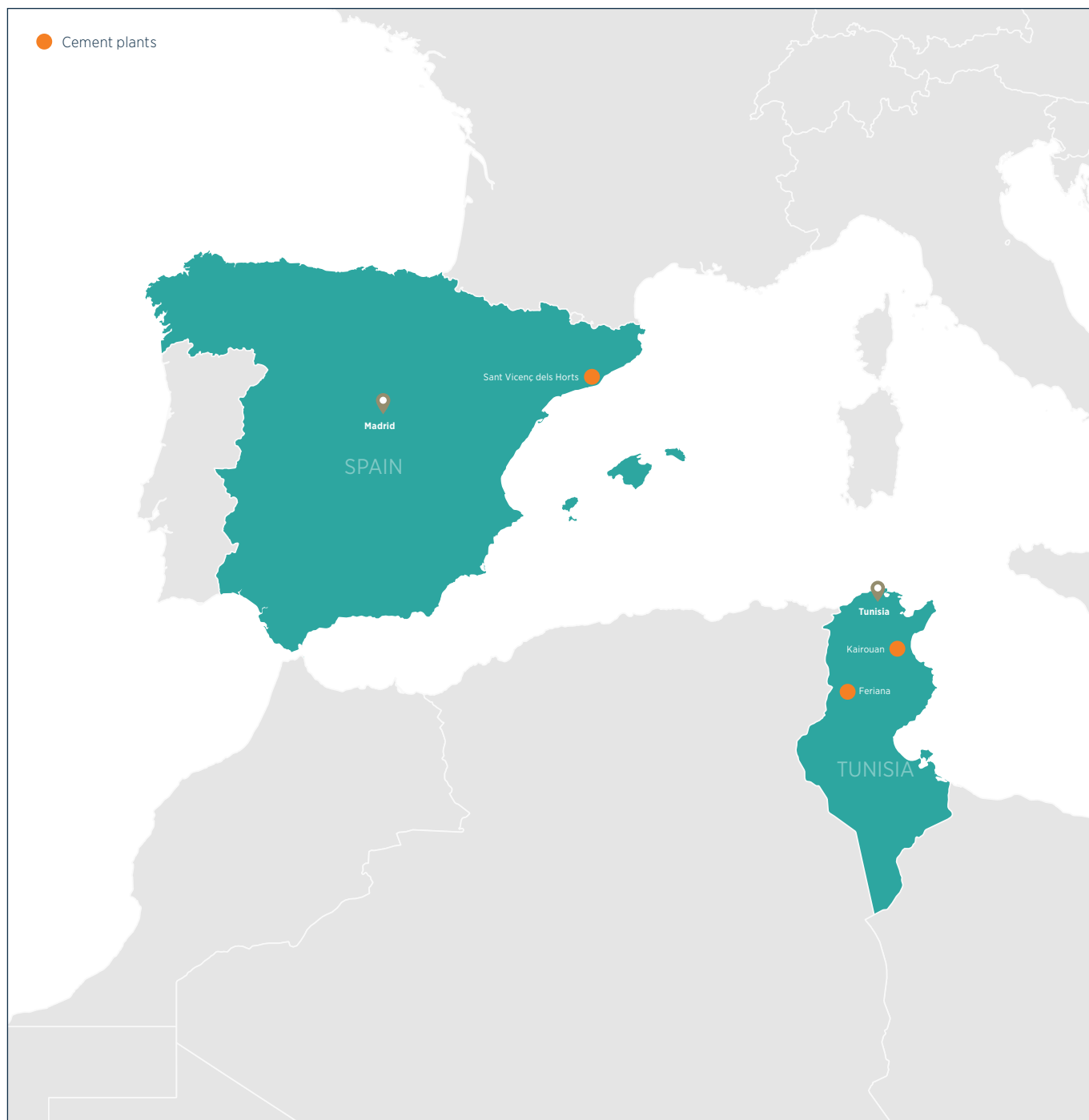


Empresa Colombiana de Cementos
S.A.S.-Ecocementos S.A.S.
e Insumos y Agregados de Colombia
S.A.S.-Iacol Agregados S.A.S.



Sotacib Kairouan, S.A.

Map of the plants Europe, America, Africa and Asia





Main indicators and economic results 2016

Cement Plants



- 1 Spain
- 3 Mexico
- 2 Argentina
- 1 Uruguay
- 1 Bangladesh
- 1 Bolivia
- 2 Tunisia

Milling facilities



- 1 Uruguay
- 1 Bolivia

Concrete Plants



- 20 Spain
- 36 Mexico
- 8 Argentina
- 7 Uruguay

Quarries



- 16 Spain
- 8 Mexico
- 2 Argentina
- 1 Uruguay
- 1 India
- 1 Bolivia
- 2 Tunisia

Prefabricate plants*



- 10 Spain

Adhesive cement plants



- 5 Spain
- 1 Argentina
- 1 Uruguay

Terminals



- 1 Spain
- 1 Tunisia

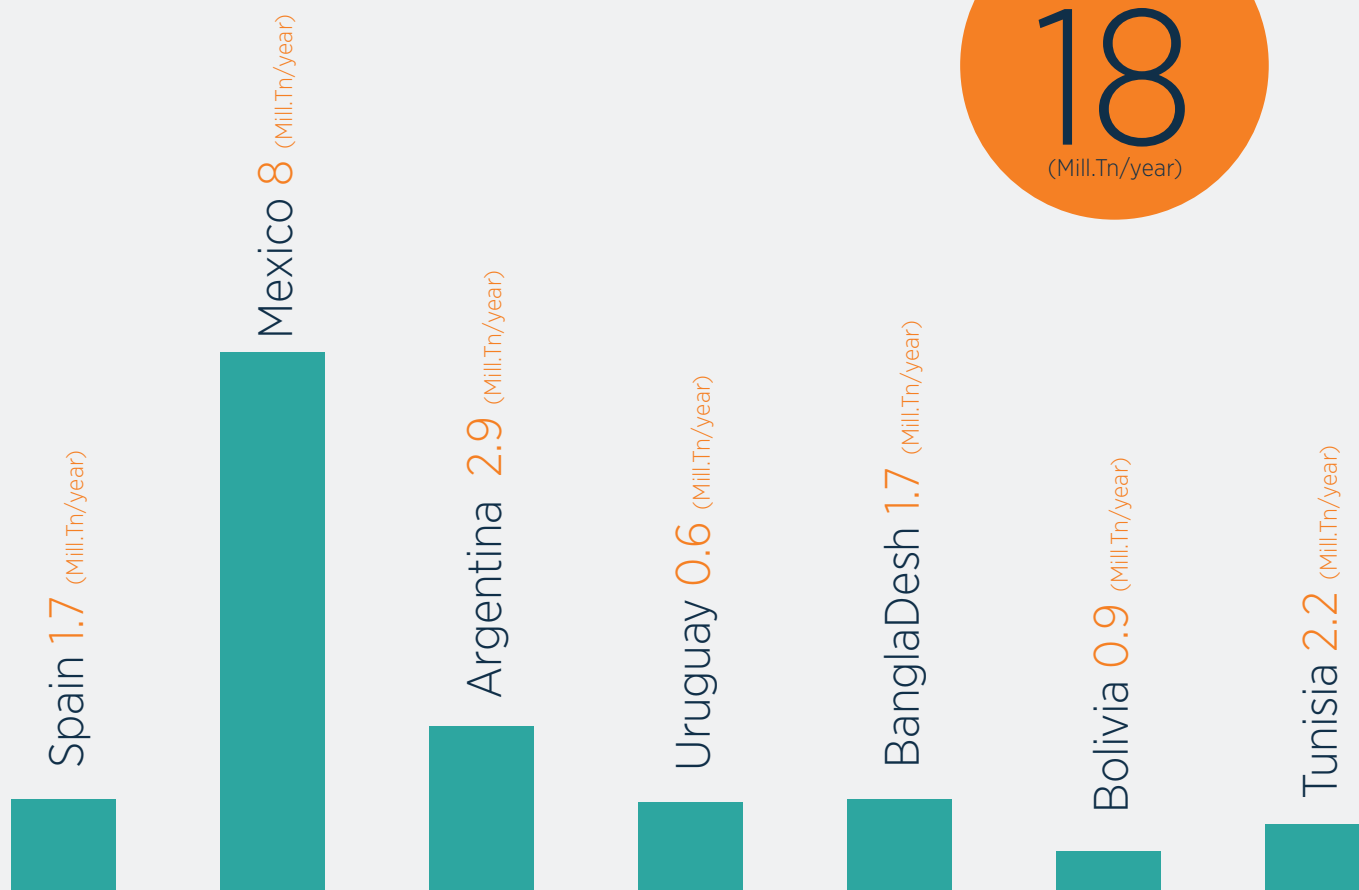
Lime Plants



- 1 Argentina

*CatPrecon included

Production capacity



*Key figures	2012	2013	2014	2015	2016
Cement sales	407	394	402	479	440
Concrete sales	123	104	99	121	106
Aggregate	8	6	6	8	8
Others	64	62	66	77	75
Prefabricate	49	47	63	61	61
Sales Millions of €	650	614	635	747	691
Capital expenses (thousands of €)	29,690	43,065	41,750	77,675	120.938
Nº Employees**	4,336	4,321	4,315	4,439	4.541

*Integration according to the final participation percentage

**Data aggregated to 100% in each company.

Our mission and vision

At the Cementos Molins Group, for nearly 90 years we have been creating products and developing innovative and sustainable solutions for the construction sector, intended to help develop society and people's quality of life.

We focus this contribution in the daily work done by our human team, constantly ensuring that we are in line with our Mission, Vision and Values, our essence as a Group.

Mission



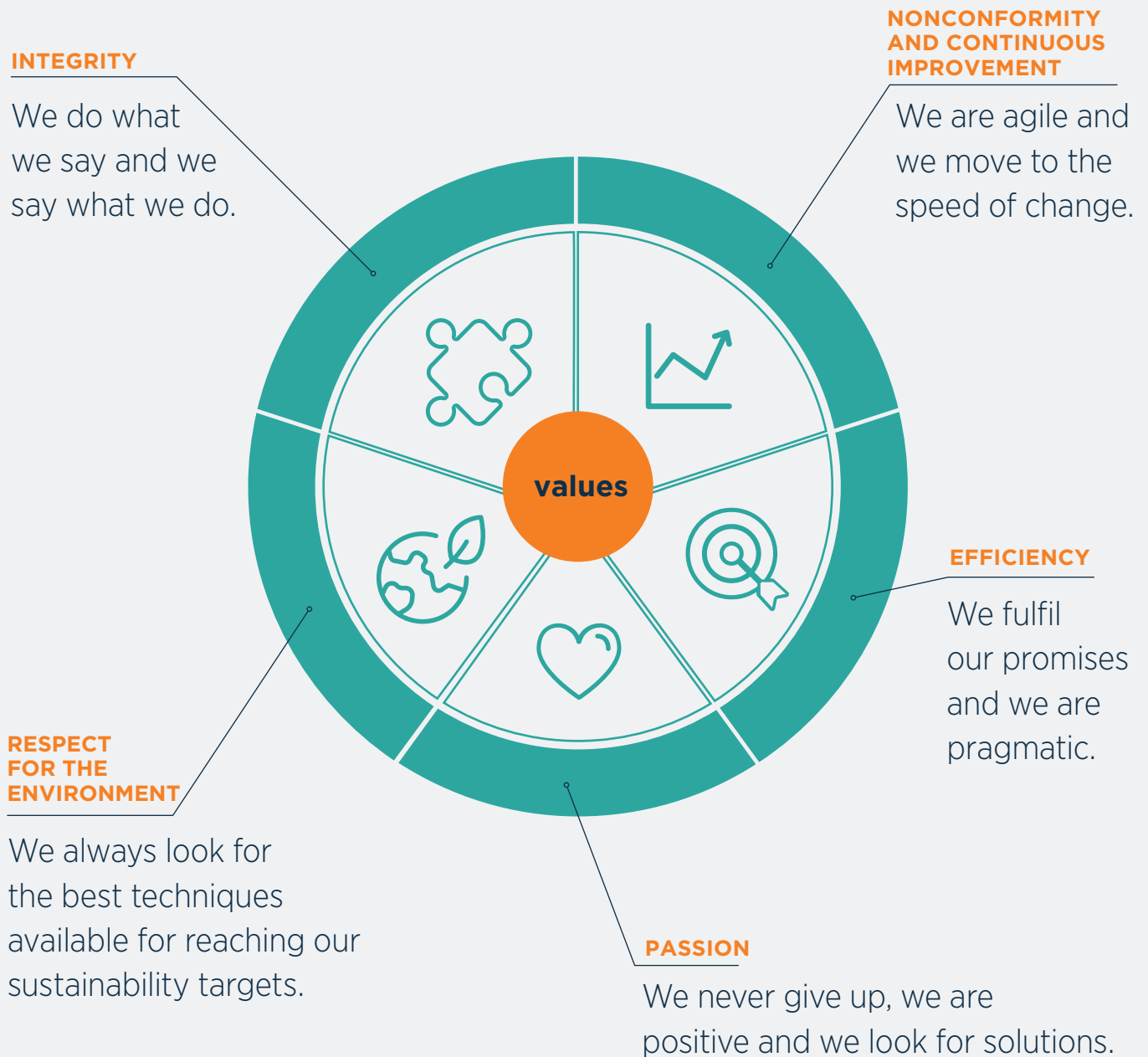
Our mission is to be a respected and attractive family company in the world cement sector, creating value for all our stakeholders and aiming primarily for the satisfaction of our clients.

Vision



We want to promote the development of society and people's quality of life by creating innovative and sustainable solutions in the construction sector.

Our values



Corporate government

Board of Directors

President

Mr. Casimiro Molins Ribot

First Vice-president

Mr. Juan Molins Amat

Second Vice-president

Cartera de Inversiones C.M., S.A., represented by Mr. Joaquín M^a Molins Gil

Managing Director

Mr. Julio Rodríguez Izquierdo

Members

Mr. Joaquim Molins Amat

Mr. Joaquín M^a Molins López-Rodó

Noumea S.A., represented by Mr. Pablo Molins Amat

Otinix, S.A., represented by Ms. Ana M^a Molins López-Rodó

Mr. Miguel del Campo Rodríguez

Mr. Emilio Gutiérrez Fernández de Lienres

Foro Familiar Molins, S.L., represented by Ms. Roser Ràfols Vives

Mr. Francisco Javier Fernández Bescós

Mr. Eusebio Díaz-Morera Puig-Sureda

Ms. Andrea Kathrin Christenson

Non-director Secretary

Mr. Jorge Molins Amat

Non-executive Under Secretary

Ms. Ana M^a Molins López-Rodó

In addition, we have two delegate commissions aimed at supervising, informing, advising and making proposals:

The Auditing and Compliance Commission supports the Board of Directors in its monitoring tasks, by regularly reviewing the process for preparing the economic-financial information, the internal controls of the business society and managing the relationship with the Group's external auditor.

The Remuneration and Appointments Commission informs, advises and makes proposals to the Board of Directors in relation with the remuneration policy for board members and top management, and in managing the company's talent and the plans for developing, training and continuing the key posts.

Boards of Director Commissions

Auditing and Compliance Commission

President

Mr. Eusebio Díaz -Morera Puig-Sureda

Members

Otinix, S.A., represented by Ms. Ana M^a Molins López-Rodó

Noumea S.A., represented by Mr. Pablo Molins Amat

Mr. Miguel del Campo Rodríguez

Ms. Andrea Kathrin Christenson

Secretary

Mr. Jorge Molins Amat

Remuneration and Appointments Commission

President

Mr. Miguel del Campo Rodríguez

Members

Cartera de Inversiones C.M., S.A., represented by Mr. Joaquín M^a Molins Gil

Mr. Joaquim Molins Amat

Mr. Joaquín M^a Molins López-Rodó

Mr. Emilio Gutiérrez Fernández de Lienres

Foro Familiar Molins, S.L., represented by Ms. Roser Ràfols Vives

Ms. Andrea Kathrin Christenson

Secretary

Mr. Jorge Molins Amat

Principles of Corporate Government of the Cementos Molins Group

In the Group we are committed to a complete and transparent business management. Therefore we are developing a corporate government system based on observing and adapting the best existing practices.

In this regard, and specifically, we are driving changes and introducing improvements in the corporate government principles, intended to strengthen the Group's contents, roles and control and monitoring mechanisms.

OBJETIVES OF THE PRINCIPLES OF THE CORPORATE GOVERNMENT OF CEMENTOS MOLINS GROUP



Reaffirm the clear commitment Cementos Molins Group has with ethics as a sign of their business identity.



Provide all employees in those processes considered critical, with a defined, detailed framework of action.



Generate long-term value and, with transparency as the guiding principle, reinforce the confidence of our investors and interest groups.

During the year 2016, we have worked on a process of revising statutes, policies, internal standards, codes and procedures. An example of this is the approval of the **CSR and sustainability**

policy or the revision of the **Ethical Code**. This process, which will end during 2017, has meant the following policies to be revised:

Corporate Government and compliance with standards

- General corporate government policy.
- Crime prevention and anti-fraud policy.
- Personal data protection policy.
- Competition policy.
- Communication and shareholder contact policy.
- Policy on remuneration for board members.
- Policy on selecting board member candidates.
- Policy on hiring and relations with external auditors

Risks

- General risk control and management policy.
- Corporate fiscal policy.
- Information confidentiality policy.
- Corporate financing and credit risk policy.
- Investment policy.
- Quality policy.
- Corporate market risk policy.
- IT policy.
- Purchasing policy.

Corporate Social Responsibility

- CSR and sustainability policy.
- Health and Safety at work policy.
- Human relations policy.
- Selection and hiring policy.
- Equal opportunities and reconciliation policy.
- Human rights policy.
- Knowledge management policy.
- Climate change policy.
- Environment policy.
- Policy on reviewing information given to third parties.
- Policy on relations with interest groups.

Ethics, transparency and compliance

At the Cementos Molins Group we show our ethical commitment through a code of conduct, which came into force on 15 June 2012 and which we have updated during the financial year 2016. Approved by the Board of Directors on 27 March 2017 under the name of Ethical Code, it outlines a framework for guiding the behaviour of professionals in the Group in developing their activity, and also in their relationship with various interest groups, such as the local community, the suppliers, the clients or the public administration.

For us, the Ethical Code is not merely a mechanism for preventing offences or inappropriate conduct. It is also a common ethical standard for all the Group's employees, aimed at inspiring upright, impartial, transparent and respectful relationships between the people involved.

In the Group we also have a communications procedure regulation for any type of infringement of the current law and/or the Ethical Code or the rest of the internal standards of the Cementos Molins Group, which came into force on 15 June 2012. This regulation has been updated and reformed as a protocol, within the framework of the development of the corporate government, during the financial year 2016; it

The Group responds to the management and human behaviour challenges through its code of conduct, in force since 15 June 2012

establishes the channels whereby an employee or another member of our interest groups can communicate any infraction.

Finally, we have an internal conduct regulation in the security markets. This regulation, which is in accordance with Act 24/1988 and its development standard, is aimed at defining the action framework for people who may have some kind of conflict of interest because of their management tasks within the entity.

The aim of the Board of Directors is that both the new Ethical Code and the corporate government policies developed are implemented, gradually, in all the companies within the Group during the period 2017-2018.





CSR and sustainability policy of the Cementos Molins Group

The CSR and sustainability policy of Cementos Molins, approved by the Board of Directors in July 2016, has clearly defined four basic principles: economic, environmental, social and governance. Our model is based on 15 priorities that guarantee the correct development of the Group's activity.

Our sustainability policy guarantees the responsible and sustainable development of all its units



1. Economic

To guarantee the company's competitive edge and long term sustainable economic profit

- Working to achieve the continuous improvement of the quality of our products and services, responsible innovation, optimised logistics and an excellent client service.
- To promote a human resources policy that foments continuous training, employee participation and talent management.
- Promoting full and sustainable management of the company value chain, through stable, fair relationships with our suppliers.



2. Enviromental

To minimise the environmental impact of all the Group's activities

- To promote productive efficiency, circular economy and an optimised use of resources: energy, water and raw materials.
- To reduce the CO₂ emissions by actively promoting a low-carbon production model.
- To promote the use of alternative fuels and incorporate the most advanced technological solutions.
- To restore the quarries and extraction areas, ensuring that biodiversity is preserved.



3. Social

To maximise the creation of shared value for our interest groups

- To respect and promote fundamental Human Rights in all our actions.
- To develop a constructive dialogue with all interest groups, by incorporating their expectations and promoting collaboration with them.
- Taking an active part in sector associations and other collaborating initiatives in order to contribute to more sustainable economic and social development.
- Developing a balanced and fair working relations model, which responds to the needs of the company and, at the same time, is capable of generating stable, quality employment.
- To grant maximum priority to the promotion of health, safety at work and employee wellbeing.
- Foster responsible leadership through an organisational culture based on trust, initiative, commitment and collaboration between all members of the Group.

To promote developing and improving the lives of the local communities where we operate, and society in general

- Contributing to the progress of the communities where we are established through social action programs and collaborating with local governments and entities, preferably directed at vulnerable groups.



4. Governance

- In order to ensure that we effectively comply with our commitments, we will develop a good form of corporate government, also strengthening the mechanisms of risk management, integrity, transparency and accountability.

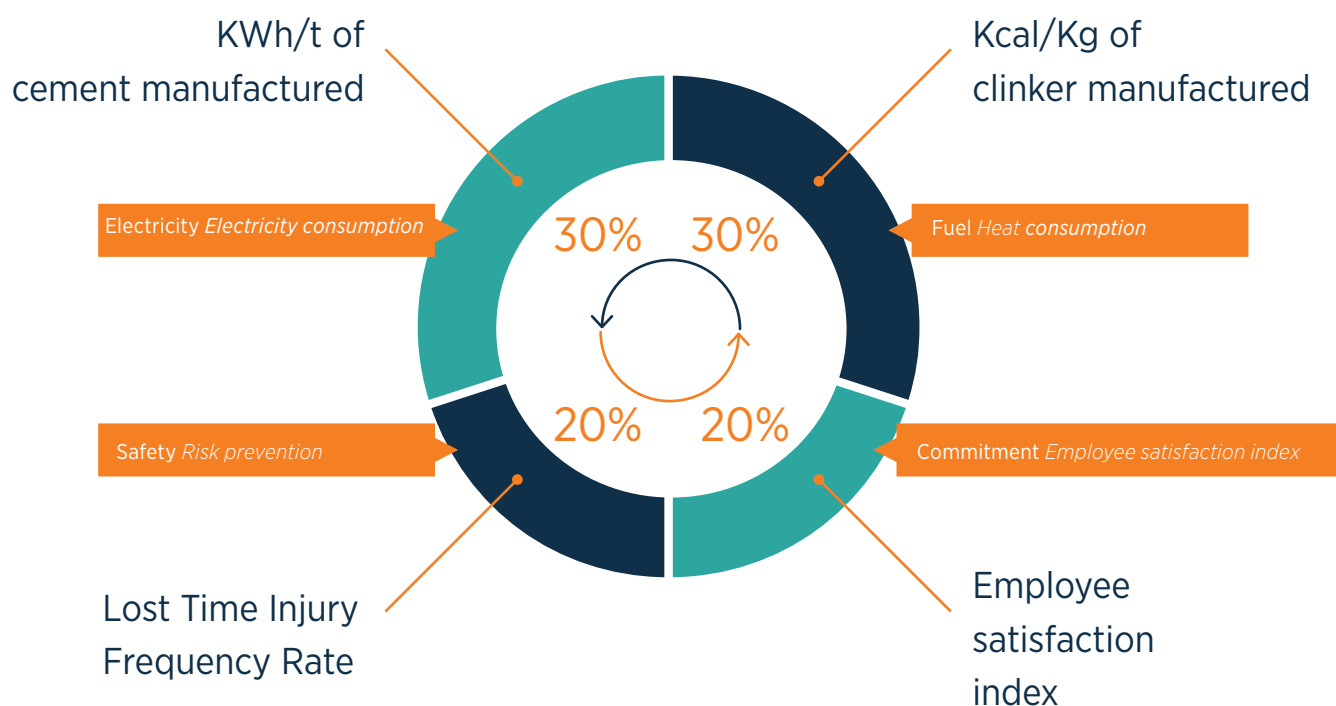
The Sustainability “Barometer”

In the financial year 2016 we have promoted a new tool called Sustainability barometer, whose aims are included in the variable remuneration system applied to all our managers. With this, we want to show the Group management's strong commitment to responding to the demands society puts on companies, in terms of its CSR and sustainability policy. This barometer is designed with a double objective:

- To establish an internal and external communication mechanism that shows the great extent to which the Cementos Molins Group is involved in sustainability issues. In this respect, the barometer shows how some key variables have evolved in sustainable business management issues.
- To strengthen the commitment to sustainability among all workers within the Group, based on training, communication and the personal example of those who have responsibilities over the evolution of the variables analysed.

The Barometer of Sustainability is a good example of the Group's commitment regarding the environment and the sustainability of the business activity

The barometer is based on indicators which refer to two essential elements of the Group's corporate responsibility: on the one hand, the respect for the environment ('Planet' indicators, which carry 60% of the weight in the calculation), and on the other hand, the wellbeing of the people who work in the company ('People' indicators, which carry another 40%). These are the components of the new barometer:





The Planet indicators are calculated on the basis of the following variables:

- The power consumption needed to manufacture the cement, using the kWh/t of cement as the measuring unit.
- The necessary heat consumption in the production process, using kcal/kg of clinker as the measurement.

Insofar as possible in the consolidation and reporting systems, we will include the CO₂ emissions in the barometer indicators.

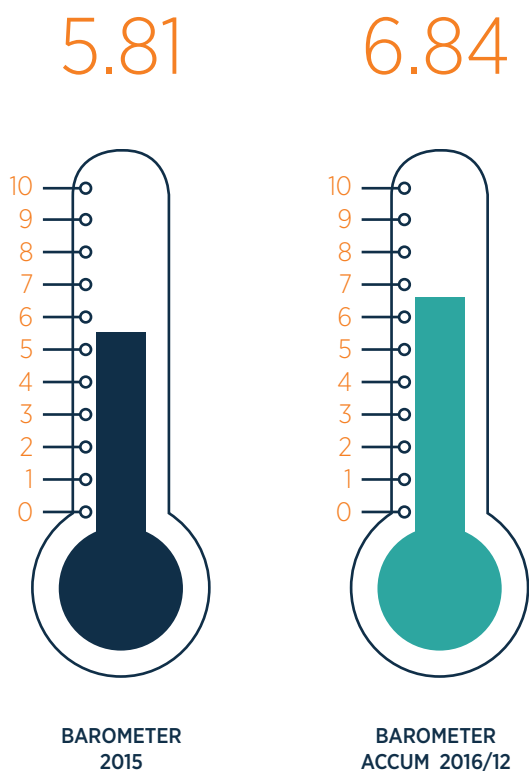
The People indicators are defined by:

- The Lost Time Injury Frequency index with leave of an employee.

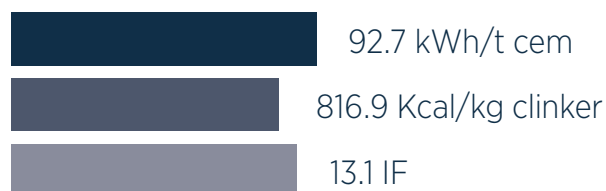
- The satisfaction index of the people working in the Cementos Molins Group. This index is obtained through an annual satisfaction survey aimed at all employees and which is completed voluntarily. In the financial year 2016, as the first year of the survey, the indicator was based on the percentage of response, which was 85% throughout the Group.

Based on these four indicators, at the start of each financial year we set out some objectives for each company in the Group, as well as a global consolidation. On the other hand, we run a monthly follow-up of the evolution of the barometer throughout the financial year, and we communicate the results on a monthly basis to our employees through internal channels. Also, after June 2017, the Barometer of sustainability can be consulted on the Group's web page.

The following graph on the development of the barometer shows its positive evolution during 2016 with respect to the 2015 calculation, which means the company's overall improvement in the areas of environment and the management of people within the Group.

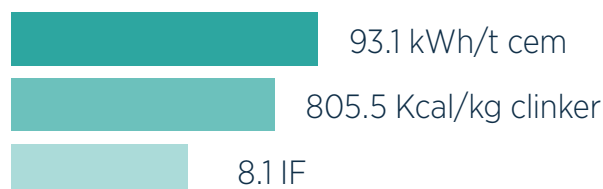


2015



2016

85%
Participation

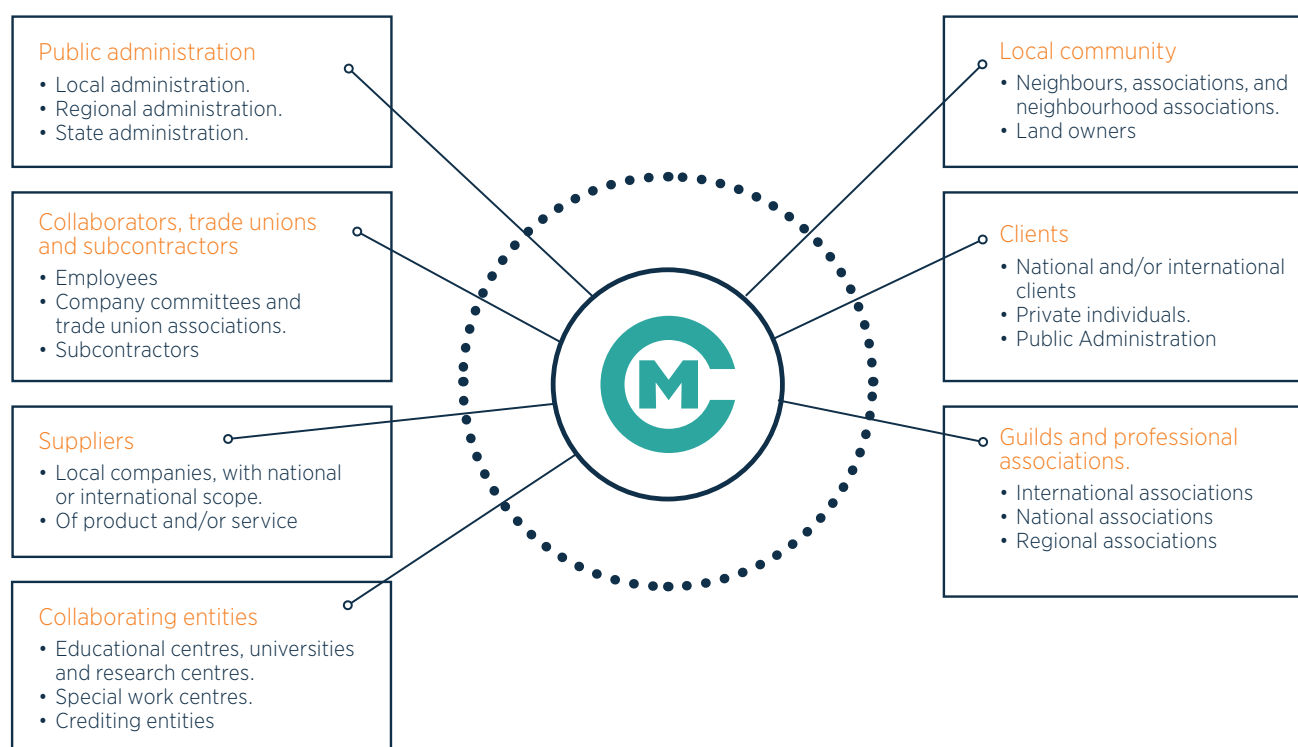




Interest groups

Our activity is related to various interest groups who participate directly or indirectly in the life of the companies within the Group: they are located around its premises, or generally, have a legitimate interest in the activities we perform. In the Cementos Molins Group we consider it essential

to accurately identify these interest groups in order to establish a dialogue with each one, learn about their expectations and, based on this, improve our management and increase the creation of value for society. These are the interest groups we identify:



Within the Cementos Molins Group we are also working to have a more active role developing channels of dialogue that allow us to transmit the information that is relevant to these groups and, in turn, receive the suggestions they wish to present to us, in an appropriate way. These are the dialogue channels which we use to respond to the expectations of each interest group.

- Visits to the premises, open day workshops and environmental information projects
- Mixed commissions / sustainability commissions
- Environment reports
- Notifications of special events and incidents

- Direct channel with the company management on a level of institutional relations
- Ethical or complaints channel
- Company committees
- Health and Safety committees
- Customer service telephone number
- Employee and client satisfaction surveys

In addition there are the possibilities of direct contact offered through our web page www.cemolins.es, as well as via e-mail.

Risks, opportunities and materiality analysis

Within the context of this report, we have conducted a strict, in-depth analysis to try to define the sustainability materiality matrix, so as to be able to identify and give visibility to the most important issues for Cementos Molins and its interest groups, and also the arising risks and opportunities.

To conduct this analysis we have taken into account and exploited four main sources:

- The Group's policies and commitments
- The vision of the main interest groups
- The sectorial context in its broadest sense
- The sector disclosures of GRI-G4

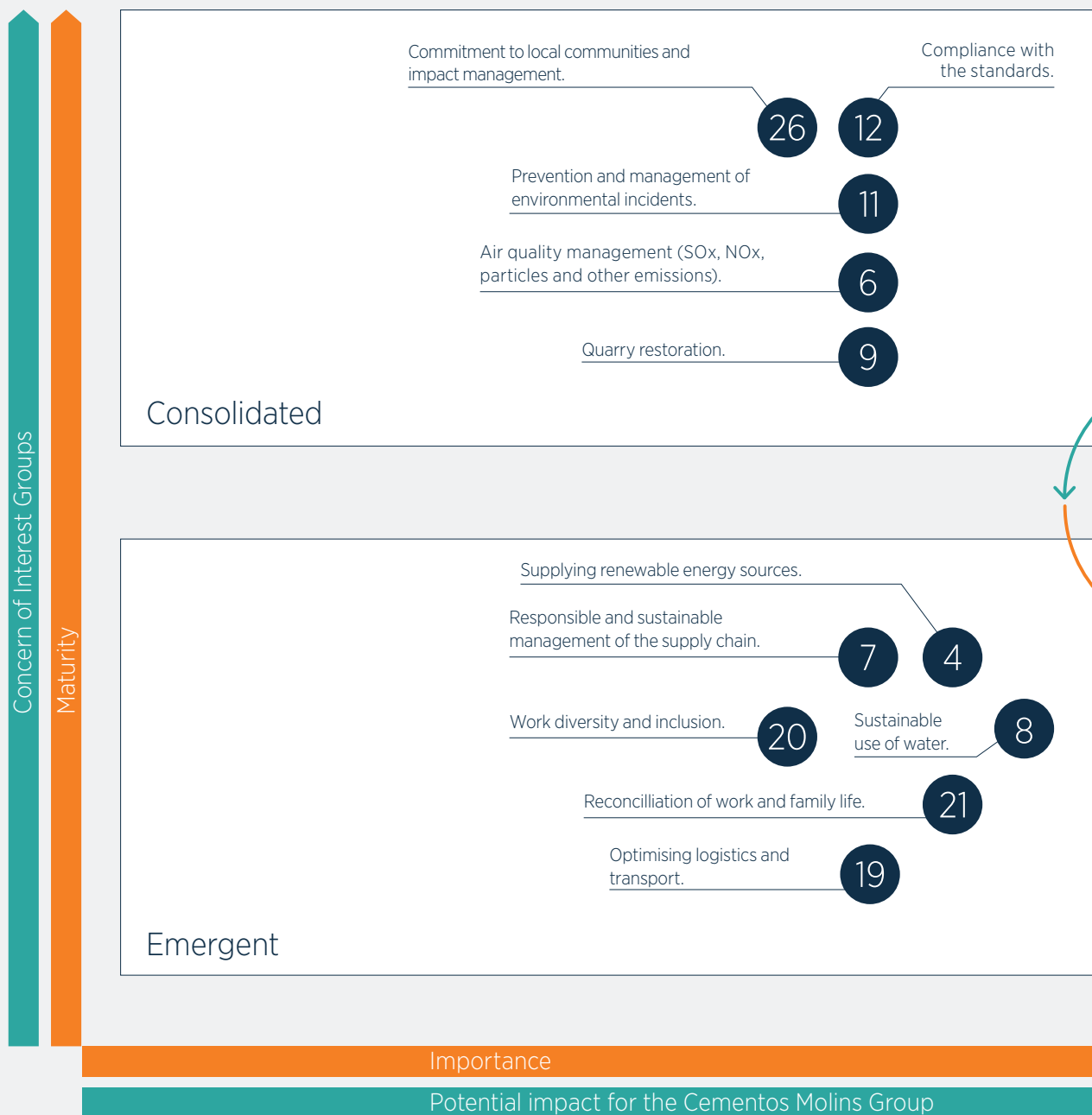
On the other hand, based on the assessment of the expectations of the interest groups and those of the Cementos Molins Group itself, drawn up on the basis of various meetings with the management, we have obtained a materiality matrix, attached below.

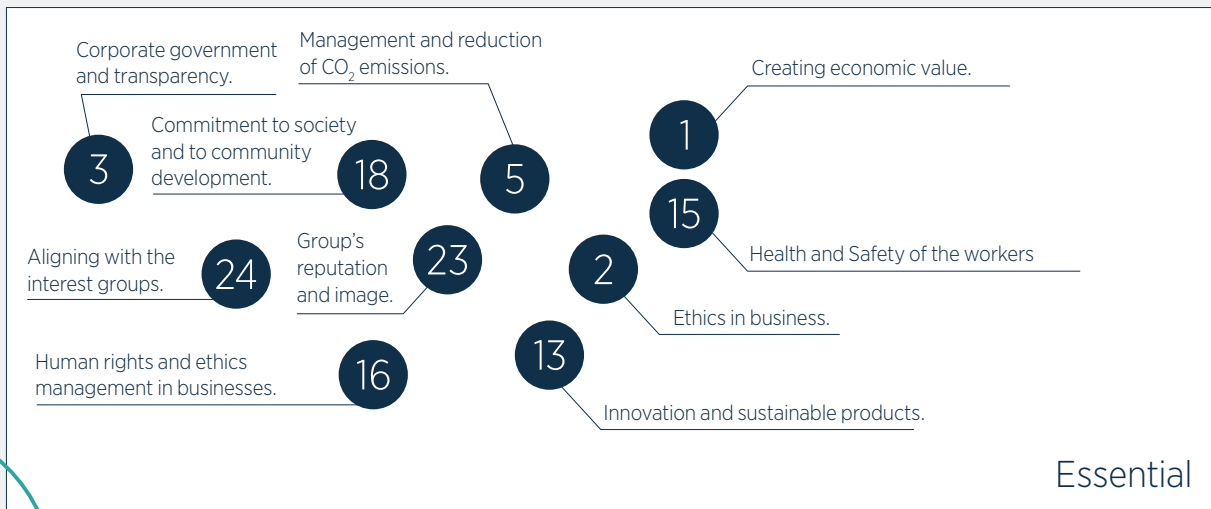
The essential material aspects that have been taken as a basis for setting up the structure of this report and the present indicators are the ones that best respond to the expectations of the Cementos Molins Group interest groups. Out of these, the main one is creating economic value, as a pillar on which to base the development of other contributions, or as a contribution to society like the products sold by the Group. Other aspects that stand out as material elements are the ethical management of the business and, in the field of environment, reducing the emissions and fighting against climate change.



MATERIALITY MATRIX

The Cementos Molins Group intends to update this matrix based on the identification of variations in the expectations of the main interest groups.





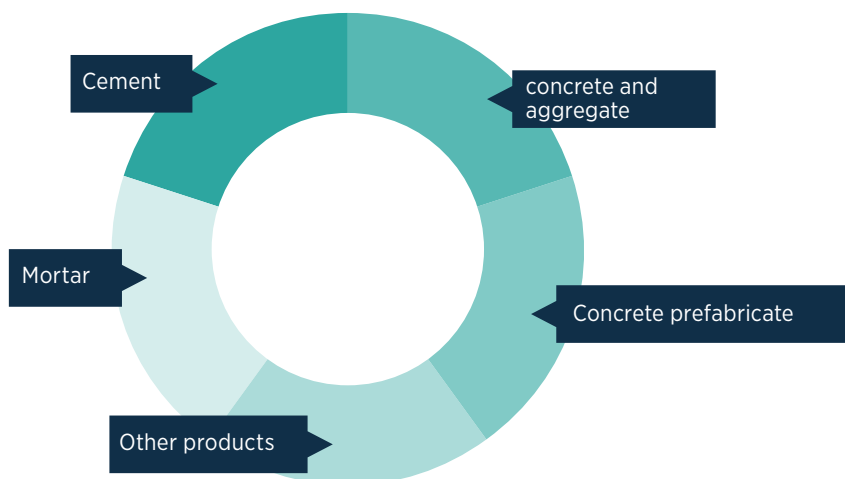
Our products: a Group focused on sustainable construction

Throughout the nearly 90 years of our career, our priority within the Cementos Molins Group has been to advance in cement manufacturing technology and products for construction, so as to offer our clients the best products and services.

The Group has a clear industrial and technical vocation and is committed to quality as a main differentiating factor in the

permanent endeavour for client satisfaction. Therefore, on the one hand, we make all the investments needed permanently so that our factories obtain and maintain the top level certificates and standards in the market. And on the other hand, we run satisfaction surveys among our clients, which are essential for verifying that our products and services are constantly in line with their needs..

These are the main products making up the offer of the Cementos Molins Group.



Cement: Grey Portland cement, white Portland cement, filled Portland cement, compound Portland cement, calcium aluminate cement and refractory cement.

Concrete: Concrete for pavements and floors, reinforced concrete, antibacterial concrete, marine concrete, durable concrete, early strength concrete, high strength concrete, lightweight concrete for structures, self-compacting concrete, reduced contraction concrete, shotcrete concrete, fluid concrete, heavy concrete, lightweight acoustic insulating concrete, extra-fast concrete, cold chambers concrete, massive reinforced concrete, concrete for prefab elements, concrete with fibres, draining concrete, calcium aluminate concrete (CA) and mega slabs.

Aggregate: Core and rockfill, granular subbase, noble aggregate,

gravel, steel aggregates, recycled aggregates and synthetic aggregates.

Concrete prefabricate: Blocks of concrete, concrete prefabricates (such as tubes, pillars and beams), enclosures or bays and sleepers for laying down railway tracks.

Mortar: Glue mortar for laying ceramic tiles, mortar for joints, mortar for coating façades, long life mortar, fluid fill-in mortar, self-levelling mortar, demolishing mortar, high strength mortar for anchorings, injection mortar, thermal insulation mortar and structure repair mortar.

Other products: Pavements, lime coatings, gravel cement, waterproofing systems, admixtures for concrete, release agents, cleansers, setting agents, structure reinforcement systems and other auxiliary products for construction.

Innovation in the Cementos Molins Group

During the year 2016, we have focused on improving the efficiency of the production processes, broadening the features of the different types of concretes and innovating and extending the range of products in the area of adhesive cement and prefabricated products, as well as in providing assessment and assistance to our clients through specific projects and products prepared according to their needs.

Please find below a summary of the main advances and actions in the area of R+D+i by the companies within the Group:

In relation with improving the production processes, at Cementos Molins Industrial (Spain) we have run numerous new technology viability tests in a pilot kiln for calcium aluminate cement (CAC); also, we have started a new laboratory for exhaustive quality control of the alternative fuels received in the factory.

The three cement factories belonging to **Corporación Moc-tezuma** (Mexico) already have 'Calmetrix' calorimeters, which make it possible to anticipate the cement's quality and the strength values at 28 days. We have also conducted numerous improvement tests to determine the optimum type of plaster and assess different mixtures of materials and additives in the cements and we have continued the laboratory work in the cement factory in Tepetzingo, to assess the behaviour of the cement produced in the three plants and optimise design. We have also conducted studies on the cements from the three plants and other origins.

In the factory in **Sotacib**, in Kairouan (Tunisia), a new plant has come into operation for burning alternative fuels. This plant, fitted with a new fuel warehousing and metering system, will have the capacity to replace 12% of the thermal energy by using olive marc. This fuel is 100% biomass and, therefore, neutral to the environment. All of this will mean a significant reduction, not only in future CO₂ emissions from the factory, but also in the consumption of fossil fuels. Thanks to this new project, the Cementos Molins Group contributes to the circular economy in Tunisia, giving value to the plant waste which comes from producing olive oil, one of the country's basic resources.



In the **Sotacib** factory, in Feriana, where white cement is produced, we have made an investment aimed at gradually replacing gas with petroleum coke and improving energy efficiency. Also, the change of burners and optimising the processes have helped to reduce the total CO₂ emissions.

In **Surma Cement** we have also worked towards improving the clinker production processes. Opportunities have been detected through an energy audit, which will contribute to reducing consumption by implementing various projects.

As for product innovation and improvement, at **Promsa** we have focused our innovation efforts on improving its product features and launching other new products onto the market. It is worth highlighting that the company has been awarded the First European Sustainability Award granted by the UEPG, in

the category of innovation and contribution to circular economy, for the Ariblack project (iron and steel aggregates) and the material valuation of granulated rubber in asphalt type construction products and self-levelling mortars.

At **Propamsa** we have focused on extending the solutions of the various lines by launching new products. In waterproofing they have developed Propam® Impelastick, a ready to use, flexible, liquid membrane; Betopur Hybrid, water-based elastic, liquid membrane, and Propam® Cream, a water-repellant chemical barrier. We have launched Propam® Repar Techno Fluid, a pourable repair mortar and Propam® EPO, an epoxy repair mortar. As for laying ceramic tiles, the company has developed Vat® Fix, a D2TE type dispersion adhesive, and in the line of façades Revat® Deco has been developed, a fine mortar with a coloured finish. And in pavements the range has been completed with acrylic finish products for sport tracks, Beto-paint Sport, and primers on ceramics, Betopox Ceram.

Cementos Artigas has completed the development of the Perfecto Porcelanato and Flexible adhesive cements and has progressed in the project for using End of Life Tyres (ELT)) as an alternative fuel, envisaged for February 2017.

At **Precon** we have set up the trial section of the 'Dynamic transitions for high speed tracks and goods (DINATRANS)' project, on the San Julián relief road, with satisfactory results.

Also, together with RAILTECH, we have developed two sleeper models with reduced thickness for TMB and a new track plate block using monolithic concreting. Also the DINTRA sleeper has been designed and approved, with improved lateral track stability. 1,770 of these sleepers, which are manufactured under patent, have been installed in the Euskal Trebide Sarea track.

Cementos Avellaneda has advanced its studies to develop compound cement by calcinating clays. In this company we have conducted studies on material calcinated on an industrial level and on the properties of fresh and set concrete, with the prototype under development (compound cement) and the available fillerised Portland cement. Also, the studies under the agreement with the Faculty of Engineering at the National University of the Centre of the Province of Buenos Aires have finished, and studies on durability were started on concretes made with cements CPF40 and CPC40 (with calcined clays) cements with exposure to an environment with low temperature sulphates (thaumasite).

With respect to the adhesive cements, Cementos Avellaneda has run studies aimed at developing specific products for large life ceramics, both for C1 type (high and average absorption ceramics) and for C2 (low absorption porcelanato tile), and a product has been adjusted to be used with Set Foam Concrete Blocks in Autoclave (HCCA).









The quality of our products and services and their certifications

The quality policy of all the companies within the Cementos Molins Group is aimed at satisfying, above all, the needs of our clients and they are very strict on the certifications showing the quality of our products and processes.

Below we have provided details of the state of certification for the companies in the Group regarding the EC marking of the products (compulsory for selling goods in the European Union territory) and the international certifications of the quality systems (ISO 9001) and Environment (ISO 14001).

Cement manufacturing plants	Concrete manufacturing plants	Prefabricate manufacturing plants	Adhesive cement manufacturing plants
			
Nº of plants	Nº of plants	Nº of plants	Nº of plants
11	65	10	7
EC marking of the products	EC marking of the products	EC marking of the products	EC marking of the products
1	20	10	5
ISO9001	ISO9001	ISO9001	ISO9001
10	10	8	5
ISO 14001	ISO 14001	ISO 14001	
9	14	2	

Our companies also have other specific certifications. To summarise:

Cementos Molins Industrial

All the cements produced by Cementos Molins Industrial have renewed their certifications within AENOR's voluntary N framework. Also, we have developed a European evaluation document for Aluminite refractory cement, in the calcium aluminate concrete range.

Promsa

This company's plants are credited according to the Expert Concrete certification by the Spanish National Association of Prepared Concrete Manufacturers (ANEFHOP).

Precon

After the group included the Vila-Rodona factory, it obtained the EC certification of its products, and the certification according to standard ISO 9001.

Propamsa

We have continued working with CSTB (Centre Scientifique et Technique du Bâtiment), and currently this company from the group already has a certificate for four ceramic adhesives and for two single-layer mortars, a self-levelling mortar and two primers. And the factories in Sant Vicenç dels Horts (Barcelona), Quer (Guadalajara) and Guadassuar (Valencia) have already been audited.

Cementos Avellaneda

The certifying body of the National Industrial Technology Institute (INTI) certifies that Cementos Avellaneda complies with Standards IRAM 50000 – IRAM 50000/1, which ensures the quality of its cement products in all uses and applications.

Corporación Moctezuma

We already have a complete management system for the three cement plants (Tepetzingo, Cerritos and Apazapan) under a multi-location scheme. The system fulfils the requirements of the international standards on quality (ISO 9001), Health and Safety (OHSAS 18001) and environment (ISO 14001).

We also have a valid certificate granted by IMNC with a three-year validity (from December 2015 to December 2018). This

achievement means that Corporación Moctezuma continues to standardise the best practices in operating and establishing mechanisms to make the processes gradually more efficient.

At the same time, we have managed to maintain the certificates for cements manufactured in the three plants, based on the requirements of NMX-C-414-ONNCCE and the laboratory credit from EMA (Mexican Crediting Entity), and three standards that were modified in 2015 have been updated. The implemented management system complies with the requirements of ISO 17025:2005 for a scope of 14 physical trials.

Sotacib

It has the conformity certificate for its white cement according to the Tunisian standard Certificate NT 47.01, provided by the National Institute of Normalisation and Industrial Property (INNORPI).

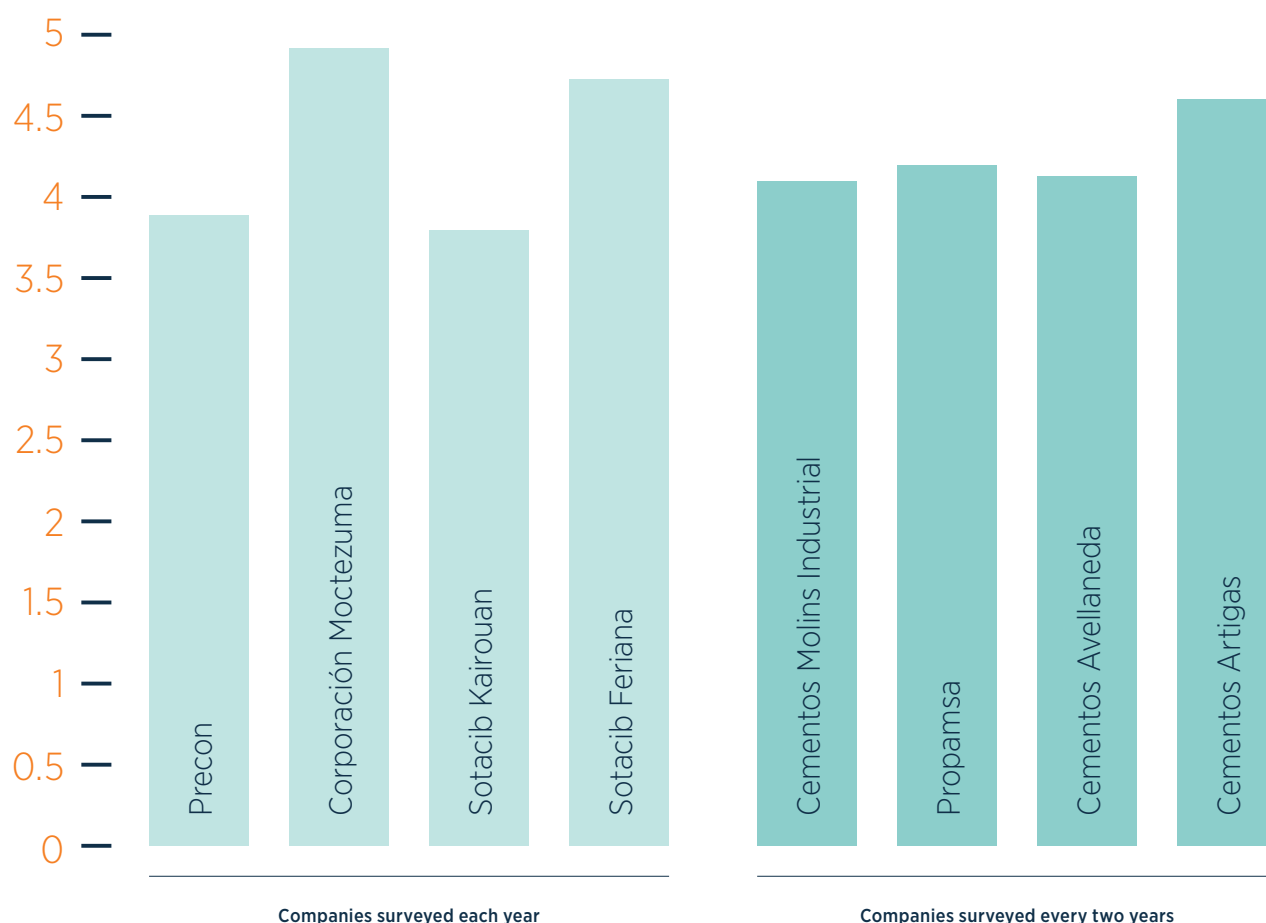


The satisfaction of our clients

Our companies run satisfaction surveys which we want to use to measure our clients' satisfaction regarding our products and services. All of this with the goal of improving permanently.

In the surveys carried out during 2016 on the general valuation of the various companies within the Cementos Molins Group, our clients have indicated their satisfaction with our products and services.

The results according to each company are reflected in the following graph².



²The various results have been weighted on base 5 to make them commensurable.

³In 2016 PROMSA and SURMA CEMENT conducted no client satisfaction survey.



The contribution our products make to local development

From the Cementos Molins Group we contribute significantly to dynamising various sectors of the economy and society, by deve-

loping projects with different features. This contribution occurs both in the public and private sector, in public works and building.

Some of the important projects that the Group's companies are participating in are shown below:



Access to the Aeropuerto de Barcelona: "the shuttle"

At the beginning of April 2016, **Promsa** started to supply concrete for the railway connection works between T1 and T2 in Aeropuerto de Barcelona, known as 'the shuttle'.



University of Kairouan, Tunisia

Sotacib has supplied the cement needed to build one of the buildings in the University of Kairouan. This centre located in one Tunisia's leading cities, receives over 15,000 students each year.



New access point to Mirambel (Teruel), on the A-226, over the Mas de los Arcos gorge.

The 'Project of constructing the structural network in Aragon, Sector 2, Teruel', included modifying the layout and adapting the reference structure. Therefore, a fully prefabricated bridge was projected, and the parts had to reach the work site along the indicated road to shape a large-size structure (as a reference, a 10-story building would fit under the bridge).

Precon developed a modular manufacturing and assembly system for sections to make transporting and handling prefabricated piles economically possible. On the other hand, the mortar from the Betec range by **Propamsa** provided the high strengths needed in a few hours.



New Amazon logistics platform
in El Prat de Llobregat

Amazon has decided to extend its logistics premises in el Prat de Llobregat, where they are building one of their largest distribution centres for southern Europe. Over 50,000 m² of industrial flooring, located on a 30,000 m³ concrete slab, which will become a logistics, distribution and service centre. **Promsa** supplies the concrete for the 30,000m³ slab, at the rate of more than 500m³ per day. A stable base, supported by more than 3,000 micropiles, will lead into a perfect planimetry which will be made with the concrete produced in the plants in Zona Franca and Pallemà.

For this project, **Precon** has designed and produced the prefabricated elements of the platform: more than 25 km of beams, nine kilometres of pillars and 150,000m² of alveolar plates will make up the warehouse and offices bays.



New stalls in the Juan Carmelo Zerillo Stadium
(Province of Buenos Aires)

Cementos Avellaneda has provided the concrete for refurbishing the Juan Carmelo Zerillo Stadium, which belongs to Club de Gimnasia y Esgrima La Plata. The H stalls will be built from side to side, so that when the work is finished, it will be 122 metres long. In a first stage there will be 5000 seats, and another 5000 will be added when the work is completed, in a second stage, when a top layer will be built.



Wind parks in Uruguay

Cementos Artigas has stood out as a leading concrete supplier for the construction of wind farms in Uruguay. In this respect, it has worked on developing the wind farms in Sierra de los Caracoles, Peralta and Carapé.



Complete refurbishment of the "El Plantío"
Bull Ring (Burgos)

Propamsa has participated in the complete refurbishment of the bull ring in the city of Burgos, also known as Coso El Plantío. Implementing the rehabilitation work using the Propam Repar Techno system provided significant advantages in this project, as opposed to the traditional structural repair systems. This meant that both the project management and the building company chose this technical solution (faster implementation, improved costs and application guarantee).



Repairing and waterproofing the San Juan reservoir (Madrid)

Propamsa has taken part in the project for repairing and waterproofing the San Juan reservoir, which belongs to the town of San Martín de Valdeiglesias, Community of Madrid. The dam, built in 1955, has a surface area of 650 ha. and a capacity of 138 hm³.



Construction of the 111-kilometres relief road in the south of Guadalajara (Mexico)

Carso Infraestructura y Construcción, a subsidiary of the biggest industrial group in Mexico, Carso Group, won the contract to build the 111-kilometres relief road in the south of Guadalajara, the capital of the state of Jalisco. The company C and M, formed 50% by **Comsa** and **Corporación Moctezuma**, has been awarded the contract for manufacturing and laying the concrete for the pavement.



Torre BBVA Bancomer in the City of Mexico

The BBVA Bancomer Tower is a building which, due to its characteristics, has become part of the most emblematic constructions in Mexico and South America. It is the central HQ of the BBVA Bancomer Financing Group. **Corporación Moctezuma** supplied all the concrete needed to build it.

The building stands out because of its impressive structure, supported by plates of steel, up to 10 centimeters thick. A total of 21,600 tonnes of steel were used in different applications, a volume that is three times that used in the Eiffel Tower in Paris. The structure of this new skyscraper is made up of frames with eccentric wind bracing, such as a fuse; if there was an earthquake this section could flow, but the main structure would stay standing.



Torre Sanmar, Chittagong, Bangladesh

In 2016 **Surma Cement** has supplied Supercrete to build the Sanmar Tower.

This product considered by technicians and engineers as the best solution for skyscrapers has given the building the necessary quality and strength and has added beauty as a value.



A model based on the professional development of our collaborators

One of the main strategic aims at the Cementos Molins Group is employee development, commitment and satisfaction in order to respond to the needs of the company in the long term. Our policies regarding this matter can be summarised as follows:

Employee development, commitment and satisfaction for responding to the company's long term needs

01 Fostering and permanently communicating the Mission, Vision and Values of the company.

02 Encouraging people's professional development and management skills by running career and continuation plans, and training and mobility plans, taking into consideration the international dimension of Cementos Molins Group.

03 Construction of a global talent pool to guarantee our future growth.

04 The development of permanent communication channels with the employees so that we can listen to their concerns and improvement proposals.

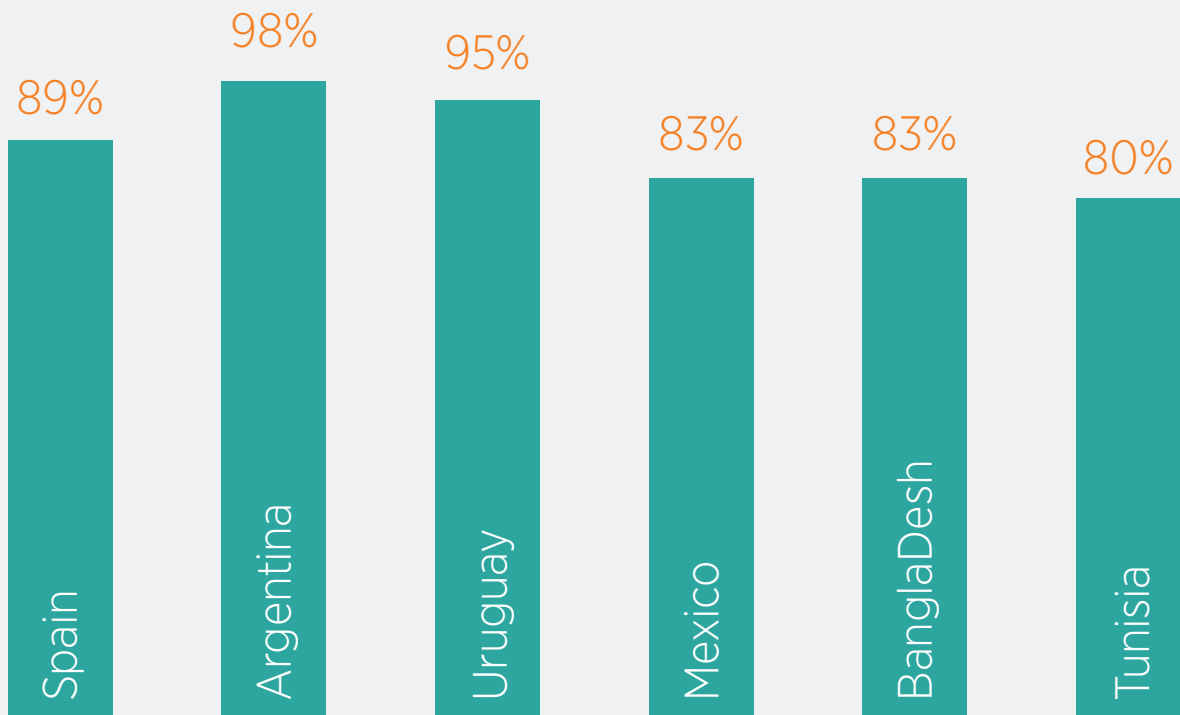
05 Full priority in Health and Safety at work.

06 Implementing a flexible remuneration and benefits system for the employees.

As a first step in developing the people management model, during 2016 we have implemented an employee satisfaction survey which, from now on, will be conducted annually and its aim is to learn about the level of satisfaction and commitment among our collaborators, and to gather together the improvement proposals that arise.

Except for Bolivia (it came into operation at the end of 2016), all our companies conduct an employee satisfaction survey. Based on the results obtained, we select the improvement plans that must be developed and implemented during 2017. Our employees have been involved to a maximum and this has meant we have obtained very high participation indexes in the survey, as shown in the following graph.

Participation index



This survey has helped us understand the commitment and link between employees and the Cementos Molins Group. And, overall, the main points to improve are based on five axes:

The survey helped us understand the commitment and link between employees and the Cementos Molins Group.



In response to some of these five axes, the Group has implemented a new performance evaluation system for setting ob-

jectives, developing competences and professional career development plans.

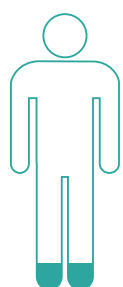
Basic indicators of staff composition and people management

The staff of the Cementos Molins Group, at the close of the financial year 2016, totalled 4,541 employees. Out of these, 1,208 correspond to Spanish companies; 223 to Cementos Artigas; 728 to Cementos Avellaneda; 1,119 to Corporación Moctezuma; 205 to Sotacib Kairouan; 370 to Sotacib Feriana and 504 to Surma Cement.

The Cementos Molins Group operates on several continents, with a greater number of collaborators in Spain and Mexico.

Employees in the Cementos Molins Group

Total Cementos Molins Group



Women

452



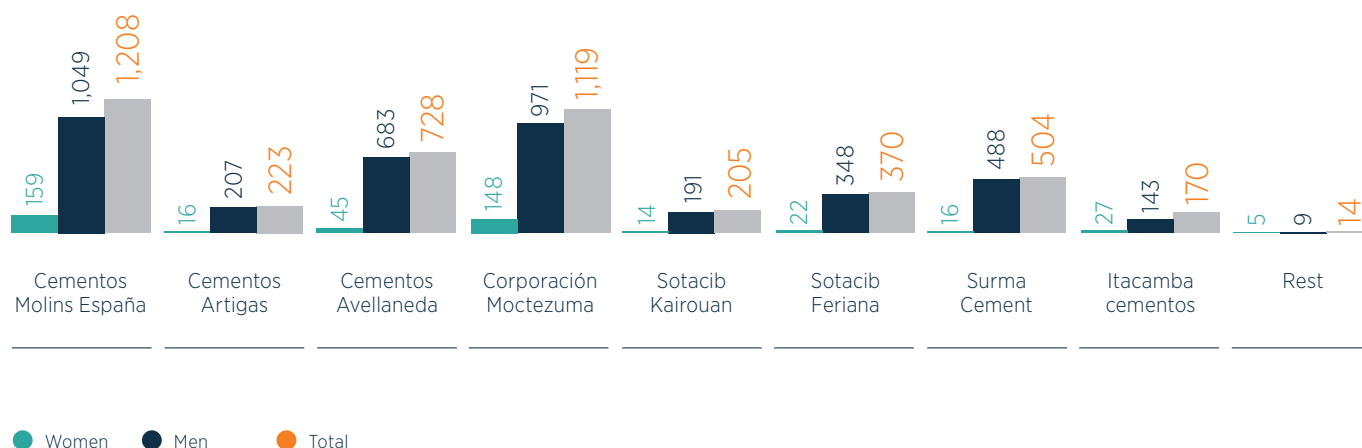
Men

4,089



Total

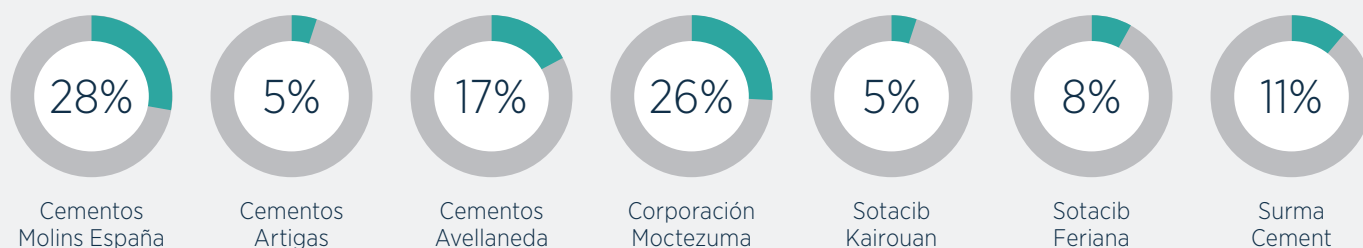
4,541



*Data aggregated to 100% in each company



EMPLOYEES PER COMPANY IN THE CEMENTOS MOLINS GROUP

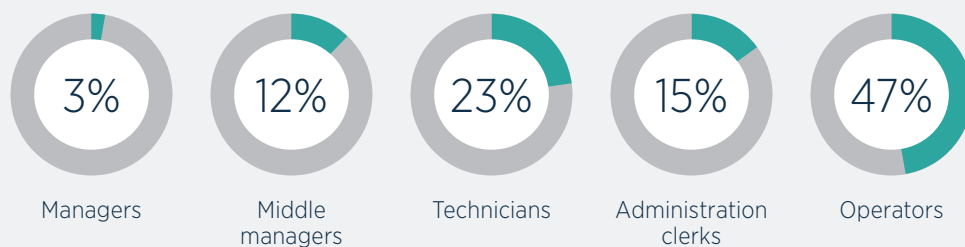


In the Cementos Molins Group we are committed to equal opportunities and respecting diversity. These concepts guide the people managing actions in all our companies, where under no circumstances is there any discrimination between people of di-

fferent origin, gender, age, belief or race.

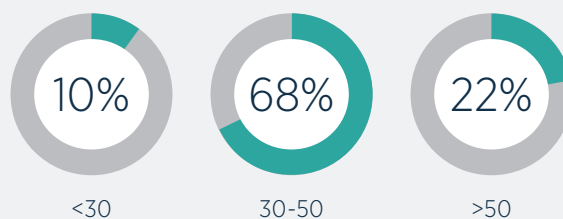
As for employees by category, the Group has 134 managers, 525 middle managers, 978 technicians, 672 administrative staff and 2,048 operators.

EMPLOYEES PER CATEGORY



Our workers are distributed by age as follows:

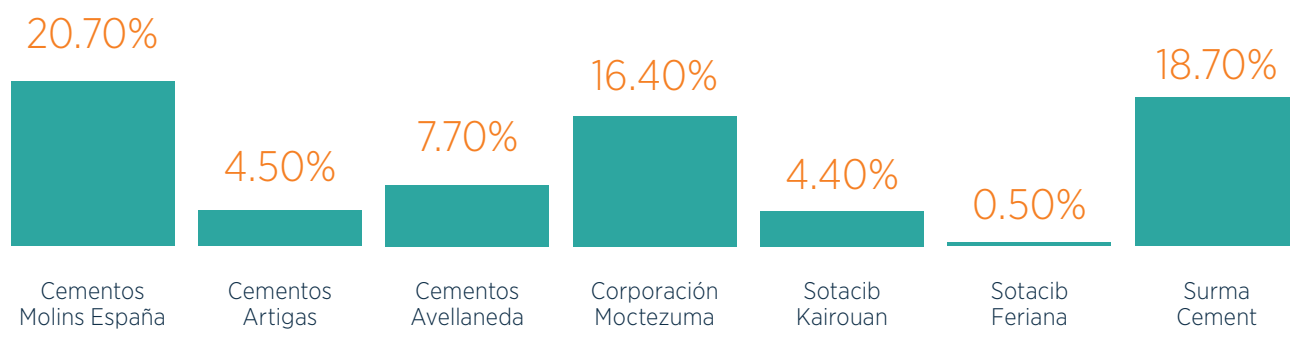
EMPLOYEES ACCORDING TO AGE



*Data aggregated to 100% in each company



HIRING INDEX PER COMPANY WITHIN THE CEMENTOS MOLINS GROUP



The hirings index for the entire of the Cementos Molins Group is 12.6%

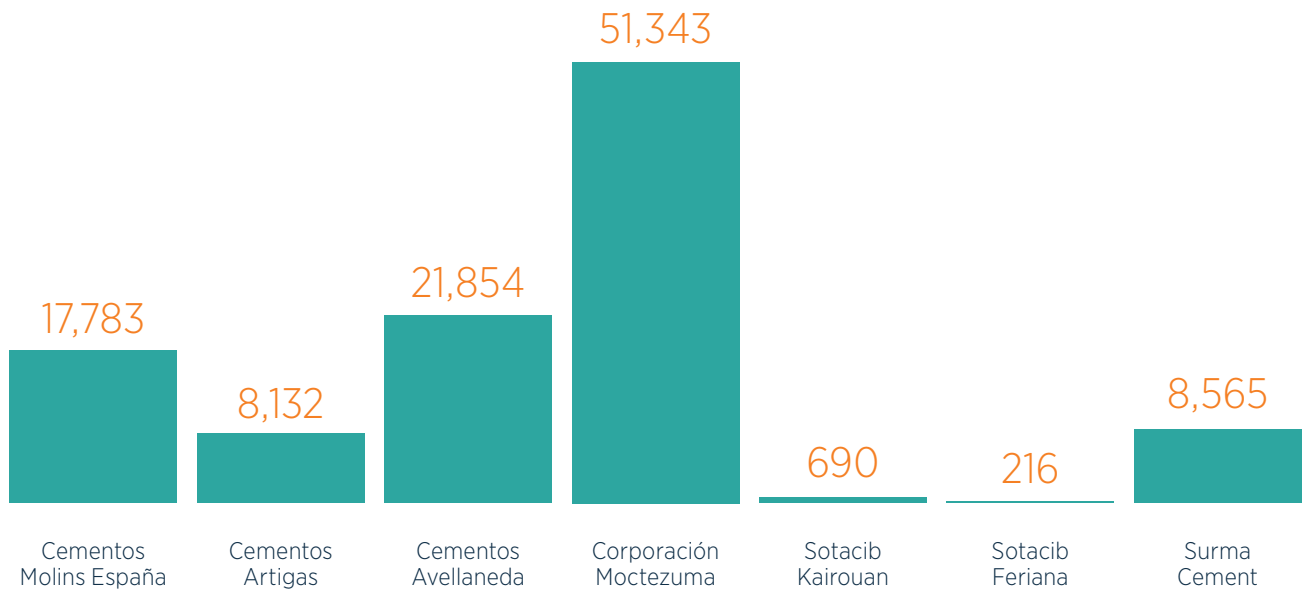
Training workers, a key goal for us, is orientated towards acquiring the necessary knowledge to carry out the tasks that their position entail, as well as developing the skills required for

the position and for each employee's professional future in the Group. Training in the prevention of risks at work and languages is particularly important and time is dedicated to this. The following graph shows the training hours run by each company in 2016, with an average of 25 hours per worker.



⁴It includes hiring temporary staff to develop specific contracts. It is calculated by dividing the annual number of hirings by the total number of employees.

TRAINING HOURS PER COMPANY WITHIN THE CEMENTOS MOLINS GROUP



The training is associated with acquiring the knowledge and technical learning about the product, the production process or the quality, among other factors.

We pay special attention and time to preventing risks at work and we offer our employees the opportunity to improve their knowle-

dge of languages (English and French).

During 2016, directors and managers have received training in assessing performance and developing talent, a particularly important area for the Group employees, according to the results of the satisfaction survey.



Prevention of risks at work.

Health and Safety at work

Health and Safety at work are some of the keys to the management of the Cementos Molins Group, where our aim is zero accidents, in a process to progressively reduce the accident frequency index. To this end, we put all our effort into avoiding work accidents and professional illnesses.

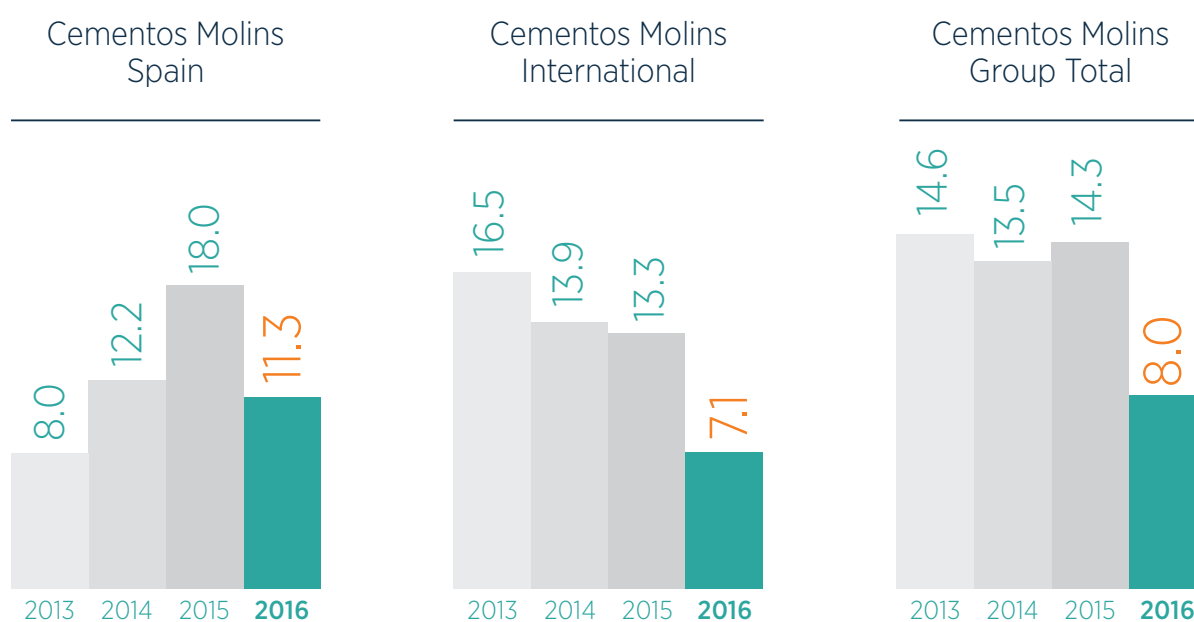
The Group's management is responsible for making the parties responsible for implementing any kind of work, aware of the obligation to comply and enforce the safety standards and to consider the possible risks. At any event, compliance with the relevant

measures will be ensured so that they complement the established standards if necessary.

The bodies responsible for regulating the operational health and safety management in the operational centres are the health and safety committees, that are set up to help control and advise on programs on Health and Safety at work.

The following chart shows the figures of the accidents that involved sick leave suffered by our workers. One piece of data to highlight is the 45% reduction throughout the Group during the 2013-2016 period.

LOST TIME INJURY FREQUENCY⁶ RATE EMPLOYEES CEMENTOS MOLINS GROUP



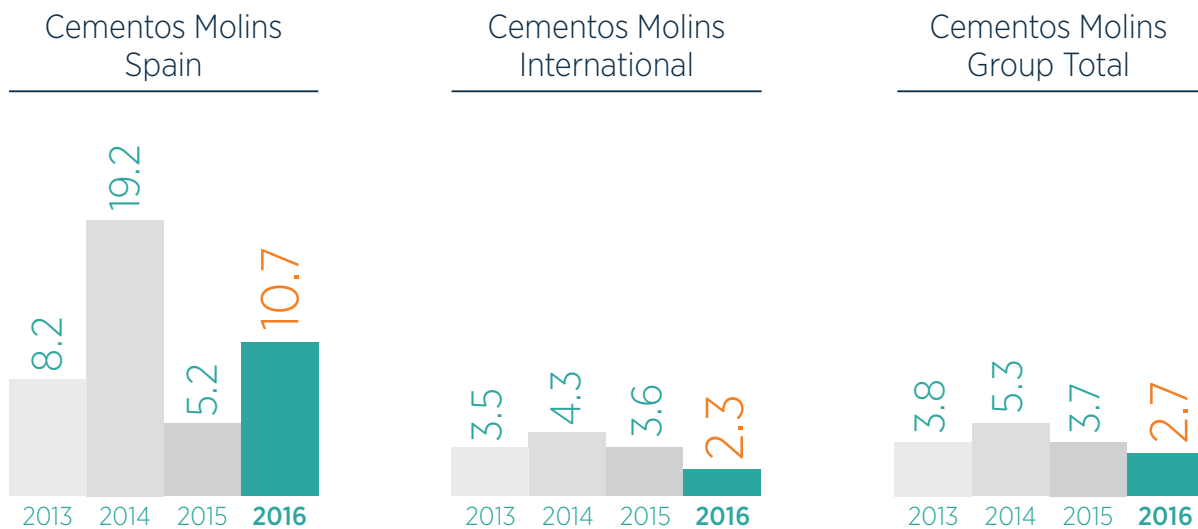
*Data aggregated to 100% in each company

⁶The number of accidents with loss of workdays per million hours worked.

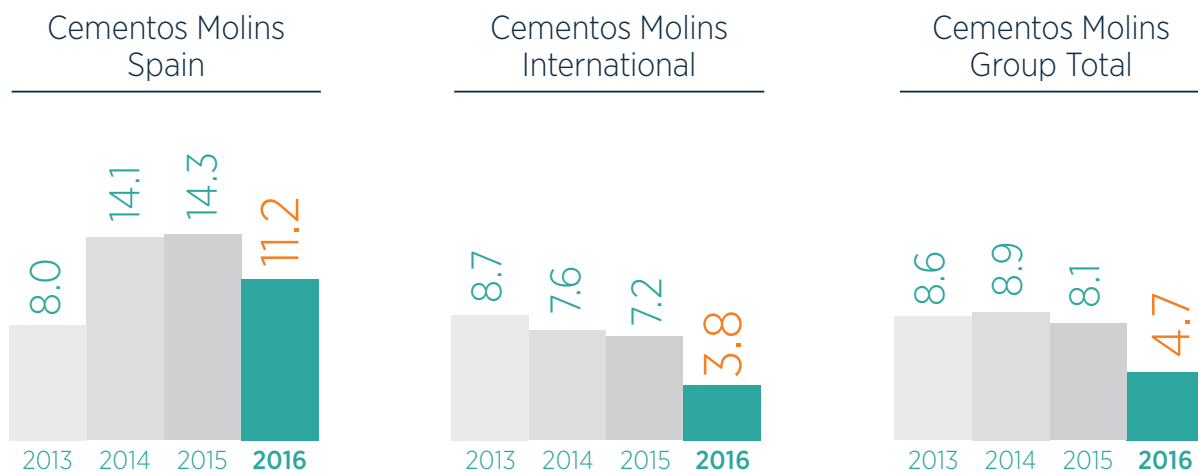
The accidents among independent contractors have already dropped 29% overall in the Group during the same period.

Finally, with respect to the combined analysis of the accidents with leave from work, counting both employees and contractors, in the period 2013-2016, the accidents have reduced 28% overall in the Group.

LOST TIME INJURY FREQUENCY⁶ RATE CONTRACTORS ON SITE CEMENTOS MOLINS GROUP



LOST TIME INJURY FREQUENCY⁶ RATE EMPLOYEES AND CONTRACTORS ON SITE



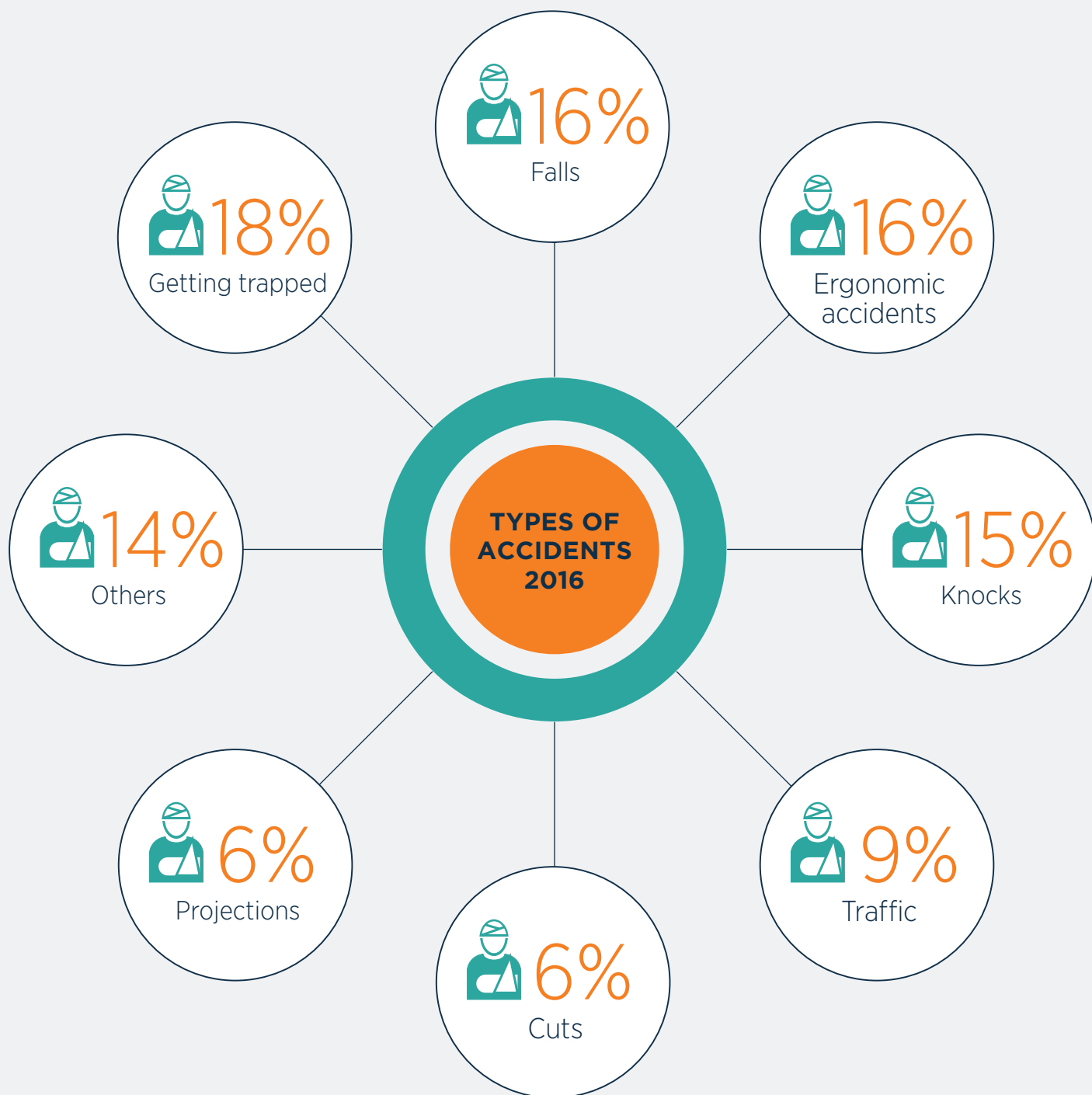
*Data aggregated to 100% in each company

⁶The number of accidents with loss of workdays per million hours worked.

As for the type of accidents, which are shown in the following graph, the main ones are getting trapped (18%), falls (16%), ergonomics (16%) and knocks (15%).

During 2016 we have succeeded in significantly reducing the

number of accidents with sick leave, particularly with respect to our own staff. In this respect, it is worth highlighting the effect of the preventive tasks that all the Group companies have prioritised.





Responsible environment management...

A growth strategy compatible with respect for the natural environment

All the figures related to the Environment are shown aggregated to 100% in each company

At the Cementos Molins Group over the years we have developed a firm commitment to environmental sustainability and we are committed to implementing a business model that implicitly includes this premise.

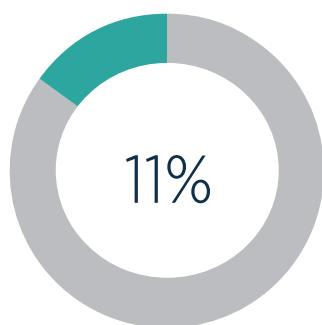
One of the main samples of our involvement is the figures for expenses and investments made by the various companies within the Group in environment protection issues. During 2016 this figure totalled 12.5 million Euro.

These investments focus on aspects such as the valuation of resources, preventing and controlling emissions and restoring quarries and natural spaces. On the other hand, it is worth highlighting that the companies in the Cementos Molins Group

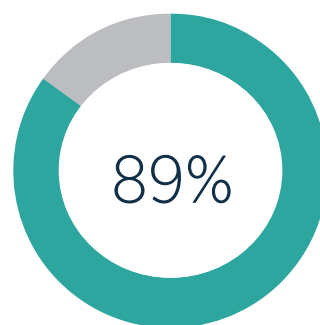
Cementos Molins Group invested 12.5 million Euros in environmental protection in 2016



EXPENSES AND INVESTMENTS FOR PROTECTING THE ENVIRONMENT BY THE CEMENTOS MOLINS GROUP (€)



Costs of processing waste, processing emissions and restoration



Prevention and environmental management costs

have not received any kind of sanction applied to not complying with the law and the environmental regulations during 2016.

In order to comply with the sustainable management of the business, the Group is committed to circular economy. Faced with the challenge of needing to make an intensive use of energy, the cement industry, on a worldwide level, and the Cementos Molins Group in particular, has responded by searching for alternatives which, on the one hand, reduce the need to import fossil fuels for obtaining energy and, on the other hand, open up a way of valuing materials which, otherwise, could not be used. This is evident particularly through replacing traditional fuels with alternative ones.

Also, we are committed to working to develop industries to produce alternative fuels through PROMSA, our Spanish company that is the Group's centre of competences in processing waste and which comprises the Pronatur plants, in Montornés del Vallés

(processing industrial waste and producing alternative derived fuels - CSR), and GRP, in Manresa (processing and valuing End of Life Tyres)

However, not all our efforts are concentrated on the circular economy. The Cementos Molins Group also runs controls on all its consumption levels and effluents, in order to prevent and reduce their effect on the environment. The monitoring applied to CO₂ and NO_x and SO_x emissions and particles is particularly important, and the water consumption during the processes.

We are aware that our activities have, on many occasions, a direct effect on the natural environment and biodiversity, as in the case of working the quarries to obtain raw materials. Therefore, the companies within the Group make restoration efforts beyond the obligations established by the laws in the countries where they operate. A sample of this is the recovery of the Garraf quarry by PROMSA.



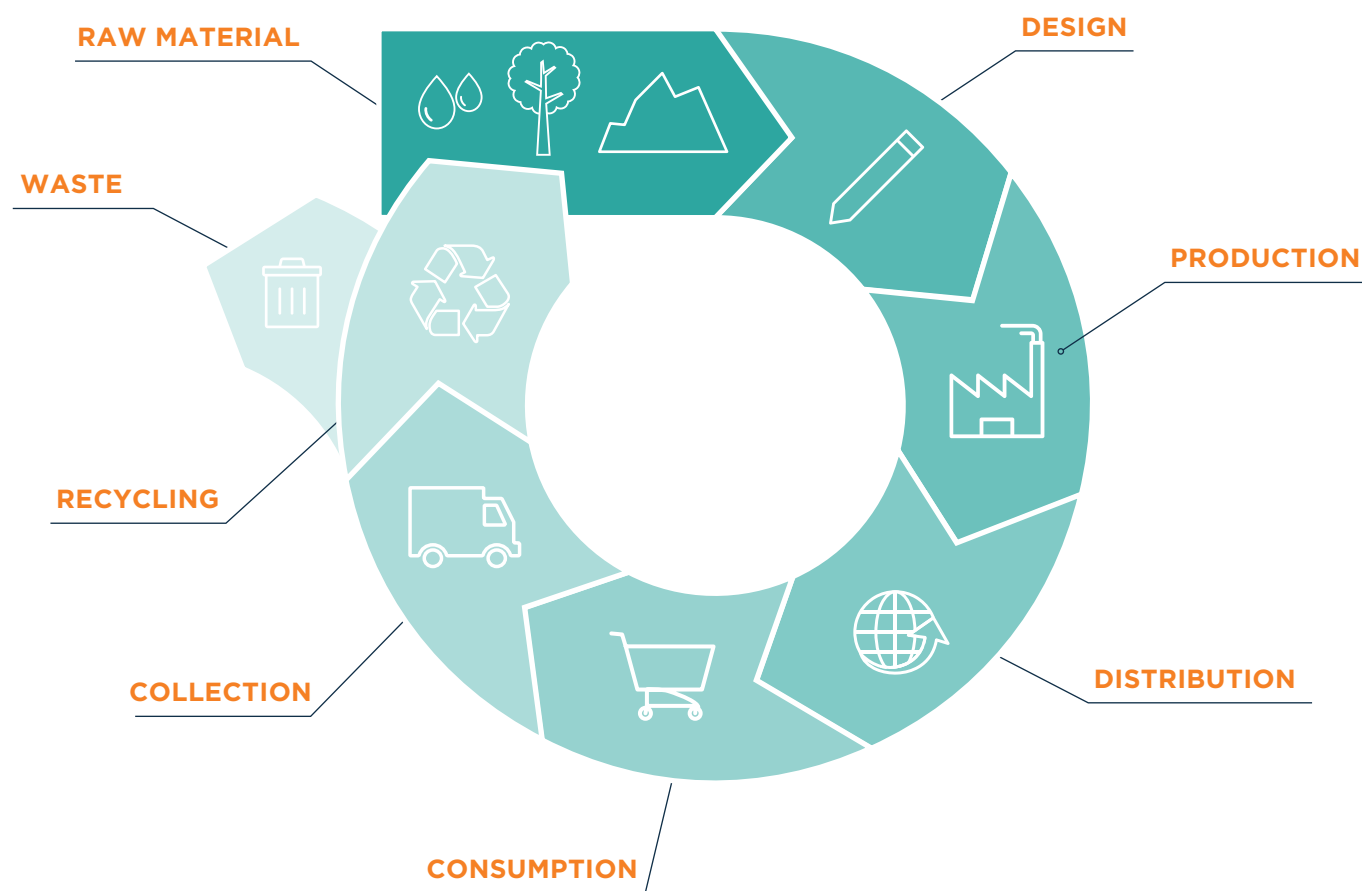
A commitment to circular economy

The Cementos Molins Group is clearly committed to the circular economy, a system that tries to take the most of the value of materials, and therefore avoid, as much as possible, the consumption of natural raw materials. This means, on the one hand, enhancing the valuation of alternative fuels, which allows us to replace fossil fuels with others from materials which, otherwise, could not be recovered. And on the other hand, valuing products materially to use them as raw materials.

At the Cementos Molins Group we take as our own the challenge of reducing the consumption of natural raw materials and the need to foster the use of fuels and other raw ma-

We are clearly committed to the circular economy, promoting the value of alternative fuels and the products recovery for using them as raw materials

terials of alternative origin. In fact, the percentage of replacement of natural raw materials in the Group, in 2016, was 6.4%

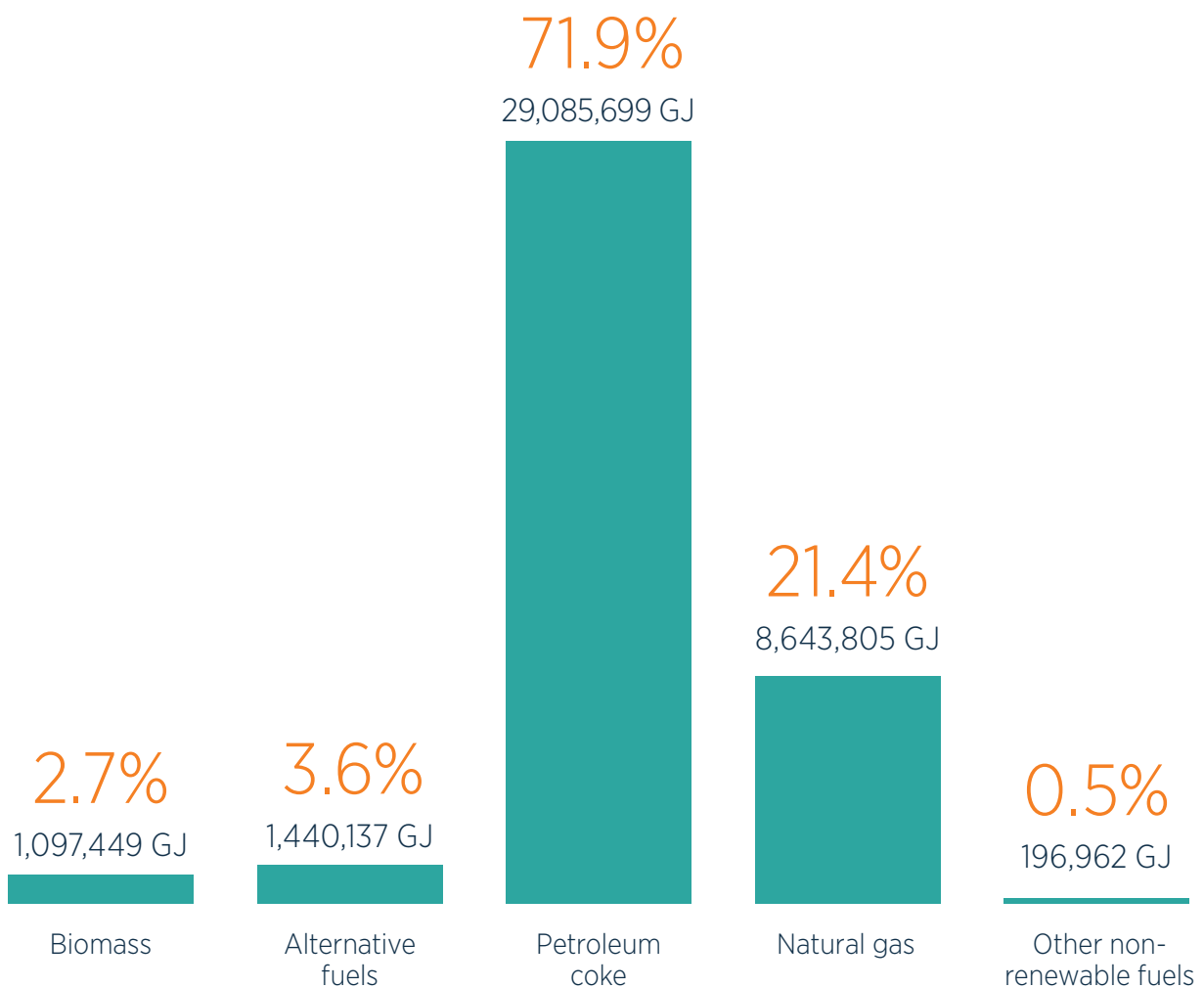


Fuel consumption

In 2016 our cement plants have consumed 40,464,052 GJ of energy to produce cement, between the various traditional and alternative fuels. The main fuel consumed has been petroleum

coke, with a 71.9% of the total, followed by natural gas (21.4% of the total). On the other hand, the alternative fuels make for 3.6% and biomass 2.7%.

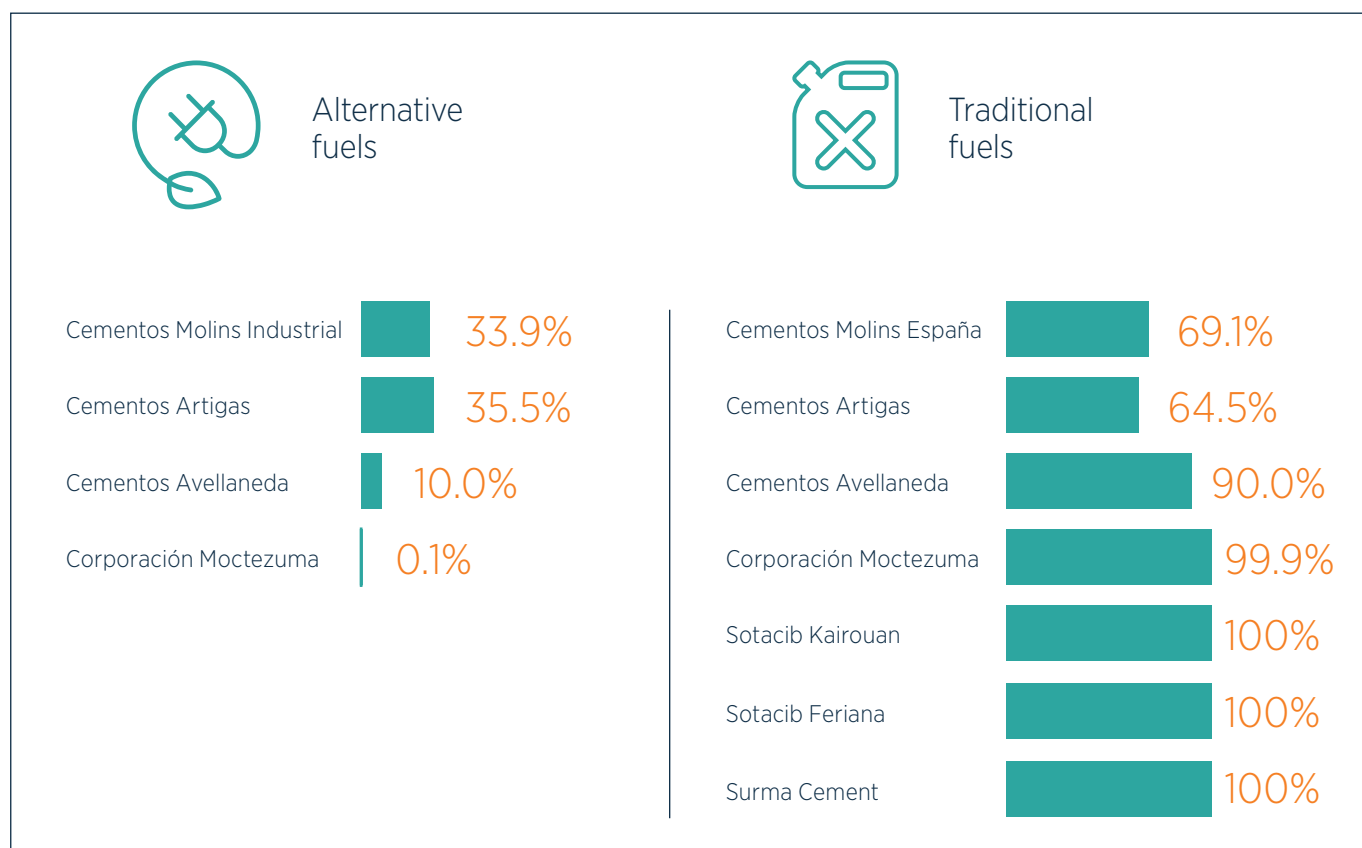
FUEL CONSUMPTION IN THE CEMENTOS MOLINS GROUP



⁶In most cases it refers only to the cement factories, since they are the business unit with a significantly more intensive consumption of energy and other resources.

In the analysis according to the companies within the Group, it is observed that three of the cement plants already have more than 10% of alternative fuels. But we are fully aware

that there is still a long way to go in most of our companies and we are going to make that our main priority over the next few years.



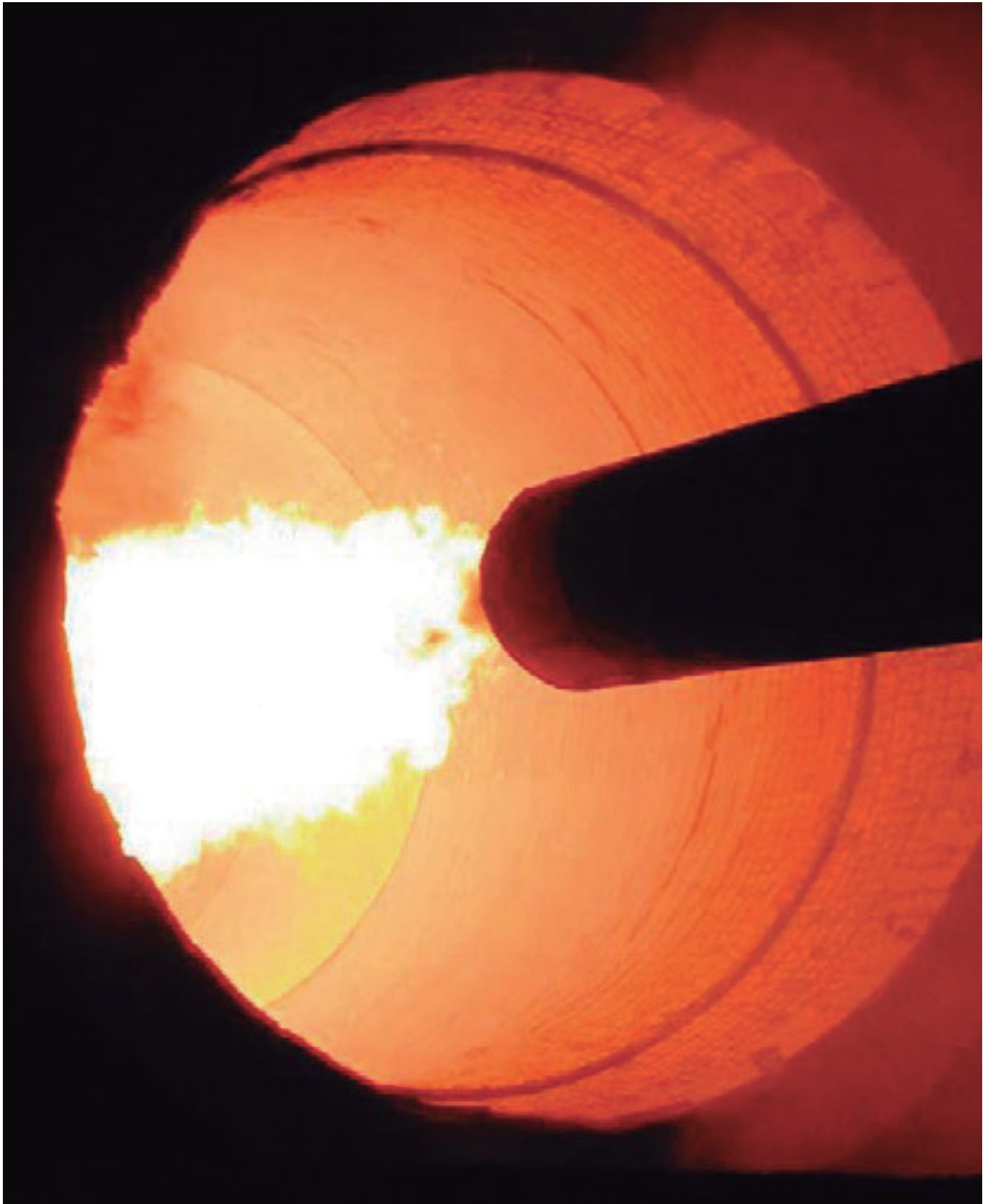
Throughout 2016 we have made some significant progress in extending the consumption of alternative fuels. So, in Cementos Molins Industrial, during this period End of Life Tyres (ELT) have been added as fuel, with a consumption level of nearly 5000 tonnes.

In 2016 Cementos Avellaneda has implemented some works to increase the substitution of fossil fuels in the Olavarría plant. They also ran tests on the valuation of alternative fuels originating from the local industries which we hope to conclude throughout 2017. In Cementos Artigas, since the middle of 2016, they have been implementing the necessary work to start using End of Life Tyres as a fuel throughout 2017. Also, in 2016 the second verification stage of the Partial substitution of fossil fuels with biomass in cement manufacture project was completed, aimed at replacing fossil fuels with rice husks in Minas Plant.

In Sotacib Kairouan we have installed a new facility for using



olive marc as a substitute for petroleum coke. Thanks to this, we hope to reach 8% fuel replacement in 2017. Also, as olive oil marc is a biogenic fuel, if used, it can represent a saving of up to 36,000 t of CO₂ for that same year.



FUEL CONSUMPTION PER CLINKER UNIT

With respect to the intensity of energy consumption per unit produced, the following table shows the energy used per tonne

of clinker, according to the mix of the various types of cement produced in the group:

813

kcal/kg clk

**Grey Portland cement
Calcium Aluminate Cement
White cement**

810

kcal/kg clk

Grey and white cement

791

kcal/kg clk

Grey cement



POWER CONSUMPTION (MWH/YEAR) BY COMPANY

Regarding the power consumption of all the Group companies, in 2016 this was **1.317.585 MWh**. In this case, we also provide

details of the concrete companies, as their contribution is more significant to the total.



1,295,937

MWh/year

Cement companies

21,648

MWh/year

Concrete companies

1,317,585

MWh/year

Total

Material consumption

In 2016, the companies within the Cementos Molins Group have consumed a total of 30,103,225 tonnes of raw material in developing their activity. In this case, the raw materials for producing the products stand out (limestone, aggregates, clay and sand, for example), the non-natural materials that are used as cement additives (slags) and the packaging materials. The alternative raw materials represent 6.4% of all those used by our companies.

The Cementos Molins Group made a consumption saving of more than 1.9 million tonnes of natural raw materials by using alternative matter

CONSUMPTION OF RAW MATERIALS IN THE CEMENTOS MOLINS GROUP

Cement companies ⁷	18,858,350	749,581	19,607,931
Concrete companies	9,308,691	1.186,604	10,495,295
Total	28,167,041	1.936,184	30,103,225
	Natural raw material consumption (t)	Non-natural raw material consumption (t)	Total (t)

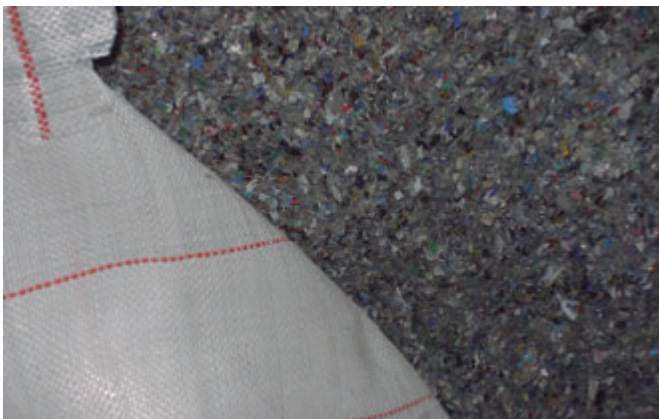


⁷The following are considered to be CMI cement factories, Cementos Artigas (cement division), Cementos Avellaneda (cement division), Corporación Moctezuma (cement division), Sotacib Kairouan and Feriana and Surma Cement. The rest are considered to be concrete plants.

TOTAL CONSUMPTION OF RAW MATERIALS (%)

It is worth highlighting that, out of the total materials used, 2.1% are recycled (2.2% of the total at the cement companies and 1.9% at

the concrete companies) This, in turn, implies that, out of the total non-natural raw materials, 37.3% are recycled materials.

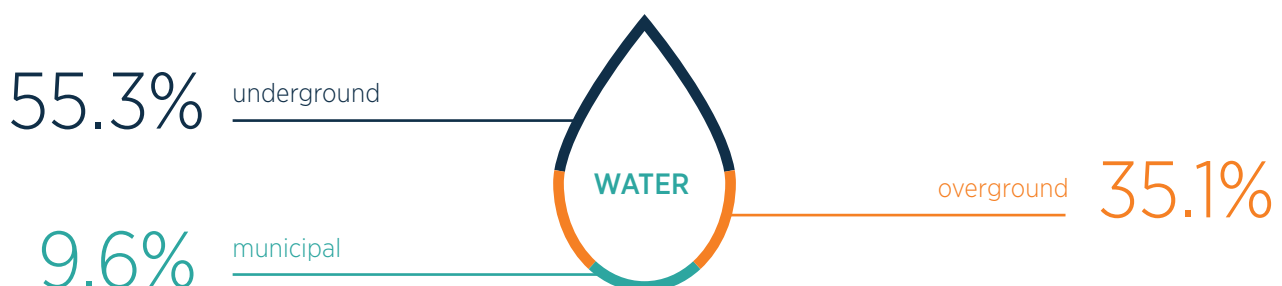


WATER CONSUMPTION

Water consumption is another aspect of environmental management which deserves special attention from the Cementos Molins Group. This consumption level, in the context of manufacturing cement, mainly corresponds to cooling and conditioning the gases. The Group companies consume mainly ground water (55.3%),

ahead of surface water (35.1%) and water from the local supply network (9.6%).

As for the consumption of water per tonne of cement produced, the Group has consumed 220 litres of water for every tonne of manufactured cement product.



GENERATION OF WASTE

At the Cementos Molins Group we ensure the appropriate management of the waste generated as a result of the activity performed by our companies. It is worth highlighting that the actual cement, concrete, mortar and aggregate production activity does not generate a significant amount of waste, other than that which is produced in actually maintaining the premises, and those pro-

duced because of extraordinary events (for example, works on the same premises). In spite of this, the policy to follow in this matter is the same as in the actual running of our plants: giving priority to circular economy (the ways of valuing waste) and, at any event, maintaining the hierarchy of waste management as much as possible.



In particular, the Group companies generated 264,325 tonnes of waste during 2016, out of which 88.2% were non-hazardous, and

11.8% were hazardous. This waste is transmitted appropriately via authorised handlers in each country where we operate.



WASTE PROCESSING

As for processing this waste, 93.4% were valued (the main way, was assessing the material through recycling), and 6.6% were eli-

minated (the main way this was managed was by pouring it into a controlled tank).



Within production and waste management and the contribution to the circular economy of the Cementos Molins Group, it is necessary to highlight cases such as PROMSA, which has the capacity on its own to recycle both its own concrete waste and the dirty water from its manufacturing process. Thanks

to this, it has managed to produce and place on the market products with recycled waste and which, together with the recycling and waste valuation activities that it runs, have made it possible to recycle a total of 218,568 tonnes of solid and liquid waste in 2016.



Fight against climate change and control of emissions

Our companies are involved in implementing measures for reducing greenhouse gas emissions. The main strategies for reducing these emissions are those for replacing fuels (particularly, with biogenic origin alternatives), improving the efficiency of kilns and reducing the consumption of clinker, by using other alternative materials in cement manufacturing.

The CO₂ emissions per tonne of cement measured in the Cementos Molins Group were 621 kg CO₂/t

In 2016 the CO₂ emissions per tonne of cement produced by the cement companies within the Group, were as follows:

TOTAL DIRECT CO₂ EMISSIONS (KG CO₂/t CEMENTITIOUS)

621

kg CO₂/t

Grey Portland cement
Calcium Aluminate Cement
White cement

621

kg CO₂/t

Grey and white cement

611

kg CO₂/t

Grey cement



CEMENTOS AVELLANEDA, ARGENTINA

PROJECTS LINKED TO CLEAN DEVELOPMENT MECHANISMS (CDM)



During 2016 we continued to pursue the project in Olavarría, registered in United Nations as Reduction of energy consumption during the production of hydraulic lime for the construction industry through the addition of non-calcined mineral components and additives. This project, which has a highly positive environmental impact, introduces an expectation of reducing approximately 450,000 t of CO₂ equivalent to 10 years (2010-2020), and an opportunity to save on non-renewable resources, such as limestone, fossil fuel and water during the lime manufacturing process.

This project, linked to the mechanisms of clean development, will be audited during 2017 by third parties to verify the reduction in emissions achieved since December 2011.

The rest of our companies must also take the emissions into account due to the manufacture of lime, which in 2016 totalled 380 kg of CO₂ per tonne of manufactured lime.

The companies in the Cementos Molins Group also work to promote other innovative measures to prevent emissions. This is the case of the combined initiative run by Cementos Avellaneda and Group A-OIL from the National University of Cuyo during 2016 to study the generation, development, characterisation and measurement of microalgae cultures on laboratory scale. As a result, the draft was obtained (design and sizing) for a pilot plant for capturing CO₂ from the emissions at the Olavarría plant in order to produce biomass.

In our companies, we make an effort to reduce the emissions associated with transport, such as the railway used by Cementos

Artigas and Itacamba Cementos, in our new plant in Bolivia; the roadtrain units that we use for land transport in Cementos Avellaneda, or the 17 km conveyor belt between the quarry and the plant in Surma, in Bangladesh.

Cementos Artigas has a railway freight service, between Minas and Sayago, 100 km long. The service has been variable in terms of its capacity in recent years: in 2016 a total of 160,000 tonnes were transported, although maximum levels of 430,000 tonnes have been registered (2009). The estimated CO₂ emission per transported tonne is about half of the one corresponding to conventional trucks, as well as having other environmental externalities for the local communities, such as the reduced use of routes and noise and dust emissions in populated areas.

Surma also has an alternative transport system between the extraction area in Umiam and the production plant. In this case, it is a 17 km long conveyor belt with a maximum transport capacity of 800 tonnes per hour, which helps to reduce the emissions.

And Cementos Avellaneda works in implementing a land transport system with roadrail units, that reduce CO2 emissions per transported tonne with respect to the transport systems with standard trucks.

As well as the greenhouse gases, in the companies in the Cementos Molins Group we must monitor other atmospheric emissions that are generated through the activity in the cement plants: nitrogen oxides (NOx), sulfur oxides (SOx) and particles (PM).

The NOx emissions are produced in the kiln essentially by the oxidation of nitrogen in the air due to the high temperatures needed to produce the clinker. The SOx ones are mainly due to the presence of sulphates in the raw materials.

Finally, all the Group's plants are controlling dust emissions. These are the data that are taken into consideration when manufacturing clinker:

OTHER ATMOSPHERIC EMISSIONS

NOx
2,410
g/ t clk

SOx
35
g/ t clk

PM
54
g/ t clk

One leading example of the involvement of our companies, beyond just the applicable legislation, is the fact that Cementos Molins Industrial has joined the Voluntary Agreement for the Prevention and Control of Pollution in the Catalan Cement Industry between the Department of Territory and Sustainability (Generalitat de Catalunya) and the Grouping of Cement Manufacturers in Catalonia. This agreement establishes a series of environmental aims and practices for improving emission point emissions, diffuse dust emissions, noise and efficient transport driving, and also controlling the immissions in the factory environment, by collaborating in installing and maintaining air quality control cabins in Sant Vicenç dels Horts and Pallejà.

This plant is located very close to the city of Barcelona, in an area declared to have special protection of the atmospheric environment due to the values of particles in suspension and the nitrogen oxides. Sporadic and usually linked to deterioration in the dispersion of pollutants due to the effects of the weather conditions, the limits set out for air quality are exceeded and the authorities declare an environmental episode of atmospheric pollution. In these cases, the company collaborates with the administration by applying a series of actions linked to transporting goods and people, handling materials, the production process and other good environmental practices established previously in a protocol.



Other environmental sustainability initiatives

The Cementos Molins Group policy regarding the extraction activities, which can modify the ecosystems where our production plants are located, is to reduce the initial impact derived from these activities as much as possible, and at the end of their useful life, restore them completely using the best available techniques.

As for the development of activities in areas with protected habitats, these are virtually only developed in India, in the Umiam exploitation area, which affects 116.58 Ha. However, we have an action plan with measures for preserving biodiversity for the next 10 years, which we drew up together with the State Government. Based on this plan, 2,210 autochthonous trees were planted during 2016, in a sowing operation directed by the Indian Bureau of Mines Government of India. The seeds come from a garden centre built in 2015.

The restoration of the Garraf area, by PROMSA and which affects 3.5 ha, is another activity worth highlighting in the framework of our environmental sustainability initiatives. In this area, together with the University of Barcelona, they are developing a collaboration project for restoration and replanting. In addition, PROMSA, together with the Department of Environment, runs another project for protecting two protected species, Bonelli's eagle and Black wheateaters, and aim to enhance their habitat through quarry restoration programs.

The project for restoring the Garraf area, run by PROMSA together with the University of Barcelona, is a clear example of the implication of the Cementos Molins Group in preserving the natural environment.

An important aspect of environmental management in quarry exploitation are the restoration plans, which ensure that the state of the ecosystems will return to the situation prior to exploitation. In this respect, it is worth highlighting that in the case of the Spanish companies it exists the legal obligation to have a restoration plan at the start of the activity. In the Group's international companies, this restoration plan is raised when reaching the end of the activity.





With respect to managing the environment, between our companies, Cementos Avellaneda continues running a large variety of initiatives associated with the environment, based on the discovery of fossils in the extraction areas. Among these activities, the main ones were the educational projects run during 2016 at the paleontological viewpoint in the La Cabañita quarry (the only one in the area of Olavarría). This was the venue of guided visits for numerous educational centres, aimed at discussing issues such as the fossils found, the stratigraphic layers and the cement production process.

Within the scope of paleontological research, during 2016, at the “La Cabañita” quarry in Olavarría, the team of professionals working with our company found the oldest fossils in Argentina and South America (560 million/years old). This was an unprecedented discovery which led to the publication of an article in the Scientific Reports de Nature magazine.

Finally, and with respect to the environmental management by the companies within the Group, it is particularly worth highlighting that the Central Plant of Concretos Moctezuma has obtained the LEED Gold Certification, granted in 2016.

LEED is an evaluation system run by a third party, which values the sustainability of commercial, residential and industrial constructions and buildings. The seal thereof is voluntary, except where it has been adopted by the local legislation.

The Central Plant is the world’s first certified concrete production plant. Among the actions undertaken by Concretos Moctezuma which have made it possible, the main ones were reducing greenhouse gases by 29% and ecotoxicity by 70%, improving the air quality inside the plant, reducing water consumption by a minimum of 8% and correctly managing all the construction waste.

Commitment to creating value in the community

Managing relationships with the Cementos Molins Group community

In the Group we firmly believe that the companies have the duty to contribute, in proportion to their means, to improving the wellbeing and development of their interest groups and the local communities.

An example of this is the definition of the organisation's vision where we have set ourselves the aim of developing society and people's quality of life.

One of the principles of the CSR and sustainability policy, approved in 2016, is to promote the social dimension of the Group's activities, mainly in relation to the employees and the local communities.

It is moving in this direction that we must highlight a set of activities ran by the Group, aimed at collaborating with social agents and helping, insofar as it is possible, to improve the living conditions in the local environments where these activities take place.



Uno de los principios de la política de RSC y sostenibilidad, aprobada en 2016, es el de promover la dimensión social de las actividades del Grupo

Vision



We want to promote the development of the society and people's quality of life by creating innovative and sustainable solutions in the construction sector

Local communities

The companies within the Group run a special monitoring of the impact on the social environment of the plants located in sensitive areas, developing actions such as social impact evaluations, development programs for the local communities, interest group participation plans or formal complaint processes from the local

communities. In the event of running operations in areas near indigenous populations, as in the case of those run in India, we have even reached agreements with these communities, as well as other types of collaborations related to their own social-economic development.

Let's see some important examples:

COMMUNITY DEVELOPMENT CENTRES (CDC) - BANGLADESH

Creating a Community Development Centre is perhaps the most significant case of the Group's commitment to the local communities. The CDC of the company Lafarge Surma Cement, with HQ in its own plant, was built with the intention of improving the situation of the communities around the area of activity, since it was understood that there was an intrinsic link between ensuring the living conditions of families in the community and the overall project success.

This initiative includes a primary school, a medical centre and a training point, as well as six sub-centres, a full-time paramedic and teachers who have also been installed in the

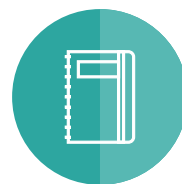
The medical centres that the Group has in Bangladesh have provided more than 93,000 free health services.

villages to provide education and health services to those people who cannot benefit from the Community Development Centre.



Medical centre

At the medical centre located in the CDC more than 82,000 free health care services and advice sessions have been provided, and 9,800 vaccines. There are also the more than 11,200 free health services and consulting sessions and 1,460 vaccines that have been carried out, to date, at the six sub-centres.



Primary school

In the Community Development Centre, Lafarge Surma Cement has established a primary school to provide free education to the small children in the local communities. Also, it provides adult education to satisfy the needs of everyday life, and gives grants to help with secondary education. More than 2000 students have benefitted from the education program in the last decade. Additionally, a library has been added to the complex where the children can have access to different kinds of useful books for developing their general knowledge.

INITIATIVES FOR DEVELOPING THE COMMUNITY - INDIA

Lafarge Umiam Mining, although it does not have a Community Development Centre, it does carry out initiatives and develop activities in the same way as its neighbouring company in Bangladesh. Out of all of these, the main one is the mobile clinic. This service consists of a health professional and a registered medical assistant who run clinics and administer medicines in the town of Shella and in various villages in Nongtraí, which have 10,000 and 1,500 inhabitants.

Also in 2016, this company has continued with the annual eye-sight campaigns, which have meant local patients in the region have been able to have cataract surgeries.

Another significant initiative is setting up a secondary school, which started in 2010, to reduce the percentage of school dropouts in the region. In recent years, school enrolment has increased 80%. At Lafarge Umiam Mining we have also continued to award grants to students from all classes and we have continued to improve the salaries of the math and science teachers in two schools in Shella and another one in Nongtraí in order to retain the qualified teachers. Also, financial assistance is provided to all the Shella and Nongtraí schools in an effort to improve their respective infrastructure.

Starting up a secondary school in 2010. In the last two years, school enrolment has increased 80%.



SUSTAINABILITY COMMISSION AT CEMENTOS MOLINS INDUSTRIAL

At Cementos Molins Industrial (Sant Vicenç dels Horts) it was decided to improve the communication with its interest groups through the Sustainability Commission, created in 2008. This committee has become the main permanent dialogue instrument with the environment, since the neighbour associations and the local and autonomous administrations take part in it, as well as mem-

bers of the company. Here they mention the incidents that have taken place in the factory with a possible impact on the environment, the environmental investments made, the assessment of the emissions and the fuels in the plant, the changes in environmental authorisations and general issues such as those associated with air quality control cabins, circular economy, etc.

Members of the Sustainability Commission

- CMI representatives
- Representative of the Air Quality Department of the Generalitat de Catalunya
- Council members and technicians from the Town Halls of Sant Vicenç dels Horts, Pallejà, La Palma de Cervelló and Molins de Rei.
- Representatives of political parties in Sant Vicenç dels Horts and Pallejà
- Neighbourhood Associations of Sant Vicenç dels Horts and Pallejà
- Representatives of the Company Committee of CMI

INITIATIVES FOR EMPOWERING WOMEN

In the Cementos Molins Group we are aware of the difficulties that women have regarding personal and professional development, particularly in certain parts of the world. In this regard, several companies run initiatives to empower women.

In Mexico, in Cerritos to be precise, a town affected by high levels of migration, we want to help highlight the role of women in society. To this end we have started work training programs, fostering self-employment and the business culture among women. This has made it possible to support the development of the family economy.

In turn, Lafarge Surma Cement also contributes to creating employment opportunities for the local population, particularly for women. The company offers training in tailoring, embroidery, candle making, as well as the necessary start-up capital so that the women in the community can start their businesses and work. By collaborating with non-governmental organisations, this company has also created market links with key sellers in the rich cities to therefore guarantee a good, safe market for their products.

We are aware of the difficulties women face in their personal and professional development, particularly in certain parts of the world.



EDUCATIONAL PROJECT IN THE PROVINCE OF SAN LUIS

Since 2008, in the province of San Luis, Cementos Avellaneda has been running a series of actions as part of an educational project, approved by the Ministry of Education in the province of San Luis, and implemented together with INTA (National Agricultural Technology Institute), under the Pro-Huerta Program. The aim of this initiative is to help the local population offset the precarious situation they live in.

The aids have been focused on schools, whereas the activities promoted and run by the company focus on building a vegetable garden to grow fruit and vegetables. The company's role consists in financing and building premises suitable for recovering rainwater, building irrigation systems, buying various materials for optimum activity development and support through regular visits to the undertakings. This initiative is intended to help students, promoters of all tasks, to transfer their experience, knowledge and acquired organisation, to their homes.



GRANTS FOR STUDENTS IN MEXICO AND TUNISIA

Corporación Moctezuma gives grants to students and highlights and rewards the effort made by excellent students in the areas of Tepetzingo, Apazapan and Cerritos, where the corporation's plants are located. They also provide gifts of school material to contribute to preparing the children and youngsters.

Another of the companies in the Group that runs initiatives in this sector is Sotacib. Both in Feriana and in Kairouan, the Tunisian organisation has various agreements with the local universities so that the students can carry out internships and final degree projects in their premises.



Social action in Spain

At the Cementos Molins Group we collaborate, through donations or rendering services, with a multitude of entities that perform their activi-

ties in various areas in the Third Sector, such as training or culture. These are some of the main collaboration projects:

FOUNDATIONS

- Pasqual Maragall Foundation, in its activities to promote, foster and support research and development into preventing and curing Alzheimer and other neurodegenerative diseases.
- Ana Ribot Foundation, a charitable-welfare entity aimed at working with elderly people, trying to improve their quality of life.
- The Catalan Down Syndrome Foundation, which aims to work to improve the quality of life of people with Down Syndrome or other intellectual disabilities.
- Food Bank Foundation, an entity focused on recovering the food that the companies cannot sell, but which are likely to be distributed and consumed among those people who need them the most.
- Raval Solidari Foundation, which focuses its efforts on improving the urgent needs in the Raval district in Barcelona.
- Mambré Foundation, which endeavours to promote social integration and specifically among the homeless.



As well as the social-related initiatives developed in the corporate arena, each company within the Group in Spain has its own social action initiatives, as well as activities aimed at

helping to develop the local communities where they operate. Below, some of the main social action initiatives run by the national companies in the Group are presented.

EMPOWERING PEOPLE WITH DISABILITIES

Cementos Molins Industrial and PROPAMSA collaborate with the IRIS Foundation, a special local work centre through which they hire the services of people with a certain degree of disability. The collaboration is through hiring gardening services in the company premises with people covered by the Law on the Social Integration of People with Disabilities (LISMI)

In 2016 PROMSA and PRECON together made an economic donation to the Talita Foundation, which works to integrate people with intellectual disability and special education needs (children with Down's Syndrome).



PROMSA

Promsa works with various special work centres and foundations to integrate particularly vulnerable groups. Every year it makes an economic donation to InOut Hostel, a special employment centre which operates as a youth hostel and as a restaurant, and where nearly all the staff are mainly intellectually disabled. It also collaborates with the Femarec Foundation and with CET Tegar, in subcontracting the waste collection and processing service of the production centres in Pallejà and also the disabled personnel, respectively, to carry out the environmental restoration projects in the Garraf quarry. PROPAMSA and Cementos Molins Industrial also collaborate with the Femarec Foundation in collecting and processing waste from the centre in Sant Vicenç dels Horts.

PRECON

Every year PRECON continues to collaborate with special employment centres to provide services, giving preference to associations focusing their effort on the social integration of the disabled and favouring their inclusion in society and the work place. The following collaboration projects are highlighted from 2016:

- With Integra CEE, a special employment centre belonging to CLECE Group, whose raison d'être is to promote the integration of people with physical, psychic or sensory disabilities into the work place.
- With Agua-Integra, with whom we have signed an agreement for managing the distribution of mineral water in all the PRECON work centres.
- With the CISA Foundation, an association of parents and families of people with intellectual and development disabilities. Collaborating through Christmas hampers for the company staff.
- Con InOut Hostel (economic collaboration).

TRAINING AND WORKING OPPORTUNITIES FOR THE YOUNG

Cementos Molins Industrial has agreements with and collaborates with professional education centres, university and research centres, intended to promote cultural, recreational, social initiatives, or scientific research, particularly envisaged for young people. Their premises receive numerous visits from professional schools and universities with technical specialities associated with construction products, in order to bring the business world closer to the world of training. It is particularly worthwhile highlighting the collaboration with the Salesians School in Sant Vicenç dels Horts to hold Professional Training internships for its students (350 hours), as well as incorporating young people for internships in the factory, related to their studies, in the Professional Training scheme, called dual.



PRECON

PRECON has increased the collaboration agreements with the following universities and work foundations to give young university students access and learning opportunities.

- ADEIT (Public University of Valencia).
- University of Valladolid.
- FUNGE (University of Valladolid Foundation).
- FEUGA (University of Santiago Foundation).
- Public University of Lerida.
- University of Seville.

Throughout 2016, a total of 11 young students or students recently qualified in ADE, Industrial Engineering and Industrial Electronic Engineering, have carried out internships at PRECON.

SPORT AS A LEVER FOR FOSTERING TEAM SPIRIT AND SOLIDARITY

At the Cementos Molins Group we take any opportunity to make a positive impact on society. One of the clearest examples is sport. Various companies within the Group use sport as a lever for fostering the values between employees and for helping vulnerable groups. An example is PROMSA, which for years has participated in the Jocs Interempreses; a kind of company Olympics where companies from different sectors compete in a fun way in various sporting trials. The aim is to foster the team spirit and solidarity, since the cost of each enrolment is paid entirely to projects run by charitable entities.



Characteristics of the Sustainability Report

This Sustainability Report has been based on the reporting period of the year 2016. This is the first report that the Cementos Molins Group as a whole has drawn up, as until now only some of our companies prepared their own reports. The idea is to give continuity to this completed financial year and, therefore, draw up an annual report.

As this is our first report, we have chosen the option of conforming with the GRI-G4 Essential Guide. This choice contains the fundamental elements of a sustainability report and establishes the framework in which the organisation communicates its performance and its economic, environmental, social and government impacts. In this same respect, the Group has decided to not verify the report externally.

Below there is an index of the contents of the report which includes all the GRI-G4 indexes.

INDEX OF GRI CONTENTS OF THE SR 2016 OF THE CEMENTOS MOLINS GROUP

General basic contents	Page or content	Omissions
Strategy and analysis		
G4-1 Statement by the organisation's main responsible party	Pag. 3 - Presentation letter.	
Company profile		
G4-3 Name of the organisation	Cementos Molins S.A.	
G4-4 Products and services brands	Pag. 10 - What do we do?	
	Pag. 36 - Our products: a Group focused on sustainable construction	
G4-5 Organisation HQ	Sant Vicenç dels Horts, Carretera Nacional 340, núm. 2 al 38, km. 1.242.300, Barcelona.	
G4-6 Countries where it operates	Pags. 9, 12, 13, 14, 15, 16 and 17 - Geographical vision of the Cementos Molins Group Spain, Mexico, Argentina, Uruguay, Colombia, Bolivia, Tunisia, Bangladesh.	
G4-7 Nature of ownership and legal form	Limited Company. Founded by means of public deed authorised by the Notary Public of Barcelona, Mr. Cruz Usatorre Gracia, on 9 February 1928. Recorded in the Trade Register of Barcelona, sheet B 4224. Tax ID code: A.08.017535.	
G4-8 Served markets		This information is not available for the Group's first Report.
G4-9 Organisation scale	Pag. 4 - Key figures from the year 2016.	
G4-10 Employees by contract, region and gender	Pags. 50, 53, 54 and 55 -Basic indicators of staff composition and people management	
G4-11 Employees under collective agreements	A total of 100% of the people working in the Cementos Molins Group, in every territory where it operates, is under the protection of the collective agreements.	
G4-12 Organisation's supply chain		This information is not available for the Group's first Report.
G4-13 Significant changes in the period covered	Pag. 9. Included in the presentation letter.	

General basic contents	Page or content
Company profile	
G4-14 Principle of precaution	<p>All the companies within the Group apply the principle of precaution in everything referred to developing and introducing new products onto the market, and the constant improvements to existing products, in order to avoid environmental impacts, both in the environment around their premises and in society in general.</p> <p>Also, they are in a constant process of product innovation and reformulation, aimed always at minimising the risks for people, starting with their own workers and ending up with the clients of the products.</p> <p>The task of managing and minimising the risks, associated with the products, is carried out from the R&D areas and technical product documentation during the development and formulating stages, up to the transport area. Here priority is given to the prevention of risks associated with the distribution of products using the various means of transport, and compliance with the safety standard regarding any of them.</p>
G4-3 Economic, environmental or social programs or initiatives	Pags. 78, 79, 80, 81, 82, 83, 84 and 85. - Local communities.
G4-16 National and international associations to which the organisation belongs	<p>EMENTS MOLINS INDUSTRIAL: OFICEMEN (Grouping of cement manufacturers in Spain), IECA (Spanish Institute of Cement and its Applications), CIMENT CATALÀ (Grouping of cement manufacturers in Catalonia), FUNDACIÓN CEMA (Labour Cement and Environment Foundation), AIPN (Industrial Association for clean production), CUADLL (Community of water users in the Vall Baixa and Delta del Llobregat), ANFRE (National association of manufacturers of refractory products, materials and related services), ANFAPA (Association of mortar manufacturers and SATE) and AEM (Spanish maintenance association).</p> <p>PROMSA: Anefhop (Spanish National Association of Prepared Concrete Manufacturers), Aggregates Guild, GRCD (Association of construction and demolition waste managers in Catalonia), TRANSPRIME (Spanish Association of Companies with private goods transport and Large-scale Users of Public Services), AFAM (Association of Mortar Manufacturers), Cluster of advanced materials of Catalonia, group of energy managers PROPAMSA.</p> <p>PRECON: AFTRAV (National Association of Sleeper Manufacturers for Railways), MAFEX (Spanish Railway Association), ANDECE (National Association of cement derivatives).</p> <p>PROPAMSA: Anfapa (National Association of Mortar Manufacturers and SATE), EMO (European Mortar Organisation), Gren Building Council, ACE (Association of Structure Builders), Arfho (Association for Repairing and Protecting Concrete).</p> <p>CEMENTOS AVELLANEDA S.A.: AFCP (Association of Manufacturers of Portland Cement), ICPA (Argentinian Portland Cement Institute), IRAM (Argentinian Standardisation Institute), Argentine Association of Elaborate Concrete, Argentinian Association of Concrete Technology, Argentinian Industrial Union, Spanish Chamber of Commerce, Argentinian Chamber of Construction, FICEM (Inter-American Cement Federation).</p> <p>CEMENTOS ARTIGAS S.A.: Chamber of Industries of Uruguay, Chamber of Construction of Uruguay, FICEM (Inter-American Cement Federation), DERES Uruguay (Business Social Responsibility), UNIT (Uruguay Institute of Technical Standards).</p> <p>CORPORACIÓN MOCTEZUMA: UNAM Foundation and Coparmex (Employer Confederation of the Mexican Republic).</p> <p>SOTACIB: National Chamber of Cement Producers, National Committee of Monitoring the quality of INNORPI cements, UTICA (Tunisian Union of Industry, Commerce and Crafts) and Arabian Union of cement and construction materials.</p>
G4-21 Limit of each material aspect outside the organisation	Pags. 33, 34 and 35 - Analysis of materiality.
G4-22 Change in the information regarding previous reports and causes	First Sustainability Report by the Cementos Molins Group, and so there are no changes.
G4-23 Significant change in scope and coverage regarding previous reports	First Sustainability Report by the Cementos Molins Group, and so there are no changes.

General basic contents		Page or content	Omissions
Participation by interest groups			
G-24	Interest groups	Pag. 32 - Main interest groups.	
G-25	Bases for identifying the IG	Pag. 32 - Main interest groups.	
G-26	Bringing the organisation closer to the IG	Pag. 32 - Main interest groups. Pag. 80 - Sustainability Commission at the Cementos Molins Industrial.	
G-27	Issues and key difficulties arising from the link to the IG.	Pag. 32 - Main interest groups.	
Government			
G4-34	Government structure	Pags. 20 and 21 - Corporate government.	
Ethics and integrity			
G4-56	The organisation's values, principles, standards and rules	Pags. 22 and 23 - Principles of corporate government in the Cementos Molins Group.	
Material aspects and coverage			
G4-17	Entities that appear in the financial statements and not included	Pags. 12 and 13 - Geographical vision of the Cementos Molins Group.	
G4-18	Process to define the content	Pags. 33, 34 and 35 - Analysis of materiality.	
G4-19	Identified material aspects	Pag. 33 - Analysis of materiality.	
G4-20	Coverage of every material aspect within the organisation	All the material aspects featured on pag. 31, are materials for all the companies in the Group. Page. 34 and 35 - Material issues matrix-, you can appreciate the importance and status of each of the 26 material issues.	
G4-21	Limit of each material aspect outside the organisation	Pag. 33 - Analysis of materiality.	
G4-22	Change in the information regarding previous reports and causes	First Sustainability Report by the Cementos Molins Group, and so there are no changes.	
G4-23	Significant change in scope and coverage regarding previous reports	First Sustainability Report by the Cementos Molins Group, and so there are no changes.	
Category: Economy			
Appearance: Economic performance			
G4-DMA	Information on the management focus	Pag. 16 - Main economic parameters.	
G4-EC1	Direct economic value generated and distributed	Pags. 16 and 17 - Main economic parameters.	
G4-EC9	Expenses percentage in places with significant operations, which corresponds to local suppliers.		This information is not available for the Group's first Report.

General basic contents	Page or content	Omissions
Category: Environment		
Appearance: Materials		
G4-DMA	Information on the management focus	Pags. 68 and 69 - Material consumption.
G4-EN1	Materials by weight or volume	Pag. 68 - Material consumption. Table: raw material consumption.
G4-EN2	Percentage of the materials used that are recycled materials	Pags. 68 and 69 - Material consumption.
Appearance: Energy		
G4-DMA	Information on the management focus	Pags. 63, 64, 66 and 67 - Fuel consumption.
G4-EN3	Internal energy consumption	Pags. 63, 64, 66 and 67 - Fuel consumption.
Appearance: Water		
G4-DMA	Information on the management focus	Pag. 69 - Water consumption.
G4-EN8	Total water catchment according to the source	Pag. 69 - Water consumption.
Appearance: Biodiversity		
G4-DMA	Information on the management focus	Pags. 76 and 77 - Other environment sustainability initiatives.
G4-EN13	Protected or restored habitats	Pags. 76 and 77 - Other environment sustainability initiatives.
Category: Environment		
Aspect: Emissions		
G4-DMA	Information on the management focus	Pags. 72, 73 and 74 - Fight against climate change and control of emissions.
G4-EN15	Direct greenhouse gas emissions (scope 1)	Pags. 72 and 73.
G4-EN21	NOx, SOx and other significant atmospheric emissions	Pag. 74.
Aspect: Effluents and waste		
G4-DMA	Information on the management focus	Pag. 70 - Generation of waste.
G4-EN23	Total weight of the waste, according to type and processing method	Pag. 70 - Generation of waste.
Aspect: Regulatory compliance		
G4-DMA	Information on the management focus	Pags. 60 and 61 - A growth strategy that is also environmentally friendly.
G4-EN29	Monetary value of the significant fines and number of non-monetary sanctions for not complying with environmental law and standards.	Pag. 60. - The companies in the Cementos Molins Group have not received any fines or sanctions for failing to comply with the law and environmental standards during 2016.
Aspect: General		
G4-DMA	Information on the management focus	Pags. 60 and 61 - A growth strategy that is also environmentally friendly.
G4-EN31	Breakdown of the environment expenses and investments	Pags. 60 and 61 - A growth strategy that is also environmentally friendly.
Category: Social performance		
Subcategory: Working practices and decent work		
Aspect: Employment		
G4-DMA	Information on the management focus	Pag. 50 - Basic indicators of staff composition and people management.

General basic contents		Page or content	Omissions
G4-LA1	Number and rate of hirings and average staff turnover, broken down by age group, gender and region.	Pags. 50 and 54 - Basic indicators of staff composition and people management. Index of total contracting.	The rotation data from all the Group companies is not available. Collecting data from all the Group companies for future reports.
Aspect: Relations between workers and management			
G4-DMA	Information on the management focus	Pag. 48 - A model based on the professional development of our collaborators.	
G4-LA4	Minimum prenotification terms for operational changes and the possible inclusion of these in collective agreements.	<p>Pag. 50 - Basic indicators of staff composition and people management.</p> <p>As for the prenotification period for operational changes, it is the same for all the Spanish companies and is set at 2 weeks according to the workers statutes.</p> <p>As for the foreign firms and companies within the Cementos Molins Group, Cementos Artigas and Cementos Avellaneda have a collective agreement which establishes a pre-notification period of 72 and 48 hours respectively, in spite of which both companies have established a four-week pre-notification period. A similar case is that of Surma Cement which, although no prenotification period is mentioned in its collective agreement, has established one of four weeks.</p> <p>So, although there is some variation between companies, the Group's general tone is to deal with those situations where forced changes occur in the organisation, as well as possible; providing a reasonable time for transition.</p>	
MM-4	Number of strikes and forced stops lasting more than one week, per country.	There were no significant strikes in any company in the Group, except in Sotacib Kairouan. The total sales of Sotacib Kairouan fell approximately 9.7% in 2016, with respect to 2015, mainly due to the 1.5 months strike, an incident which was resolved in January 2017. So, in Kairouan there was a strike for more than four weeks.	
Aspect: Health and Safety at work			
G4-DMA	Information on the management focus	Pags. 56, 57 and 58 - Prevention of risks at work, Health and Safety at work.	
G4-LA5	Percentage of workers that is represented in combined formal health and safety committees for management and employees, set up to help control and advise on programs on Health and Safety at work	<p>Pag. 58 - Prevention of risks at work, Health and Safety at work.</p> <p>The percentage of workers that is represented in formal health and safety committees throughout the Group is 82%.</p>	
Aspect: Training and education			
G4-DMA	Information on the management focus	Pag. 48 - A model based on the professional development of our collaborators.	
G4-LA9	Average annual training hours per employee, broken down according to gender and job category	Pag. 55. Hours of training in the Cementos Molins Group.	
Aspect: Diversity and equal opportunities			
G4-EN3	Information on the management focus	Pags. 50 and 52. Basic indicators of staff composition and people management.	

General basic contents		Page or content
G4-LA12	Composition of the government bodies and breakdown of the staff by professional category and gender, age, minority status and other diversity indicators	Pags. 50 and 52. Basic indicators of staff composition and people management.
Aspect: Equal remuneration between women and men		
G4-DMA	Information on the management focus	Pag. 52.
G4-LA13	Relation between men's base salary with respect to women's, broken down by professional category and according to significant activity locations	Pag. 50.
Subcategory: Human Rights		
Aspect: Freedom of association and collective bargaining		
G4-DMA	Information on the management focus	Pag. 48 - A model based on the professional development of our collaborators.
G4-HR4	Identifying centres and significant suppliers where the freedom of association and the right to belong to collective agreements can be infringed or threatened, and measures taken to defend these rights	There is no evidence that there is any significant Group centre or supplier where the freedom of association and the right to belong to collective agreements can be infringed or threatened. All the companies within the Group recognise and respect the workers' rights to the freedom of association.
Subcategory: Human Rights		
Aspect: Rights of the indigenous population		
G4-DMA	Information on the management focus	Pag. 79 - Local communities.
G4-HR8	Number of cases involving the infringement of the rights of indigenous villages and measures adopted	We have no record of any violated rights in the indigenous villages where we run our operations.
MM-5	Number of operations run in areas or adjacent to territories with an indigenous population, and number and percentage of operations or places with formal agreements with the local indigenous communities	Pags. 79, 80 and 81. Initiatives for developing the community - India. The Group's only case where operations are run in territories with an indigenous population is in Lafarge Umiam Mining, which is located in India. There are precisely two operations that are developed in areas considered to be adjacent to territories with indigenous population, and in both cases formal agreements exist with said communities. In fact, the company is developing initiatives which go beyond simple agreements, in order to generate added value for these communities through different activities.
Subcategory: Company		
Aspect: Regulatory compliance		
G4-DMA	Information on the management focus	Pag. 48 - A model based on the professional development of our collaborators.
G4-SO8	Monetary value of the significant fines and number of non-monetary sanctions for not complying with environmental law and standards	The companies in the Cementos Molins Group have not received any fines or sanctions for failing to comply with the environmental law and standards during 2016.
Specific sectorial appearance: Closure plans		
G4-DMA	Information on the management focus	Pags. 76 and 77 - Other environment sustainability initiatives.
MM-10	Number and percentage of holdings with closure plans	Pags. 76 and 77 - Other environment sustainability initiatives.
Subcategory: Responsibility over products		
Aspect: Labelling of the products and services		
G4-DMA	Information on the management focus	Pags. 40 and 41 - The quality of our products and services and their certifications.
G4-PR3	Type of information that the organisation's procedures require regarding the information and the labelling of its products and services, and percentage of important product and service categories that are subject to these requirements	Pags. 40 and 41 - The quality of our products and services and their certifications.

General basic contents		Page or content
G4-PR5	Results of the surveys to measure the client satisfaction	Pag. 42 - Client satisfaction.
Aspect: Regulatory compliance		
G4-DMA	Information on the management focus	Pags. 40 and 41 - The quality of our products and services and their certifications.
G4-PR9	Monetary value of the significant fines resulting from not observing the standard regarding supplying and using products and services	The companies in the Cementos Molins Group have not received any fines or sanctions for failing to comply with the environmental law and standards during 2016.

Acronyms

Acronym	Meaning
CAC	Calcium aluminat cement
CMI	Cementos Molins Industrial
GCM	Cementos Molins Group
GRI	Global Reporting Initiative
LUMPL	Lafarge Umiam Mining Private Ltd
ELT	End of Life Tyres
PRECON	Prefabricados y contratas
PROMSA	Promotora mediterránea
RSC	Responsabilidad Social Corporativa
SOTACIB	Société Tuniso-Andalouse de Ciment Blanc
UEPG	Union Européenne des Producteurs de Granulats









Complete Sustainability Report
at the following web address:

www.cemolins.es