

Sustainability
Report

2017



**CEMENTOS
MOLINS**





Cementos Molins Group
Sustainability Report



Cementos Molins Group
Sustainability Report

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Message from the Chief Executive Officer

The second edition of our Sustainability report is an exercise in which we have expanded the work carried out in the first one, strengthening our commitment to transparency and improving the learning associated with the process of presenting economic, environmental, social and good governance accounts.

2017 has been the first year applying the Non-Financial and Diversity Information Directive, which has required incorporating environmental and social indicators into the management report for the Group's individual and consolidated annual accounts. Thanks to the work carried out by the entire team and to the processes we have implemented throughout the last year, we have managed to comply with these legal requirements in time and format.

The activities of the sustainability committee in Spain or the work commissions in Colombia, Bolivia and mostly in all regions where we have productive plants enable incorporating the expectations of the interest groups most closely linked to the local communities; thus, it is possible to set up formal cooperation agreements with these communities to ensure that the social license is preserved and developed.

The global growth of our company throughout 2017 has logically brought an increase of materials and energy consumption... though, similarly, the new technologies included for alternative energy consumption, such as biomass and other waste, have meant improving the energy replacement rate in some of the countries where we operate. Moreover, thanks to the efficiency and new technologies plans, we have reduced atmospheric emissions and we are continuing with the work on restoring the natural habitats of inactive operations, with special attention to the bond with the local communities.

Additionally, and as an important element of our strategy, we will keep on working to enhance the synergies resulting from the implementation of circular economy processes.

Furthermore, thanks to the commitment of the entire team and the action plans for occupational health and safety, we have significantly reduced the accident rates; also, the training and awareness campaigns, both in occupational risk prevention and other areas, have helped the professional development of the Group's 4,584 employees, by increasing the total number of hours given and the also the training investment in comparison with the previous year.

This all means that it has been possible to improve the satisfaction level of the clients we work with, thus increasing cooperation needed to provide a response to the economic, environmental and social challenges the sector faces.

Urban development and population growth will require more and better infrastructures, which in turn demands having more efficient solutions in terms of environmental, social and also economic performance. This is our commitment!

I invite you to have a look at the contents of this report, to the rest of the corporate publications, and send us any comments you consider relevant to continue improving.



Julio Rodríguez
Chief Executive Officer

Summary of performance 2017

Activity



116

Total number of plants



33

Total number of active holdings



645.5

Turnover (millions of euros)



9

Countries with industrial presence



Barometer of sustainability

2016



6.2

2017

Variation 3.7%

6.4

Economic performance



>3.8

Client satisfaction index in all countries (scale out of 5)



51

Number of facilities certified with ISO 9001



4,424

Number of main suppliers



80.7%

Volume of purchases from local suppliers

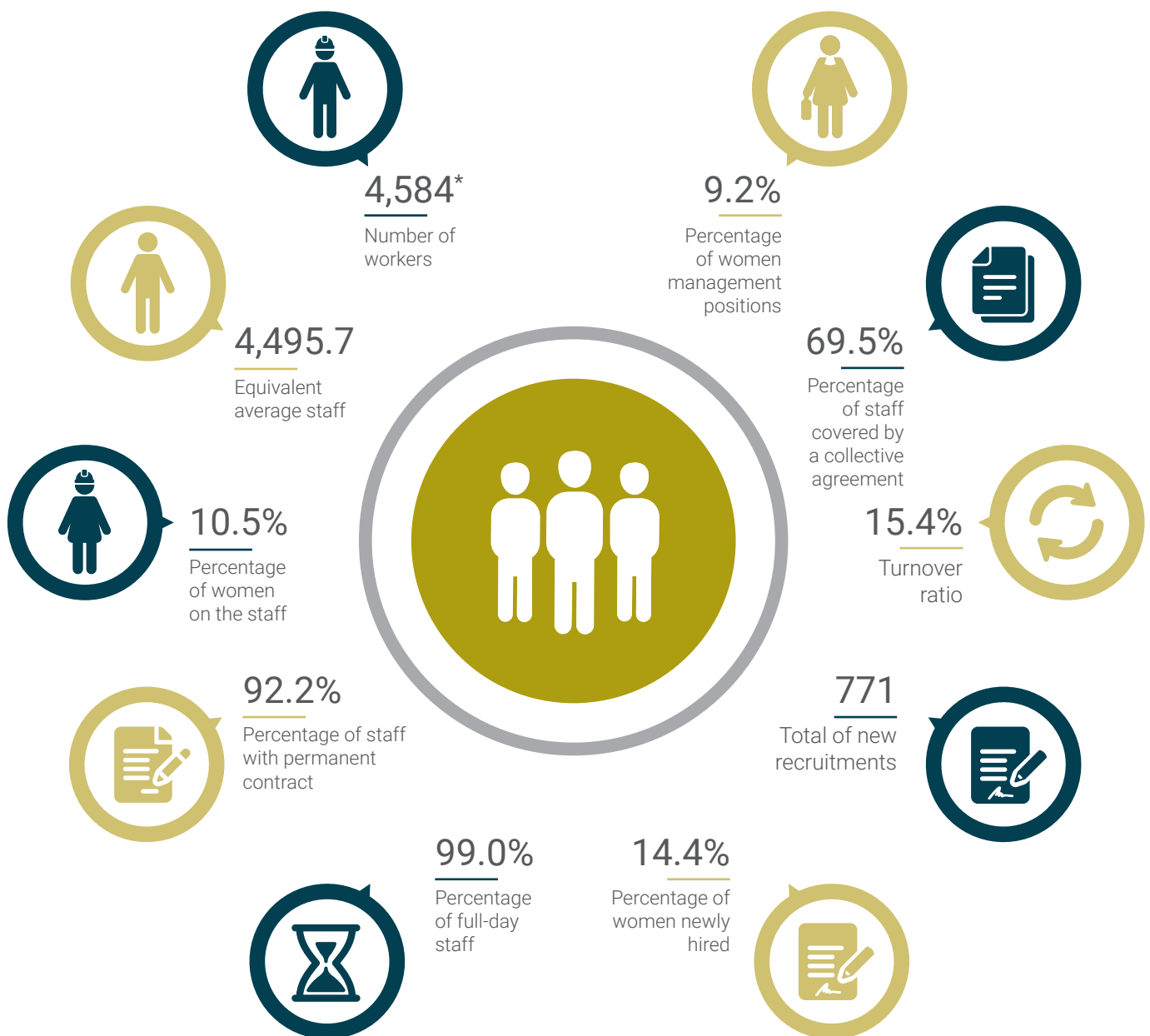


82.5%

Distributed economic value

Social performance

Staff



* PRECON Linyi employees are not included

Occupational training and development

187,237

Total hours training

1,345,543

Investment in training (€)

46.6

Average hours training per person



Occupational health and safety

7.4

Frequency index

15.3

Incidence index

0.4

Severity index

3

Number of facilities with OHSAS 18001 certification

0

Number of occupational accidents (women)

71

Number of occupational accidents (total)

4

Number of people who died

80.9%

Percentage of direct staff covered by Health and Safety Committee

Commitment with the community



880,967 €
Contributions made

Environmental performance

The Group's environmental management

ENVIRONMENTAL
EXPENSES
€

3,634,315

Variation

+11.9% ↑

ENVIRONMENTAL
INVESTMENTS
€

1,832,243

Variation

-67.6% ↓

NUMBER OF
FACILITIES
CERTIFIED WITH ISO 14001

24

Variation

+50.0% ↑



Consumption of natural resources and climate change



Material consumption

**TOTAL MATERIAL
CONSUMPTION**
(t)

36,127,511

Variation
+11.8%

**PERCENTAGE OF
RECYCLED MATERIALS**

1.3%

Variation
-10.1%



Water consumption

**TOTAL
WATER CONSUMPTION**
(m³)

3,809,140

Variation
+2.6%

**PERCENTAGE OF WATER
REUSED OVER TOTAL**

8.2%

Variation
-14.9%

**WATER CONSUMPTION
WITH REGARD TO TURNOVER**
(m³/€ MILLION)

5,900.9

Variation
-10.6%



Climate change

**CO₂ EMISSIONS
TOTALS**
(t)

10,258,773

Variation
+9.2%

**CO₂ EMISSIONS WITH REGARD
TO PRODUCTION**
(Kg of CO₂ / t CEMENTING)

632.8

Variation
+1.6%

**CO₂ EMISSIONS WITH REGARD
TO TURNOVER**
(Kg of CO₂ / €)

15.9

Variation
-5.0%

Energy consumption

TOTAL CONSUMPTION OF FUELS (GJ)

45,359,229

Variation

+14.8% 

CONSUMPTION OF FUELS ACCORDING TO TURNOVER (GJ/MILLION €)

70.3

Variation

-0.2% 

GLOBAL ENERGY REPLACEMENT RATE

5.8%

Variation

8.8% 

PERCENTAGE OF RENEWABLE ENERGIES

3.1%

Variation

+28.8% 

PERCENTAGE OF ALTERNATIVE FUELS

2.8%

Variation

+20.7% 

ELECTRICITY CONSUMPTION (GWH)

1,428

Variation

+8.0% 

ELECTRICITY CONSUMPTION/ TURNOVER (MWH/MILLION €)

2,212

Variation

-6.1% 

Waste and Circular Economy

TOTAL GENERATION
OF WASTE
(t)

224,539

Variation

-7.0% ↓

PERCENTAGE OF
NON-HAZARDOUS WASTE

99.8%

Variation

-6.6% ↓

PERCENTAGE OF
REUSED WASTE

6.9%

Variation

-28.9% ↓

PERCENTAGE OF
RECYCLED WASTE

30.9%

Variation

+22.6% ↑

GENERATING
WASTE WATER
(m³)

711,765

Variation

+13.7% ↑

Concrete plant,
Spain.



Quality of the air

**TOTAL NO_x
EMISSIONS**
(Kg)

32,397,699

Variation

+14.0% 

**TOTAL SO_x
EMISSIONS**
(Kg)

998,265


Variation

-27.5% 

**TOTAL EMISSIONS
OF PM**
(Kg)

1,001,550


Variation

+0.2% 

**NO_x EMISSIONS WITH REGARD
TO PRODUCTION**
(Kg NO_x/t CLINKER)

2,567.9


Variation

+3.1% 

**SO_x EMISSIONS WITH REGARD
TO PRODUCTION**
(Kg SO_x/t CLINKER)

79.1

Variation

-34.4% 

**PM EMISSION WITH REGARD
TO PRODUCTION**
(Kg PM/t CLINKER)

79.4

Variation

-9.3% 



The organisation's activity and management

Cementos Molins is one of the most important companies in the cement industry in Spain. With nearly 90 years' experience, it has moved on from being a family company specialised in quarry

operation, to becoming a business Group, also family-based, operating on 4 continents. Europe, Africa, Asia and America.

Industrial presence

9

countries

116

plants

33

active quarries

Turnover

645.5

millions of euros

Sustainability Barometer

6.4

+3.7%



Ciment Plant,
Argentina.

Activity and geographical presence

The organisation's activity focuses on manufacturing, distributing and selling cement, concrete, mortars, aggregates, limestone and concrete prefabricates, mainly in Spain, Argentina, Mexico, Uruguay, Bangladesh, Tunisia, Bolivia and Colombia.

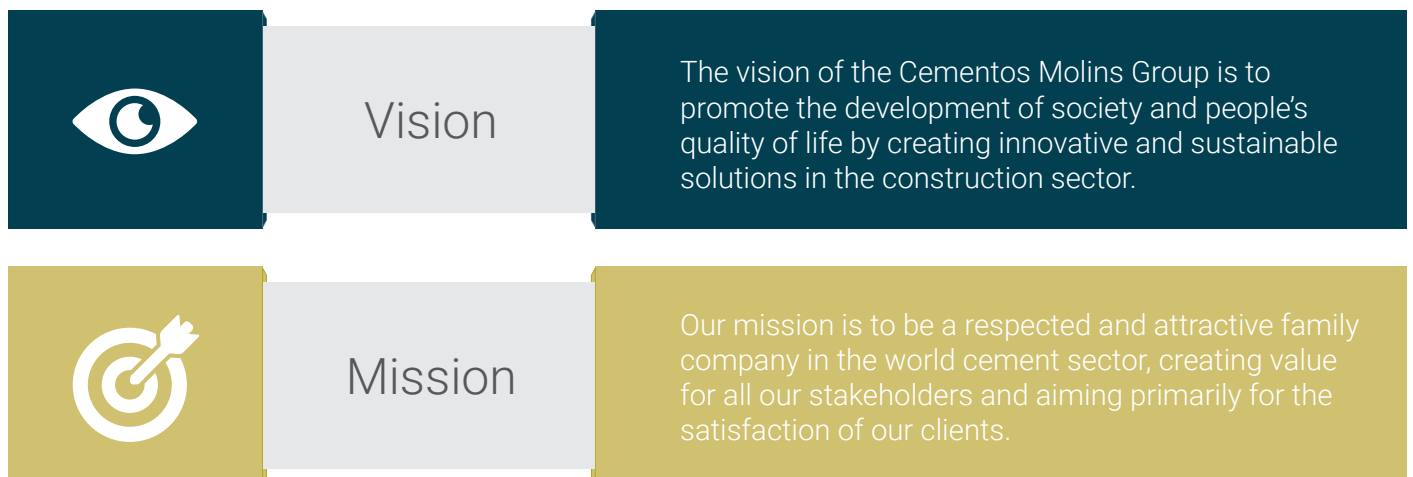
Founded in 1928 by Mr. Juan Molins Parera, with exploiting quarries and making limestone and natural cement in Pallejà, Vallirana and Sant Vicenç dels Horts, in the 80s it began to expand and diversify, and consequently became a matrix of an extensive group of both national and international companies.



In Spain, the diversification of the Cementos Molins Group has also developed in terms of the product, through companies Cementos Molins Industrial, Promotora Mediterránea-2 (PROMSA), Prefabricaciones y Contratas (PRECON) and Propamsa, all part of the Cementos Molins Group. It has extended its activity into concrete, aggregates, concrete prefabricates, special mortars, adhesive cement and ecomaterials.

At present, the Cementos Molins Group is made up of a set of companies operating and producing in 9 countries and a total of 116 plants and 33 active operations, which produce and distribute a wide range of products and services to satisfy the needs of a diverse group of clients in projects for buildings, public works and railway lines. It also has two port terminals located in Spain and Tunisia for directly loading products on ships in the industrial sector.

Mission and Vision







Group Values





A global vision of the Cementos Molins Group

	Annual production capacity (millions of tonnes of cement)		Turnover 2017 (proportional distribution)
	Direct staff 2017 (staff on 31 December)		CO ₂ emissions 2017 (millions of tonnes, cement activity, scopes 1 and 2)

Mexico

Facilities

Cement (**3 plants**)
Concrete (**33 plants**)
Extraction (**15 active quarries**)

Products

Cement
Concrete and aggregates



8



30%



1,103



4.58

Colombia

Facilities

Cement
(**1 plant under construction**)

Products

Cement



1.3





21



Argentina

Facilities

Cement (**2 plants**)
Concrete (**7 plants**)
Extraction (**2 active quarries**)
Mortar (**1 plant**)
Limestone (**1 plant**)

Products

Cement
Concrete and aggregates
Mortars and special products
Limestone



2.9



23%



750



1.66

Bolivia

Facilities

Cement (**1 plant**)
Extraction (**1 active quarry**)

Products

Cement



0.9



2%



221



0.34

Uruguay

Facilities

Cement (**1 plant**)
Mill (**1 plant**)
Concrete (**8 plants**)
Extraction (**1 active quarry**)
Mortar (**1 plant**)

Products

Cement
Concrete and aggregates
Mortars and special products



0.6



4%



215



0.35



Spain

Tunisia

Bangladesh

India

Spain

Facilities

Cement (**1 plant**)
 Concrete (**21 plants**)
 Extraction (**8 active quarries**)
 Precast (**10 plants**)
 Mortar (**7 plants**)
 Environment (**7 plants**)

Products

Cement
 Concrete and aggregates
 Prefabricate
 Mortars and special products



1.7



31%



1,220



1.05

Tunisia

Facilities

Cement (**2 plants**)
 Extraction (**5 active quarries**)

Products

Cement



2.2



6%



532



1.24

Bangladesh / India*

Facilities

Cement (**1 plant**)
 Extraction (**1 active quarry**)

Cement

(*) The indicators have been added to the production activity in Bangladesh



1.7



4%



522



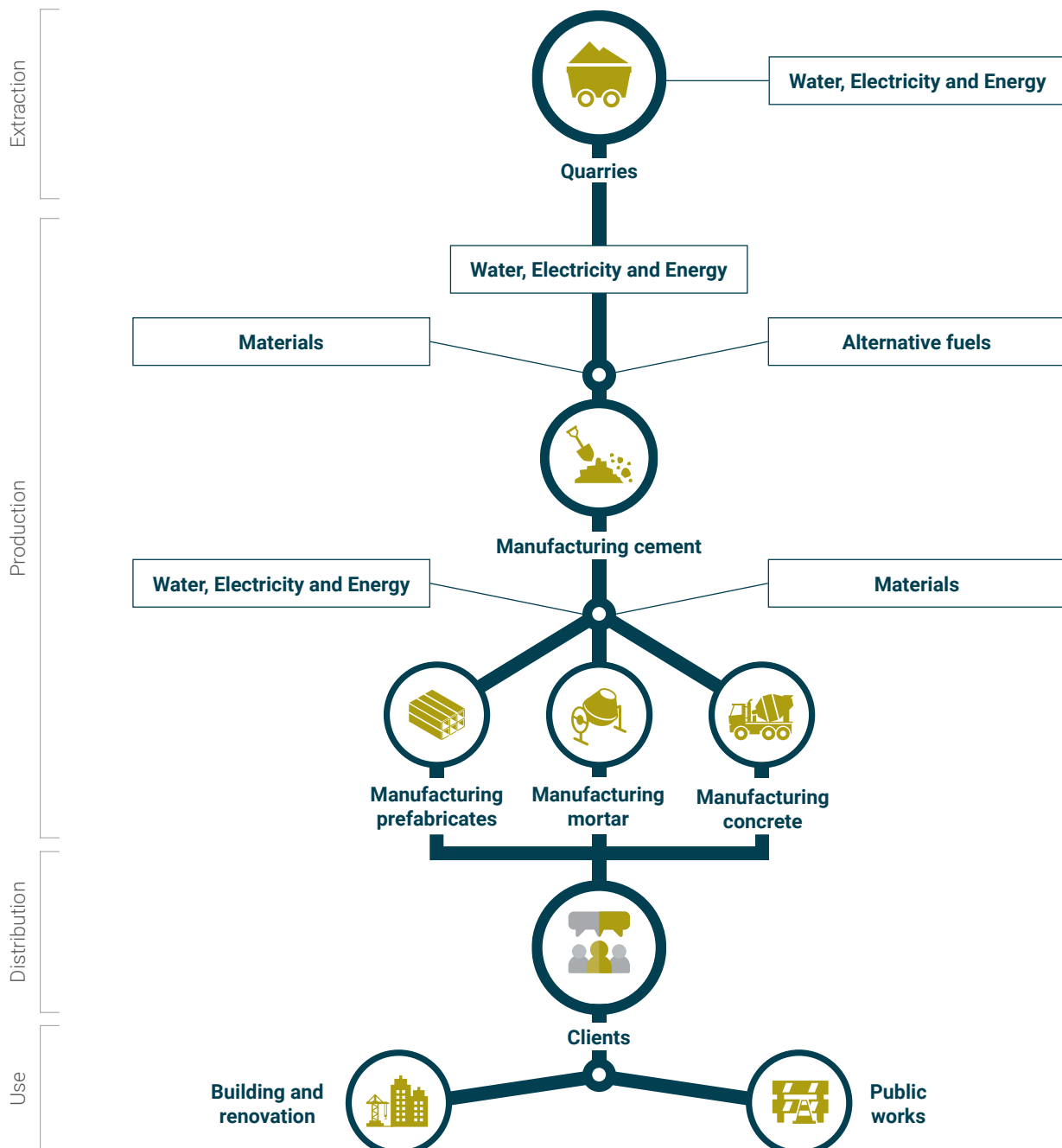
1.02

Value chain, stakeholders and materiality

Value chain

The organisation's value chain is highly complex, due to the differences between the production processes and activities forming small life cycles

within a higher life cycle. The following diagram summarises the different stages of the life cycle of the organisation's activity and value chain.



In this respect, an exercise has been carried out to describe and formalise the life cycle of the Group's activity and value chain, considering all the main activities. Initially, the economic, environmental, social and good governance aspects with significant effects have been identified, generally:

1. Extraction:

The extraction of aggregates is a secondary activity linked to the organisation's productive activities, and which is considered together with the production activity. However, it is important to separate it since the effects and activity indicators for measuring the ecoefficiency of the process are different from the rest. This stage is generally within the boundaries of the organisation, although in some cases operating the extraction facilities is subcontracted, whereby the involvement of direct suppliers can be high.

The most significant effects include the possible loss of biodiversity, soil contamination, dust generation and the direct implications on the local community caused by the transport, and the greenhouse gas and particle emissions and the depletion of non-renewable resources, as well as the consumption of raw materials and natural

resources such as water. The occupational health and safety sector, as well as aspects of public policy and relations with society, are also notable.

2. Production:

The organisation's main product is cement, which is in turn raw material for manufacturing other products like concrete, mortar and construction materials and prefabricates. To produce cement, besides the stone extracted, since the heat and electric energy needed to produce cement is very high to add the consumption of energy and water is a must. If the production process is dry, water consumption is considerably less.

So, the main effects are associated with energy and water consumption, atmospheric pollution and the greenhouse gas emissions, the heat and generated dust. We can also consider the effects on the closest local communities, the soil contamination caused by generating waste and dump sites, the noise, the potential injuries and specific illnesses linked to the job posts in some specific stages of the production process and the more direct effects of production on the closest local communities.

View from the
lookout of the
quarry.



The whole production process is within the organisation's boundaries. It is advisable to consider that, in the country where the Group's participation is not complete, in many cases management is shared with the collaborating partners involved.

3. Distribution:

The product distribution is a key aspect, where the organisation is involved directly and also the various suppliers, which in this stage participate with greater intensity. Most of the distribution is carried out using land transport and, to a lesser degree, maritime transport.

The main effects are associated with energy consumption and greenhouse gas and particle emissions, and the direct effect on local communities and road safety.

4. Use:

Considering that concrete is the world's second most consumed material after water, using a material like this is very diverse, and so its direct effects are broad and complex.

Buildings and renovations, and public works, are the main uses of concrete and the remaining products sold by the organisation. These effects or impacts take place outside the organisation's boundaries and their action is long-term, which adds a certain degree of complexity to managing them.

In addition to these specific impacts, we have to add the transverse effects at all stages, such as generating stable employment, the direct and indirect economic contribution (for example, the development of all kinds of public infrastructures), the energetic assessment of waste and enhancing products that reduce the environmental and social impacts of buildings and infrastructures.

We have to continue working to identify the specific impacts gleaned from the formal consultation with the stakeholders, and to prioritise the aspects that allow us to update the materiality analysis and draw up the Group's value chain and material aspects.



Concrete plant,
Mexico.

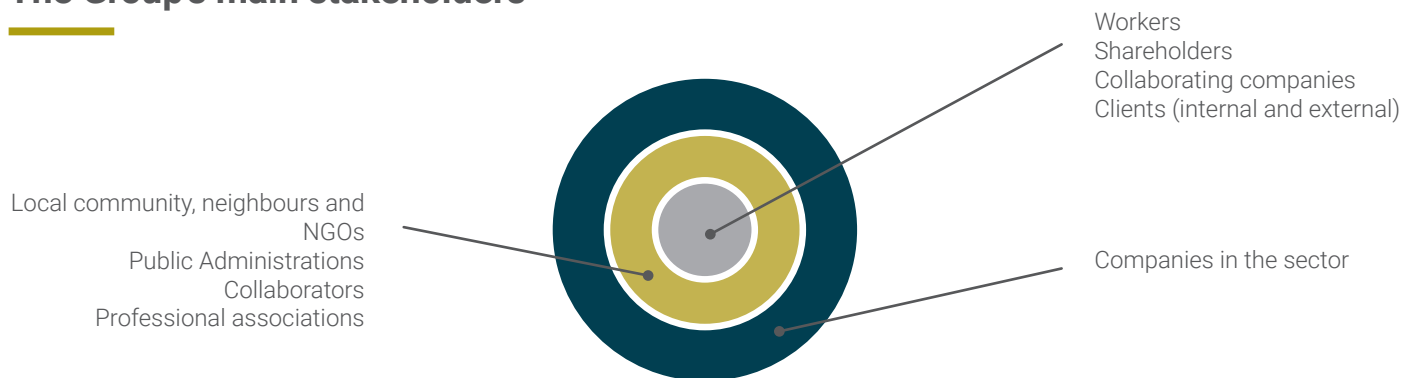
Stakeholders

During 2017 we have worked to update the Group's stakeholders map, according to the work completed to date and its extended scope, and to include the requirements of the main international standards. The various levels of relation, dependence and influence between both parties have been taken into consideration, as well as the various communication channels in existence, the

expectations and the extent to which each interest group is involved.

Also, the new policy on relations with the stakeholders has been approved, and it is available on the organisation's web page. Its main aims include transparency, accountability and establishing long-term relations.

The Group's main stakeholders



Quarry El Garraf,
Spain.

Relation mechanisms with the stakeholders

	Dialogue channels	Actions
Workers		
	<ul style="list-style-type: none"> • Performance assessment • Compensation • Intranet and e-mail • Complaints and suggestions box • Boards • Newsletter • Posters to promote values • Annual sustainability report • Quarterly results meeting for employees • Ethical Code • Anonymous reports of code violations • Group's annual meeting 	<p>The performance assessment and the valuation of the degree of satisfaction as the main tools for getting to know, motivate and involve the workers.</p> <p>Specific training in occupational risk prevention to achieve the "zero damage to people" target.</p>
Trade Unions and RLT		
	<ul style="list-style-type: none"> • Company committee • Health and safety committee • Environmental information committee • Factory committees 	Fluid communication.
Shareholders		
	<ul style="list-style-type: none"> • Regular meetings • Quarterly financial reports • Annual activity and sustainability report • General Meeting of Shareholders • Web page 	Timely, detailed and verified financial and non-financial information, to understand the Group's progress and its performance.
Collaborating and supplier companies		
	<ul style="list-style-type: none"> • Initial training in specific cases and direct communication • Surveys for approval based on quality/price criteria, and sometimes environmental criteria 	<p>Training and communication for involving them in the business targets, commitments and values.</p> <p>Supplier assessment and approval according to quality and price criteria, including some environmental criteria.</p>
Internal clients		
	<ul style="list-style-type: none"> • Group's annual meeting • Informative quarterly meetings • Intranet and edition of corporate and companies Newsletter • Notice boards 	<p>Actions to understand client needs and expectations.</p> <p>Involving the purchase management departments and the corporation.</p>

Dialogue channels	Actions
External clients	
<ul style="list-style-type: none"> • Telephone (switchboard and customer service) • Web page and social networks • App • Catalogue of products and services • Sector magazines • Visits by the commercial department • Trade fairs, conferences and workshops • Satisfaction surveys • Client visits to the factories • Guilds and sector associations 	<p>Actions to understand client needs and expectations.</p> <p>Systematisation of the production processes to guarantee the maximum quality of the products and services.</p> <p>Assessment of the satisfaction.</p>
Professional associations in the sector	
<ul style="list-style-type: none"> • Participation with members • Meetings • Events 	<p>Active participation in the various initiatives for improving the sector.</p>
Local community, neighbours and NGOs	
<ul style="list-style-type: none"> • Sustainability committee • Visits to the facilities • Telephone and web • External communication service • Quarry environmental disclosure workshop and projects, and other local committees 	<p>Fluid communication with the local community and neighbours. Training and empowering projects particularly in depressed regions, favouring local employability. Construction of facilities and services.</p>
Public administration	
<ul style="list-style-type: none"> • Sustainability committee • Visits to the facilities • Telephone and web • Notifying Town Halls of accidents • Workshops • Cooperation agreement • Requests through the administrative channel • Guilds • Direct relation with Management as institutional relations manager 	<p>Cooperation with local administrations. Fluid communication with governments and regulatory bodies.</p>
Collaborators	
<ul style="list-style-type: none"> • They are not formally established 	<p>Collaboration with universities and research centres to innovate products, minimise the negative impacts and use the best technologies available.</p>
Companies in the sector	
<ul style="list-style-type: none"> • By participating in guilds and associations in the sector 	<p>Active participation in the various initiatives for improving the sector.</p>

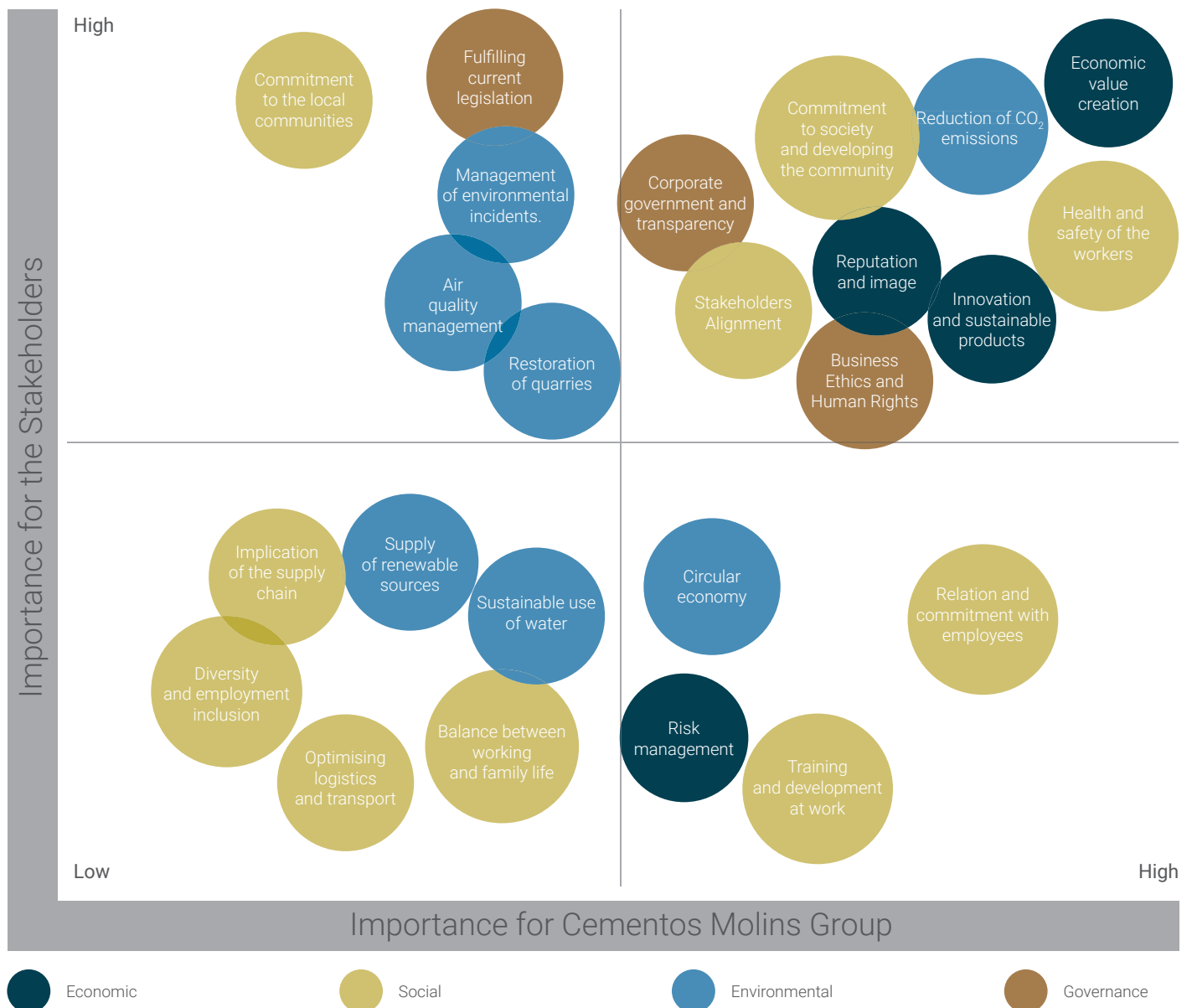
Materiality analysis

The materiality analysis, in other words the analysis of the more relevant and priority items for the organisation and its stakeholders, allows us to focus our efforts on managing the economic, environmental, social and good governance aspects and this maximises the organisation's contribution to sustainable development. In 2015

the organisation's first materiality analysis was conducted, and its update and scope extension are envisaged for the next financial year (2018).

The identified material topics are shown in the materiality matrix, and they are the basis for drawing up this report.

Materiality Matrix



Organisational structure and governance model

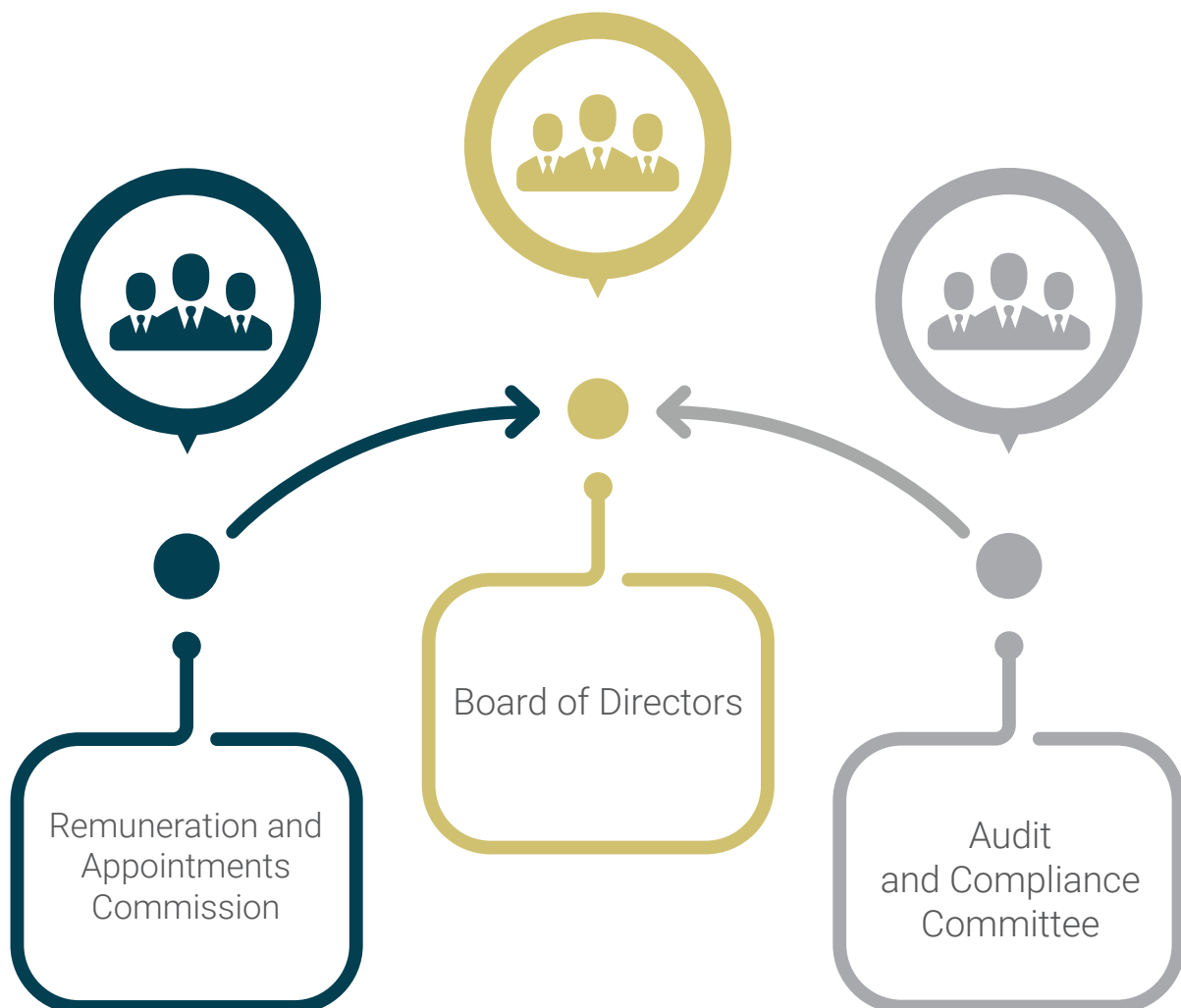
During 2017 we have worked to systematise and formalise our organisational commitments in the areas of good governance and compliance.

So, a total of 28 corporate policies have been approved, directly associated with material aspects identified in a preliminary step, and linked to aspects of corporate governance and compliance, risks and social liability. Part of the policies are for public disclosure and can be found on the Group's website.

Each of the approved policies has been deployed internally through specific protocols and follow-

up mechanisms, adapted to each situation according to its importance and complexity. We plan to continue working in this respect during the next financial year, so as to consolidate the deployment of the implemented tools and extend them to the other countries where the organisation operates.

Along these same lines, we have gradually incorporated aspects associated with complying with the internal standard in the contracts drawn up with suppliers. Also, a start has been made on revising significant contracts, both medium and long term, as their clauses advised immediate revision.



Also, the code of conduct has been revised and updated, and a specific communication mechanism in Spain has been drawn up, which includes accrediting the reception and knowledge of the code by all the workers. During the next financial year we envisage continuing with the specific training for workers in various competences associated with the code of conduct and the existing policies in good governance and compliance.

The Ethics and Compliance Committee informs the Audit and Follow-up Commission of the implementation of the code of conduct and the procedures and protocols established in relation to the various policies. This is the party responsible for supervising and implementing the Crime Prevention Model associated with the crime prevention policy and anti-fraud.

The annual publication of the Corporate Governance Report, and the Activity Report, contain detailed information on the actions developed in good governance and compliance issues.

The Ethics and Compliance Committee informs the Audit and Follow-up Commission of the implementation of the code of conduct and the procedures and protocols established in relation to the various policies. This is the party responsible for supervising and implementing the Crime Prevention Model associated with the crime prevention policy and anti-fraud.

The annual publication of the Corporate Governance Report, and the Activity Report, contain detailed information on the actions developed in good governance and compliance issues.

Ciment Plant,
Mexico



Strategic plan and CSR

After conducting the materiality analysis, in 2016 the CSR and Sustainability Policy was formalised, which establishes four priority axes of action, with a total of 15 priorities focused on maximising the organisation's contribution to sustainable development.

Priority axes in the CSR and sustainability policy



The development of the organisation's Strategic Plan considers together the actions related to managing CSR and sustainability aspects, although it is worth continuing to work on formalising the overall aims linked to updating the materiality analysis and the systematisation of the actions, under a common action plan for the whole Group.

Implementing formal management systems in the various companies within the Group is one of the

tools used to deploy the commitments established in the CSR and sustainability policy. Standards ISO 9001 and ISO 14001 stand out in the areas of quality and environment, and also standard OHSAS 18001 for managing the activity's occupational risks. A total of 51 plants have the ISO 9001 certification, 24 have the ISO 14001 certification and 3 have the OHSAS 18001. In those cases where said management systems do not exist, equivalent procedures are implemented to ensure performance and continuous improvement.

Sustainability Barometer

The sustainability barometer is the main non-financial indicator that assesses and monitors the organisation's environmental and social performance, and it allows us to set specific objectives directly linked to the target-based management systems of the people with top management positions within the Group.

The Barometer is made up of four large dimensions that assess on the one hand the organisation's environmental performance (in terms of the energy intensity of cement production) and, on the other hand, occupational health and safety, and worker satisfaction.

We plan to include a new variable in the barometer calculation as of the next financial year, specifically CO₂ emissions vis-à-vis cement production. Although this will not be counted in terms of remuneration during the first year, it will be included effectively in the barometer composition. The total weighting shall be kept at 60% for environmental aspects, and it will be equivalent between the three energy intensity and carbon variables.

The barometer is followed up on a monthly basis and communicated internally to all workers, so that set objectives can be met.

Composition of the Sustainability Barometer

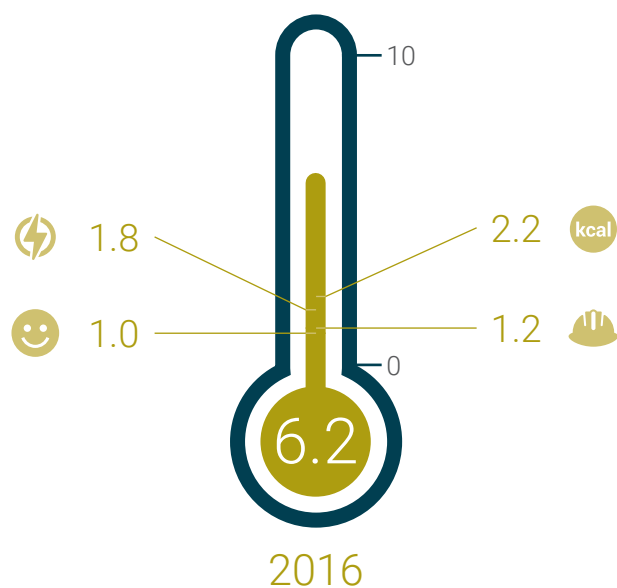
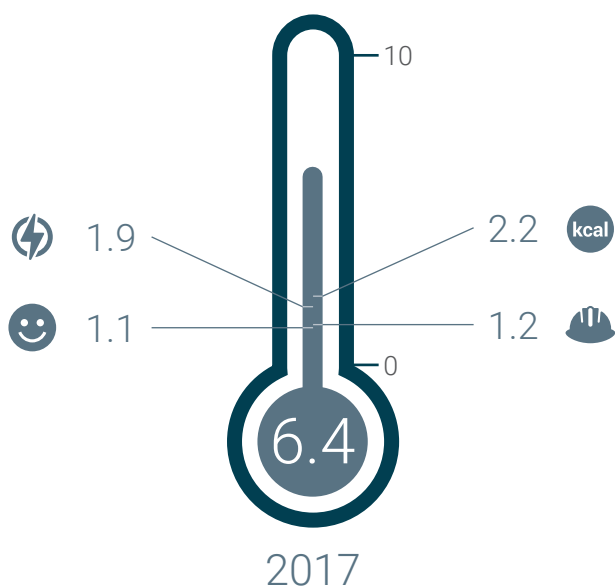
Electricity consumption related to cement production, measured in kWh/t of cement.	Weighting 20%	
Heat consumption related to cement production, measured in kcal/Kg of clinker.	Weighting 20%	
Carbon intensity in cement production, measured in Kg of CO ₂ /t of cement.	Weighting 20%	
Accident frequency rate with direct workers in the Group's factories off sick.	Weighting 20%	
Satisfaction index of the Group's workers.	Weighting 20%	



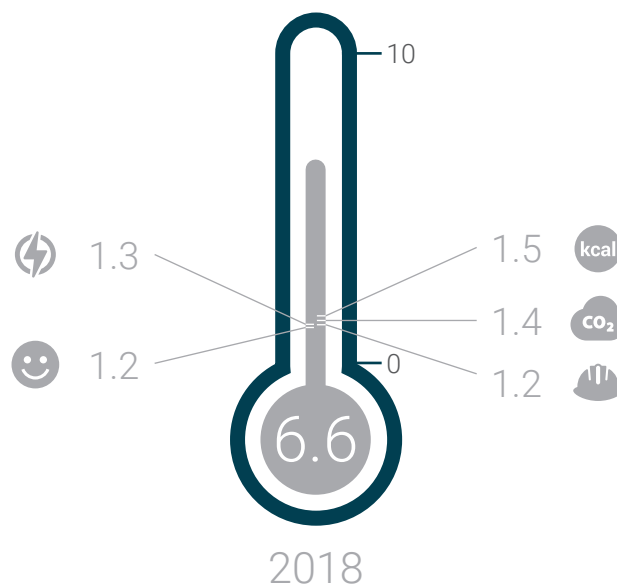
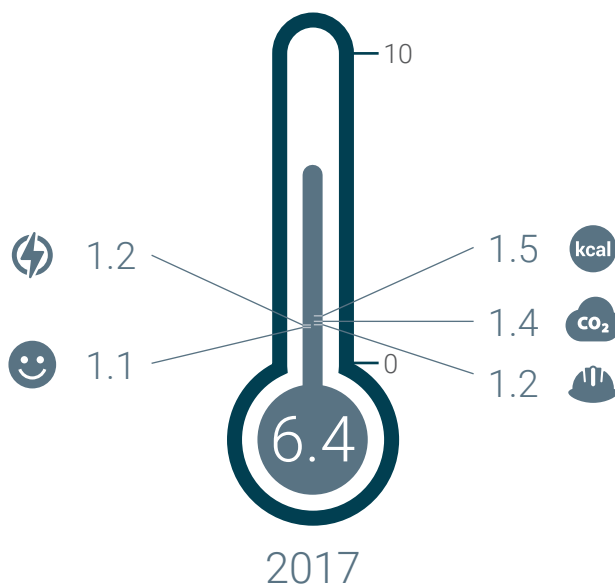
Barometer evolution

The result of the Barometer for the year 2017 is 6.4, which means a 3.8% increase over last year's score. This difference is explained by the variations that have occurred in energy intensity in cement production and the accident frequency rate, and

also the change in the scope of the workers' satisfaction data. Over the next few years we will continue working to improve the barometer's result, which is linked to the deployment of the CSR action plan.

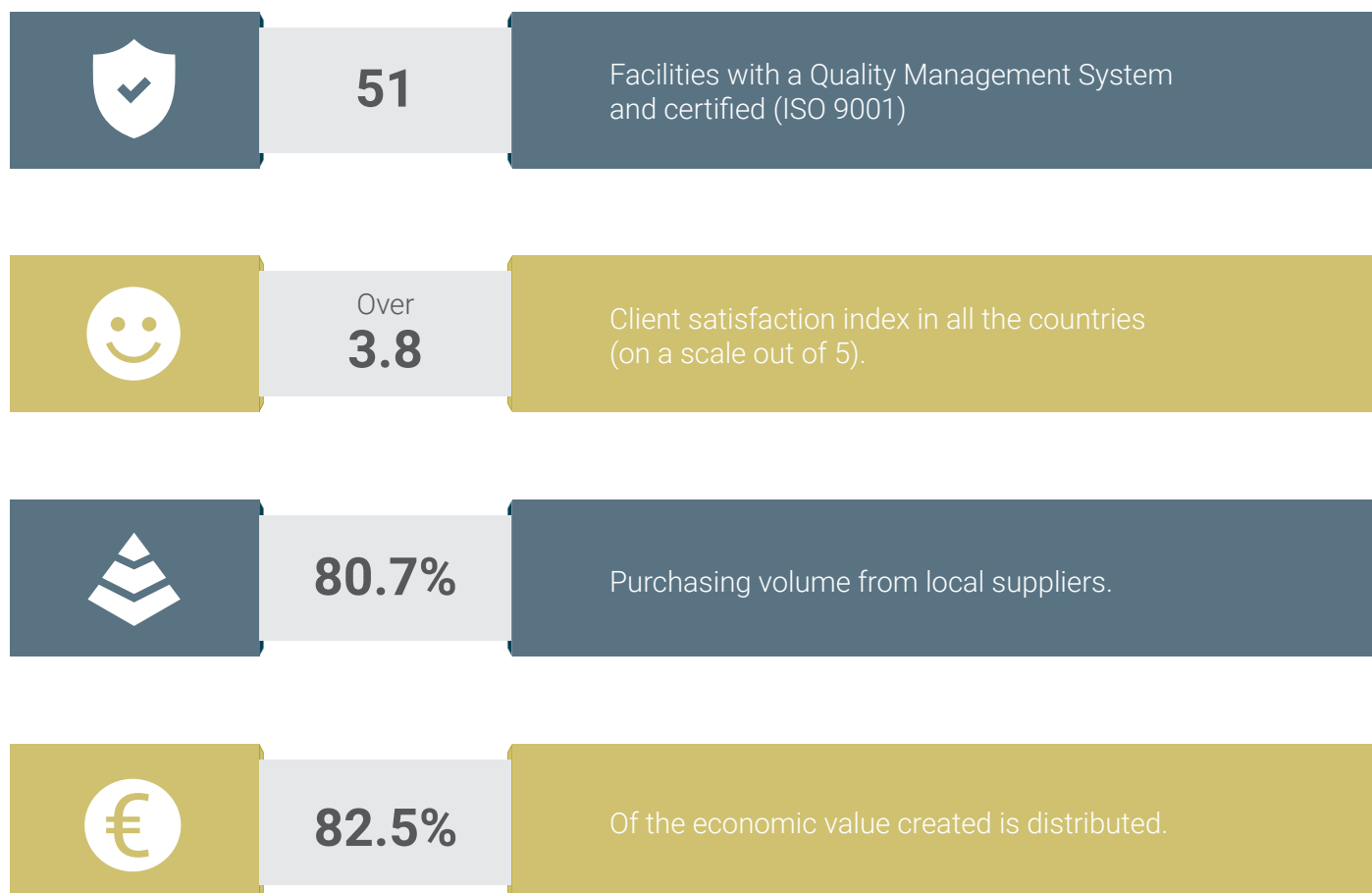


Objectives of the 2018 barometer



Economic performance

Main indicators 2017:



Quality of the service and relation with clients

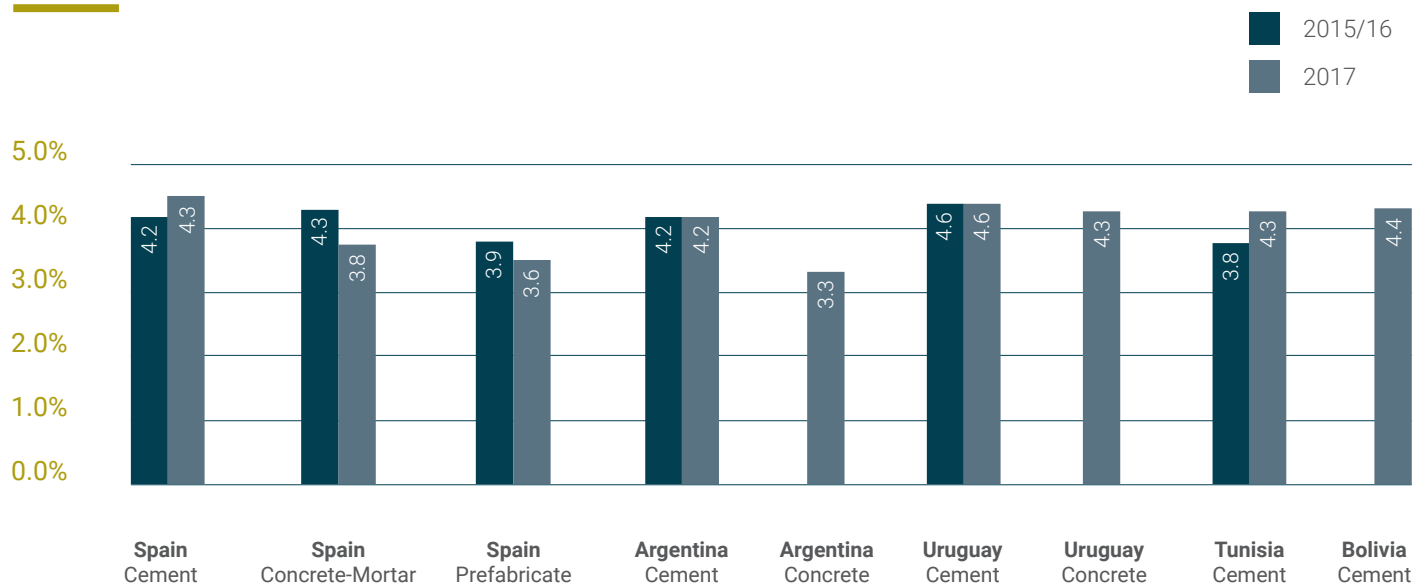
The Group's quality policy approved during 2017 defines the organisation's general principles of action with respect to offering its services, and establishes fulfilling quality expectations and defining continuous improvement objectives as a key element.

As well as the management-related certificates, part of the facilities and the products sold have specific technical certifications associated with

various aspects of product quality, including the certificates required by current legislation. Incorporating the greatest number of binding certifications is one of the aims of continuous improvement.

Also, regular assessments are carried out on product and service satisfaction, which use different methodologies but allow us to analyse the evolution of client satisfaction.

Degree of overall client satisfaction according to country and activity¹



¹ The data have been converted to adapt the scale and allow for comparison. Equally, not all the countries carry out annual surveys, and so the historical data may correspond to financial 2015 or 2016 depending on the latest assessment. Spain cements and materials, and Argentina and Uruguay run surveys every two years, and the activities with concrete in Argentina and Uruguay did not do a survey in 2017.

Participation in the opportunities to meet up within the sector, and our experience in using the products, allows us to incorporate and share knowledge and, in turn, apply innovations to new product development. In this respect, in 2017 we can highlight our involvement in Construmat (construction) and the World of Concrete Conference. Also, the cement factory in Spain has been visited several times as it is one of the most efficient in Europe.

Among the actions developed in the field of innovation, we can highlight the project for producing a new cement called Aracol, a compound with artificial pozzolan, which

can increase cement production with a lower consumption of clinker (and produces less emissions) in Argentina. Likewise, in the next financial year it is envisaged that the Cerritos de México plant will start using plaster to produce raw flour, in an attempt to try and reduce the energy consumption of the ovens and reduce CO₂ emissions.

Spain, for its part, has worked on developing high resistance concretes, which allow designing productions with smaller sections, and a consequent reduction in the consumption of steel. Also, this means reducing the weight which leads to less emissions during the transport stage.

Relation with suppliers and supply chain

During 2017 the Group has formalised its purchasing policy, in an attempt to ensure that acquisitions fulfil quality criteria and respect the environment, and also that they contribute to establishing long term working relationships with contracted suppliers and companies.

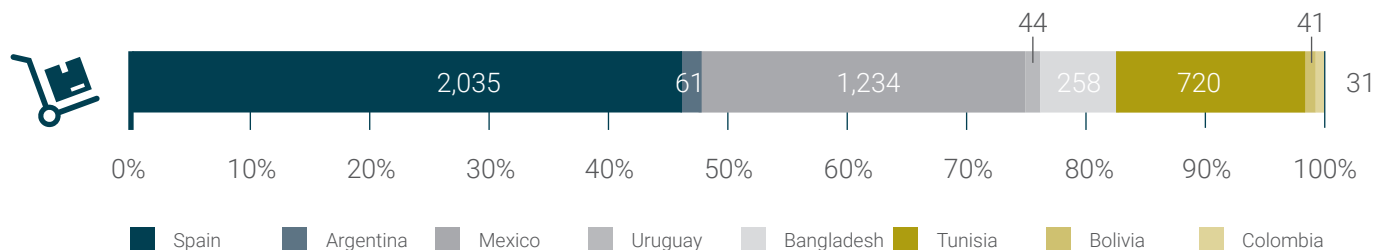
Also, ensuring suppliers fulfil the Ethical Code and adhere to it is one of the principles established

in the general purchasing system.

The total number of main suppliers reached 4,424 during 2017, which means a reduction in the figures for the previous financial year. The organisation's suppliers include both materials and energy, and professional services, and they imply a significant volume of subcontracted people.



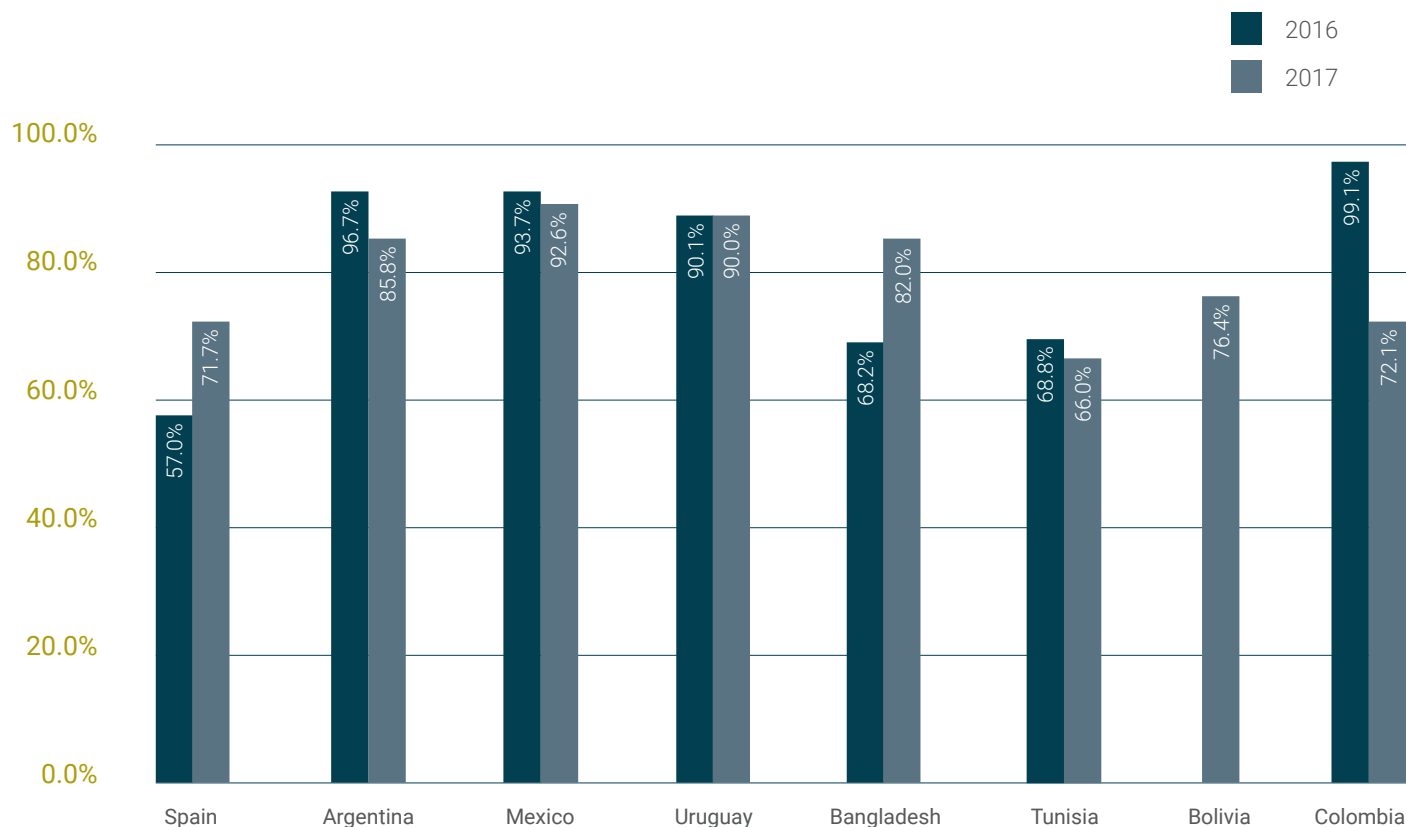
Distribution of main suppliers according to country



Percentage of local purchase by country

The volume of purchases adjusted to the participation of the various companies represents more than 50% of the Group's turnover, which explains this interest group's close link to the organisation's activity.

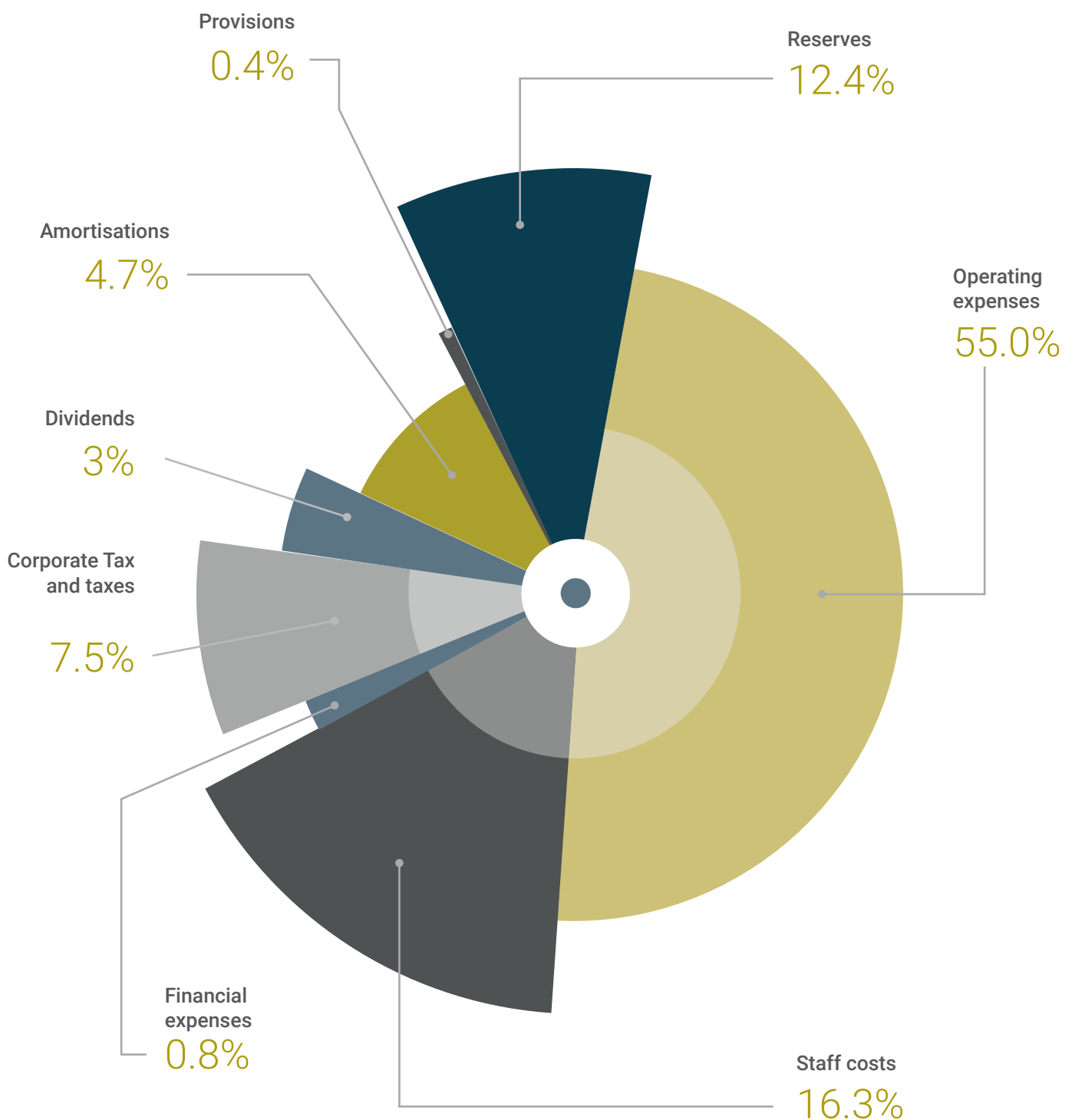
A total of 80.7% of purchases made by the companies within the Group have involved local suppliers (from the same country where the activity is performed). The distribution is similar in some of the countries, except in Spain, Tunisia, Bolivia and Colombia.



Added value status

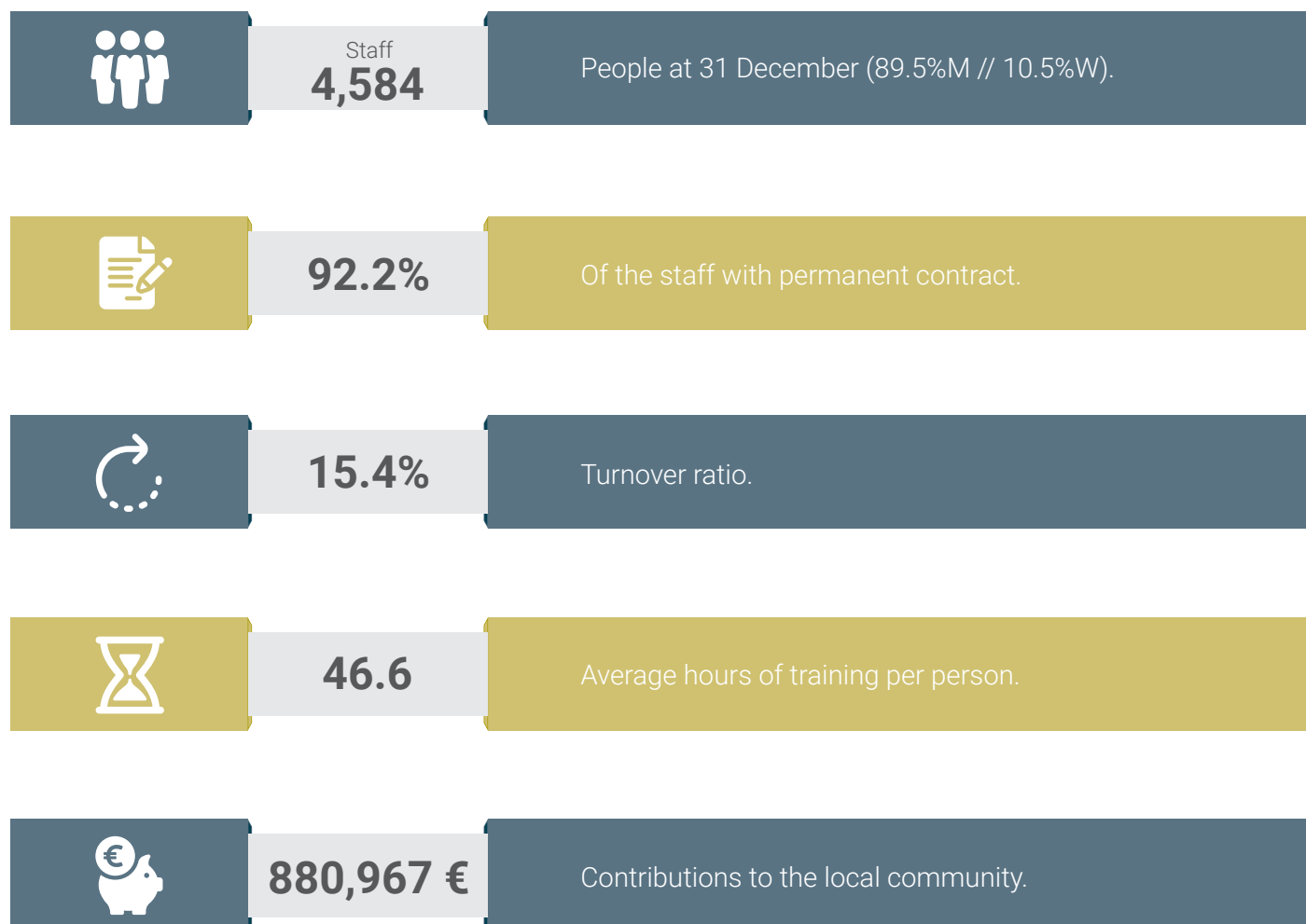
The Group's Consolidated Annual Accounts show in detail the Group's economic and financial performance during the 2017 financial year. The Added value status, drawn up on the basis of the

profit and loss account, explains the distribution of the economic value among the organisation's various stakeholders, and in 2017 this reached 82.5% of the total economic value created.



Social performance

Main indicators 2017:



Description of the staff and quality of employment

Our Human Resources Framework Policy considers the principles of equal opportunity, non-discrimination on the grounds of sex, age, race or religion, respect for rights and legality, transparency and equality in staff recruitment processes. In order to apply these principles and the resulting commitments, the Group has various relevant procedures.

with 4,584 workers. A total of 89.5% of the staff is male and 10.5% female. Equality has been better with respect to 2016, as a significant increase in the number of women has been registered (7%) with respect to the number of men (0.3%). In terms of the average equivalent staff, the total for 2017 is 4,495.7 equivalent people, a positive variation with respect to the financial year 2016.

The direct staff on 31 December 2017 has increased 1% with respect to 2016, closing the financial year

The distribution according to age groups concentrates 67% in the 31 to 50-years-old age

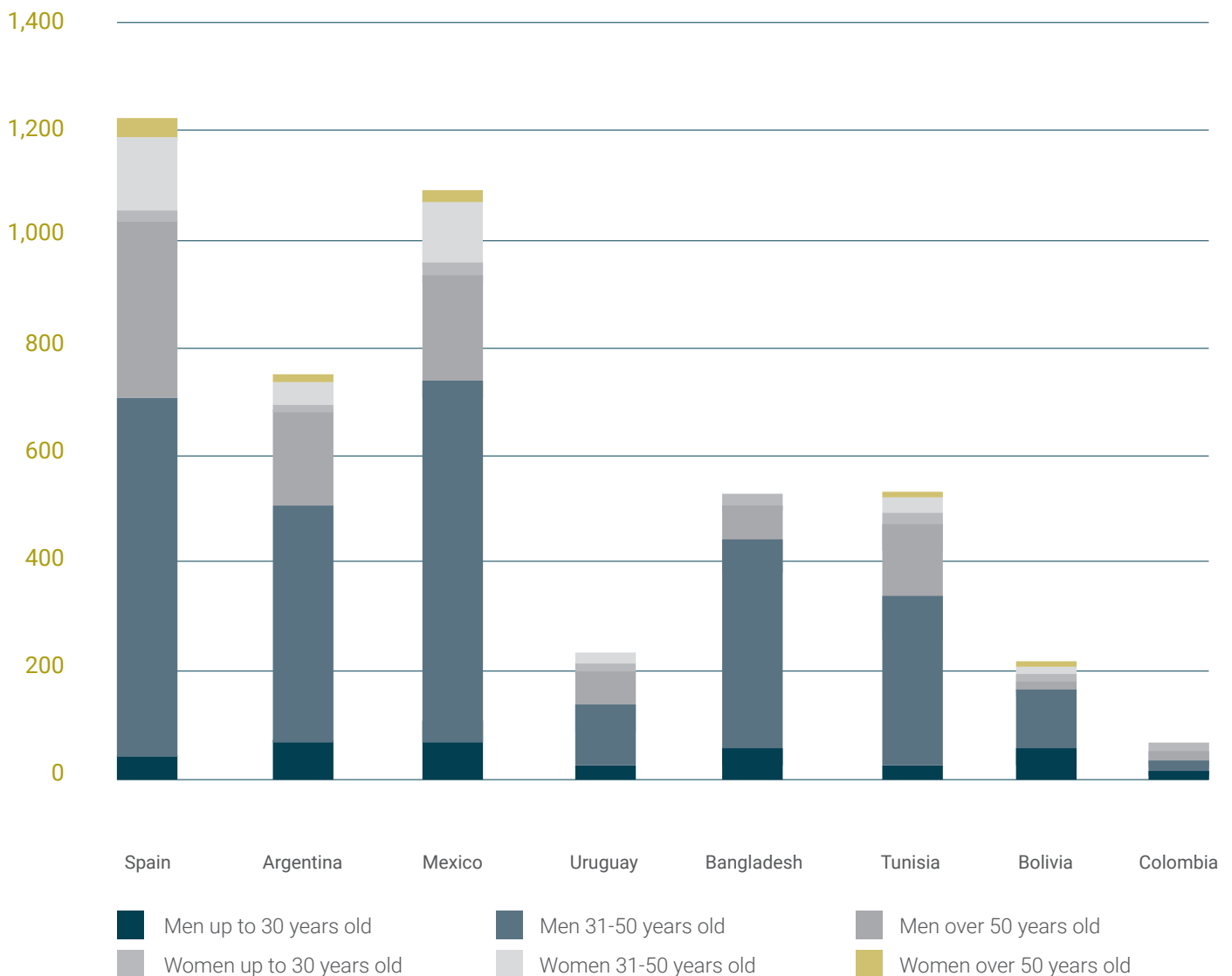
bracket. A total of 22.6% are over 50 years old and 10.1% are less than 30 years old. Overall, the most minority groups are women aged 30 or less (1.3%) and over 50 (1.4%). A total of 92.2% of the staff has a permanent contract, and 99% work a full working day, similar percentages in all the countries except in Spain, where permanent contracts total 77.1%. Also, between genders the percentages are similar in all the countries except in Spain, where the proportion of women with permanent contracts is higher than men (87.6% and 75.4%, respectively). This comparison is inverted regarding the working day, because the number of men working a

complete working day (88.3%) is higher than the number of women (72.4%).

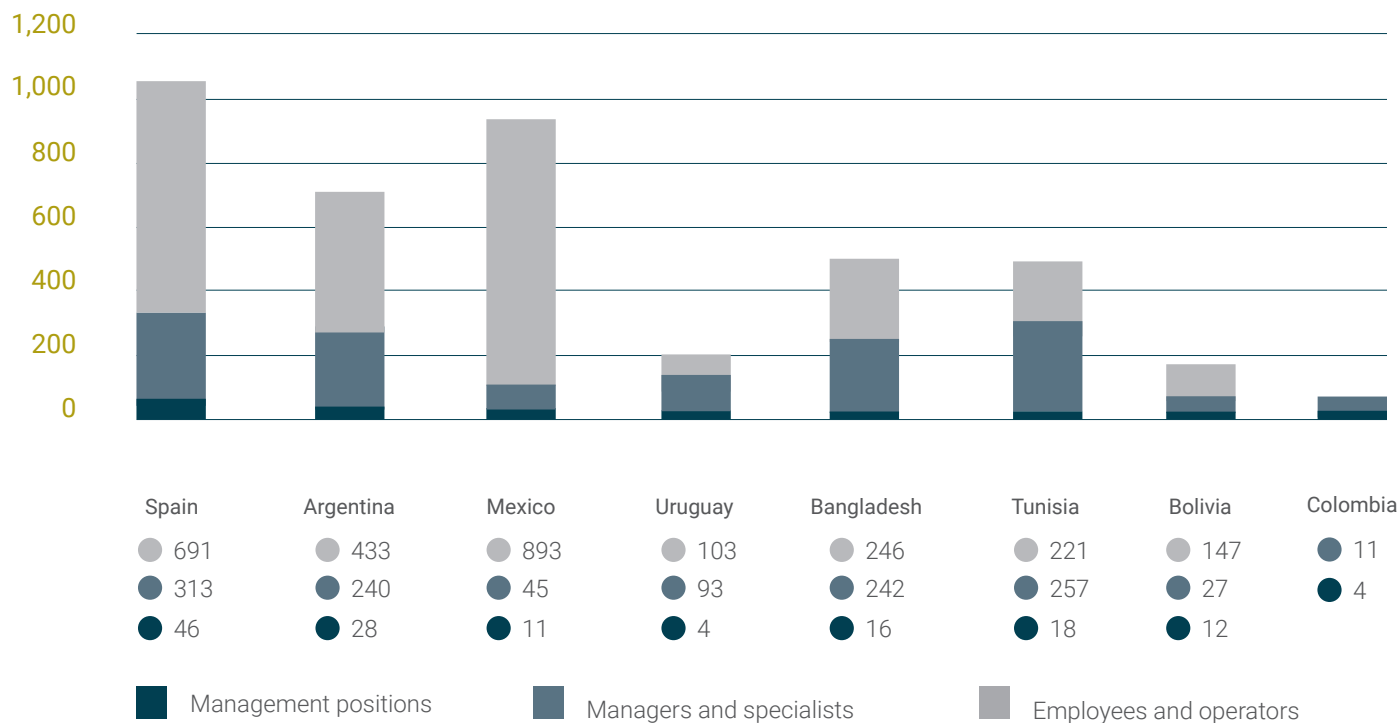
A total of 3.3% of the staff is trained for top management positions; 30.3% for managers and specialists, and the rest as employees and operators. Women represent 9.2% of the top management positions, 11.5% of management and specialists and 10.2% of employees and operators.

80.9% of the direct staff are covered by a collective bargaining agreement. This percentage is less in Bangladesh and higher in the remaining countries.

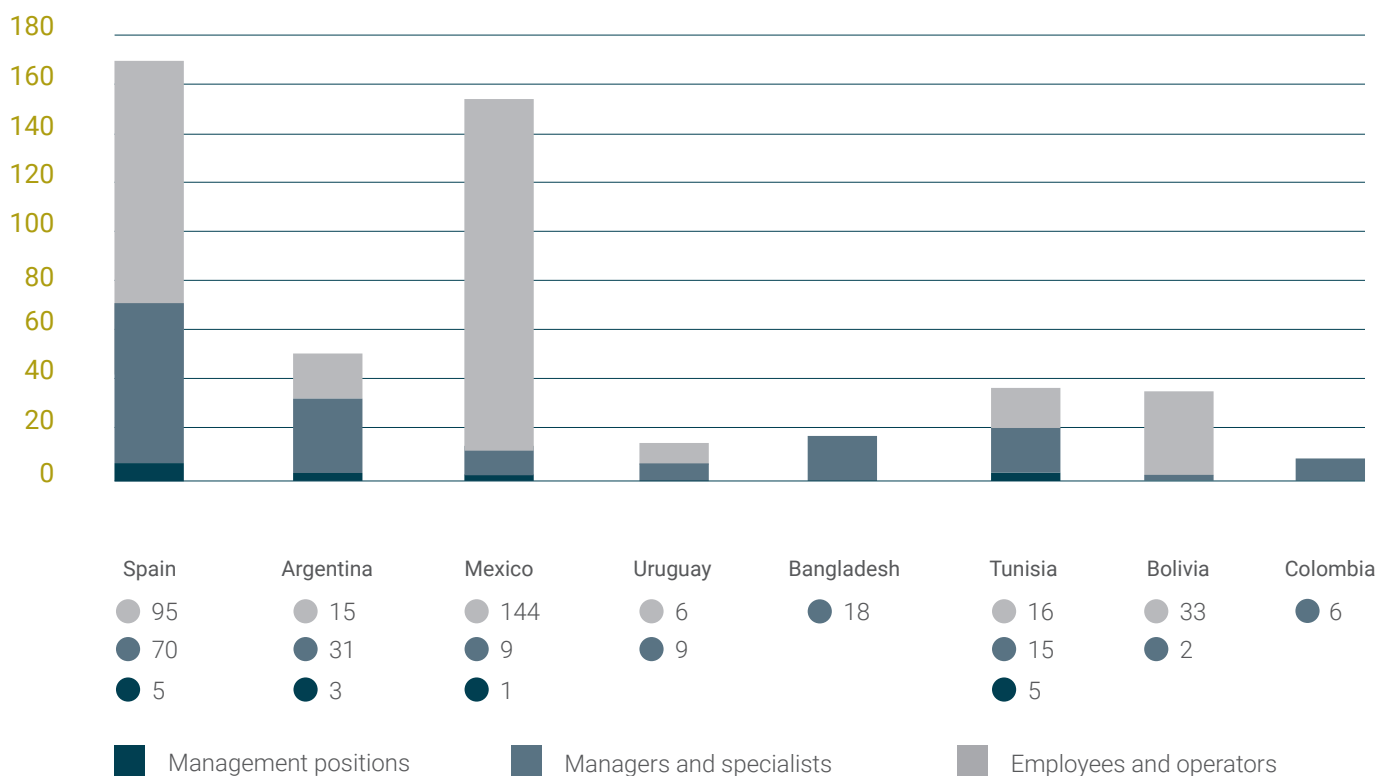
Staff on 31 December by country, age and gender (2017)



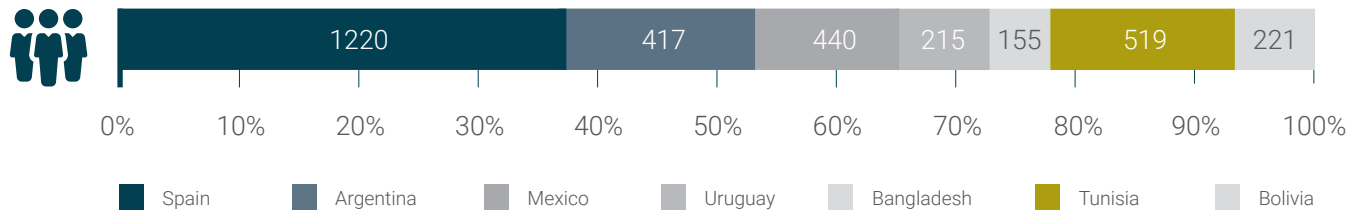
Total number of men according to professional category and country (2017)



Total number of women according to professional category and country (2017)



Distribution of the staff covered by a collective bargaining agreement and according to country (2017)



Turnover ratio according to professional category, gender and country (2017)²

The turnover ratio is placed at 15.4%, similar to the previous year's figure. During 2017, a total of 771 new recruitments have been made, with 85.6% corresponding to men and 14.4% corresponding to women.

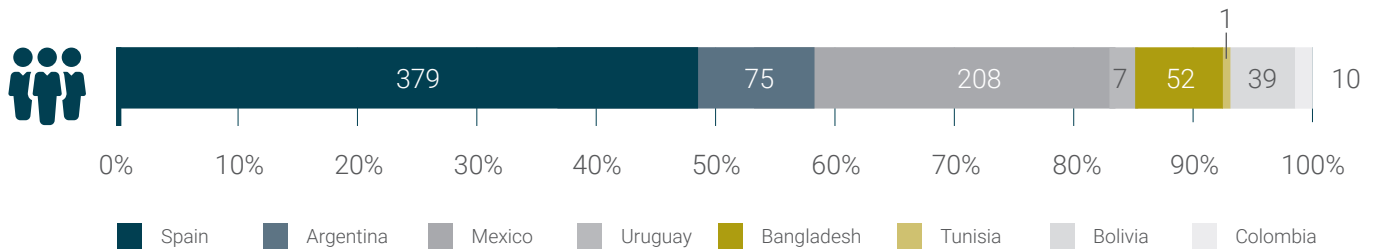
It is worth highlighting, in one of the subsidiaries in Spain, there was a 3% increase in the staff by

promoting practice contracts and co-operation agreements with educational centres. In Bolivia the staff has increased 30%, with 51 new workers. On the other hand, in Mexico 16 job posts have been lost because of the closure of the Torreón and San Potosí plants, while in Tunisia the work force has fallen from 575 to 532, mainly due to retirements and voluntary resignation.

	Management positions		Managers and specialists		Employees and operators		Total according to gender		Total
	Women	Men	Women	Men	Women	Men	Women	Men	
Spain	0.0%	4.3%	8.6%	7.7%	13.7%	38.6%	11.2%	27.9%	25.6%
Argentina	0.0%	0.0%	6.5%	9.6%	6.7%	2.8%	6.1%	5.0%	5.1%
Mexico	0.0%	9.1%	0.0%	11.1%	19.4%	21.3%	18.2%	20.7%	20.3%
Uruguay	---	0.0%	0.0%	4.3%	16.7%	9.7%	6.7%	7.0%	7.0%
Bangladesh	---	31.3%	11.1%	10.3%	---	0.8%	11.1%	6.3%	6.5%
Tunisia	20.0%	11.1%	0.0%	0.8%	6.3%	21.3%	5.6%	10.3%	10.0%
Bolivia	---	0.0%	0.0%	22.2%	18.2%	12.9%	17.1%	13.4%	14.0%
Colombia	---	0.0%	0.0%	9.1%	---	---	0.0%	6.7%	4.8%
Total	7.1%	7.2%	6.3%	7.3%	16.2%	20.0%	12.6%	15.8%	15.4%

² The cells without data correspond to countries and professional categories where there is no evidence of staff.

Distribution of new recruitments according to country (2017)



The General Disability Act (previously LISMI) in Spain requires including 2% of disabled people on the staff, either by directly hiring the people or through alternative measures, such as hiring goods and services and making donations to Special work centres and Insertion Companies.

During 2017, a total of 13 disabled workers were working in our centres in Spain. On the other hand, Bangladesh and Tunisia have one disabled worker, respectively, and in Bolivia the number of workers from this minority group has increased from 2 to 3.

Ciment Plant,
Bolivia.



Occupational health and safety

Our occupational health and safety policy is applied in all our national and international companies. The basic principles governing this policy are detecting and managing the possible risks arising from our occupational activity, internal communication and generating a safe and healthy working culture. It is also important to constantly search for solutions to prevent risks and improve the working conditions and to comply with health and safety legislation. In order to apply these principles, a formal occupational risk management system exists and a follow-up thereof in the form of an annual report and internal audit in all countries.

It is worth highlighting that for the first time the year has closed without any accidents involving sick leave for our own staff in one of the subsidiaries in Spain. In order to continue working in this respect, all the companies have a specific action plan, and occupation risk prevention awareness and training campaigns, such as the initiative "Over 2 m is working at a height".

Particular mention should be made of the study conducted in Spain on exposure to respirable dust and crystalline silica, in co-operation with the National Institute of Silicosis. The study analyses the various formulae the company use and assesses the preceptive surveillance of health which must be performed by correctly applying the specific medical protocol on silicosis and other pneumoconiosis

On the other hand, in Argentina they have run a program called Committed to Safety aimed at reaching zero damage and injury to people. During the Safety Week, graphic awareness campaigns have been implemented and family installations have been opened with displays drawing people's

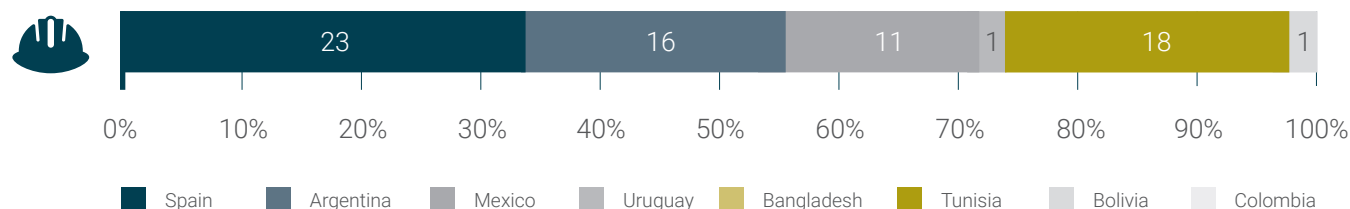
attention to self-protection. The same campaign was repeated in Uruguay, where it received recognition from DERES, the association for promoting social responsibility, as one of the best CSR practices in the country.

In Mexico, various actions were taken within the Strategic Plan for health. The STOP tool has been implemented to supervise identifying and eliminating unsafe actions, and the silo filling system has been improved and automated, the Health and Wellbeing Program has been activated to foster health through medical check-ups, and training has started on online courses and theoretical-practical training for employees (441) and transport drivers (2000). As a result, the Safe Company certificate has been renewed vis-à-vis the Secretary for Work and Social Security (STPS) in the Cerritos plant, with the maximum level (3).

Also, in Bangladesh they have received the Guru Dronacharaya award for the third consecutive year for their performance in Health and Safety. Some of the measures adopted are the Morning Exercises to align the body and mind at work and implementing better techniques to minimise the risk of working at a height and following the Standard Design Criteria (StDC) in the various facilities.

Also, in Colombia, it has been necessary to recertify the project staff with an advanced level for working at a height. In addition, since a large part of the project is subcontracted, a six-monthly Occupational Health and Safety (SST) meeting has been established to discuss together good practices that have been implemented, accident rate indicators and the commitments acquired under the concept of safety.

Distribution of direct occupational accidents according to country (2017)



During 2017, the number of occupational accidents affecting the direct staff has reduced by 1.4% with respect to 2016, due to a reduction in Uruguay (80%), Mexico (15.4%) and Argentina (11.1%), which compensates the increases in Tunisia (50%). Occupational accidents, like in 2016, are concentrated in Spain, Tunisia, Argentina and Mexico, countries where most of the Group's staff are employed. In total, in 2017 there have been 70 accidents, none of which have affected the group of women employees.

The accident rate indices have evolved positively, with particular improvements in the severity and incidence indices. Despite this, in 2017 there have been a total of two accidents leading to the death of four workers, three of them in Tunisia and one in Spain. The circumstances related to accidents have included a traffic accident in Tunisia, and a situation linked to the state of the health of the employee in Spain.

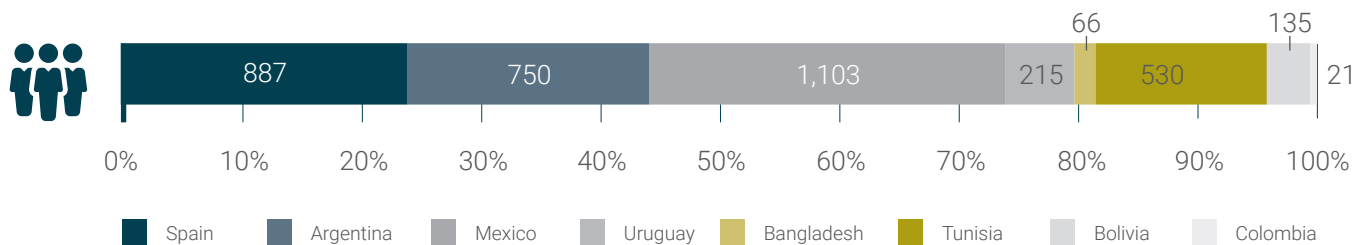
Accident rate

	Incidence rate		Frequency rate		Severity rate	
	2016	2017	2016	2017	2016	2017
Spain	19.0	18.9	10.6	11.0	1.1	0.91
Argentina	24.7	21.3	13.9	12.6	0.7	0.73
Mexico	11.6	10.0	5.0	3.7	0.1	0.21
Uruguay	22.4	4.7	9.4	2.0	0.6	0.01
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.00
Tunisia	20.9	33.8	9.4	16.3	1.1	0.57
Bolivia	0.0	4.5	0.0	2.5	0.0	0.04
Total	15.7	15.3	7.7	7.4	0.6	0.4

The main causes of accidents include getting trapped, run over, falling and handling loads manually. 80.9% of the direct staff are under a

health and safety committee. Also, among the indirect staff, totalling 2159 people, there have been a total of 50 accidents in 2017.

Distribution of direct staff under a health and safety committee according to country



Work-life balance and cohesion

We have a formal Equal opportunities and Work-Life balance policy, which considers the payment principles based on employee achievements and skills and the work-life balance.

To promote cohesion, the Group's Annual Meeting has been held, including relevant workshops. The aim is to let people know the organisation's Mission, Vision and Values, while explaining the international operations in greater detail in the interest of greater people mobility between businesses and countries in the future.

On the other hand, in 2017 it is also worth highlighting the implementation of flexible remuneration in Spain, which allows offering benefits payments to the human team through benefits such as health insurance, allowances, nursery, transport or training, while also promoting employee involvement. It is interesting to note that flexible payment is also something requested through employee satisfaction surveys conducted in previous financial years.

Other cohesion activities that have been developed include the Family Day in Spain, a family event where all the workers can introduce their family to their job and work centre, or the summer work camp for 120 students, the children of employees in Tunisia, where they were given school material, and also prizes for good academic results. Likewise, also in Tunisia, sport has been promoted among the employees to create football teams, and they rent fields for playing.

Under the concept of the work-life balance, one of the subsidiaries in Spain has developed the Time Bank, a measure included in the collective agreement which allows flexibility in the working day depending on the sometimes fluctuating production needs, thereby offering workers stability, as they maintain 100% of their salary in both their working hour peaks and dips. Also in Spain an Assistance Loan has been provided to employees so that they can meet medical or training expenses, or make improvements to their home, with advantageous conditions. At the same time, in Tunisia a salary study has been conducted in 2017 to analyse salaries and benefits and establish a fair policy.

Precast plant,
Spain.



Training and development at work

At the Cementos Molins Group we have a performance evaluation system for setting objectives and developing competences. Based on the results related to employee knowledge, skills, behaviour and attitude in achieving the group's objectives, professional career development plans are set up, including specific plans of action agreed between the collaborator and a supervisor.

During 2017, a specific tool has been implemented in Spain for planning and continuously implementing Succession Plans. This tool allows highlighting the critical points, knowing the ability and potential of employees who can occupy key management positions and, therefore, it enables preparing a career plan focusing on the knowledge and skills to be developed for greater performance.

In 2017 the second Employees Satisfaction Survey was held in Spain, with 86% participation and a satisfaction index ten points higher than 2016. The survey focuses on the areas of management positions, performance management, compensation and recognition, training and development, collaboration, work and life balance, diversity, safety and values, aimed at working on the areas where the Group must develop plans of action to improve according to the employees' consolidated responses.

In our plant in Sant Vicenç dels Horts, a top and middle management development program has

been run, focusing on the leadership culture and developing skills for managing people more efficiently. With the focus on the Leadership Challenge, it is aimed at the Management Committee and the heads of departments, and ends with designing and applying a Personal Leadership Plan of Action. Within the scope of people management, aimed at other middle managers and technicians, the development program leads to devising a tutor-monitored plan.

On the other hand, it is worth highlighting the plans in Spain regarding young people, offering training and work through various forms of collaboration with training centres. In Mexico, the Universidad Corporación Moctezuma also maintained 15 employees registered on the Master program and 2 at degree level, and 30 employees were recruited, 10 masters and 20 graduated. In fact, the Mexican corporation has been included among the 20 best companies in the country for working, according to the results of an employee satisfaction survey conducted to study this benchmark in Mexico.

In Tunisia, to reinforce the involvement of their human team, they have implemented the Monthly Sotacib Star to award the workers with the best results. Also, they have offered specific training for all the top management to reinforce their management skills. In Colombia, an education and training program has been implemented for women in the local community, offering formal education and workshops in various areas so as

Training at mortar plant, Spain.



to empower women and enable them to acquire skills, knowledge and decision making abilities so that they can work in the plant when it opens.

Overall, in 2017, 87.6% of the Cementos Molins Group staff (4,014 people) have taken part in training actions, totalling 187,237 hours and a volume of 1.3 million Euros, representing a 4% increase over the investment made in 2016. The average training hours per person is 46.6 hours in 2017, including both general and specific training.

Generally, technical training has been offered on environmental issues, occupational risk prevention and quality. Also, we have trained both top and middle management in management skills and offered training on the Human Resources and performance assessment management system to all employees taking part in the target-based assessment system. At the same time, we have also maintained our commitment to perfect languages, mainly English and French.

Average training hours per professional category, gender and country⁶

	Management positions		Managers and specialists		Employees and operators		Total	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	108.6	84.3	61.2	36.4	30.5	10.8	45.8	18.7
Argentina	20.8	15.9	42.3	33.5	17.3	24.6	32.6	27.7
Mexico	8.0	43.0	22.6	27.2	37.0	36.1	36.1	35.9
Uruguay	---	11.3	41.7	32.2	30.6	15.4	36.9	23.1
Bangladesh	---	167.7	178.9	179.6	---	172.4	178.9	175.7
Tunisia	16.8	16.3	20.0	4.7	12.0	5.6	17.3	6.5
Bolivia	---	16.8	24.0	15.2	31.3	33.1	31.1	27.0
Total	49.8	67.5	72.2	70.4	33.5	37.9	44.8	46.8

⁶ The cells without data correspond to countries and professional categories where there is no evidence of staff.

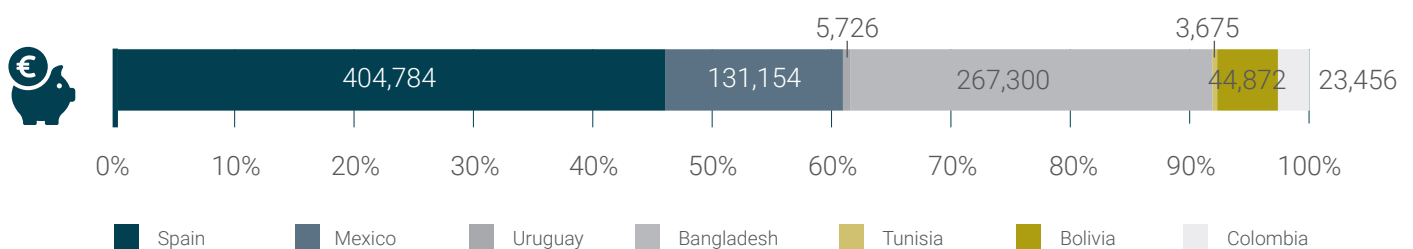
Commitment to local communities and Human Rights

Our policy of respecting Human Rights includes principles of action depending on legislation, respecting people and rejecting discriminatory practices, forced labour and harassment, and internal communication and supervision to detect any non-compliance.

Our relation with the local community is

based on its representatives being directly involved in the work commissions set up for this purpose in some countries, and also by directly contributing resources to sponsorship and social action projects. During 2017, the total amount of contributions made (monetary and in kind) was 880,967 Euros, which means a significant increase over the previous year.

Distribution of the contributions made according to country 2017 (Euros)



As an initiative to be highlighted, in 2017 we have contributed 10,000 kg of cement to the Fundación Obra Mercedaria project so that a container of school and construction material was delivered to the district of Xai-Xai (province of Gaza) to build wells, three classrooms, a kitchen and toilets.

At the same time, in Bangladesh we have run various programs such as the Education Program, the Small Enterprise Development (SED) Training for Women and the Health Care Service for Community. Through these programs, the corporation has opened a school for the community children and has hired local teachers, and the academic results are very good. The corporation has also trained 838 women in business and most of them have created their own project. In the same Community Development Centre, the corporation also runs a health centre that offers free health care to the community. On the other hand, it also offers young people the possibility to train in technical skills such as plumbing, welding or repairing mobile telephones and solar panels, and to date a total of 84 young people have been involved.

In Bolivia, we have built Plaza 14 de Mayo for the Yacuses Community according to sustainability and accessibility criteria, and in Colombia we have developed projects to build two football fields, a station for the municipal police and an ecological walking route to prevent the risk of people walking through the quarry. Furthermore, in Tunisia we have donated cement to the government branches in Kairouan, the mosques and the schools.

In Spain, we have helped to renovate the houses in Calle Miquel in Sant Boi and have taken part in restoring the Palace-Castle in Pallejà by donating material. In terms of health promotion, it is worth highlighting our involvement in the project called For a Future Without Alzheimer, together with the Pascual Maragall Foundation and the Ana Ribot Foundation, focusing on caring for people with Alzheimer and preventing the illness.

In addition, in Mexico we have organised the Health Fair which gives preventive medical care to the people living near the production plants. In Bolivia, there is the Program to Improve the Quality of the Water in the Yacuses community,



which has provided tools, economic resources and treatment kits to the Community Water Cooperative, benefitting 330 families.

Associated with education in the communities, in 2017 in Mexico they have started the first Mixing Unit operator course in a feminine training centre. Also, in Tunisia they have recruited training students, and offer them technical support, transport and free repairs. Also in this sector, interestingly in Bolivia they have trained the Yacuses Community to use computers, by running a six-month course for 88 students in the last year of secondary school, authorities, leaders and former college graduates, through the Fundación Infocal Santa Cruz. In Argentina, they have run a supervised and approved professional practice program for secondary, tertiary and university students.

Furthermore, both in Mexico and Tunisia we have equipped the children in the nearby schools with school material for the academic year. In Mexico, specifically, they have given 1895 school material packages, while in Tunisia they have donated material to 346 pupils. In Spain, sports equipment has been donated to local bowling, cycling, marathon and paddle teams and sporting activities have been promoted during the local festivities together with the Town Hall of Quer (Guadalajara).

In terms of local economic development, in Bolivia a micro-company has been created offering general cleaning, wiring and dismantling services, and which employs 35 indigenous workers and benefits 50 families from two indigenous communities. A training program has also been run for sewing and repairing large cement bags and industrial clothing, aimed at 10 women who, subsequently, have formed a micro-company and act as suppliers to the Group.

Also, associated with the field of agriculture, cattle and fishing, in Tunisia they run projects to donate sheep to 30 families in the region, and in Bolivia there is the Sustainable Farming Production Program (in collaboration with Fundación Trabajo Empresa). This program encourages sustainable production and product marketing, and benefits 15 families. Also in Bolivia, the Development Committee has been created with representatives from the areas of health, education, sport and local authorities to engage with people's concerns and prevent conflicts.

Finally, regarding the relation with the community, and transparency, it is important to mention that in Spain a project has been developed to improve communication and transparency with the town of Garraf, by running an open day and presenting a report on actions to minimise dust emissions.

Health Care Service,
Bangladesh

Environmental Performance

Main indicators 2017:



3.6
millions of euros

Environmental expenses



1.8
millions of euros

Environmental investments



5.8%

Energy replacement rate



632.8
kg of CO₂/t cementing

Carbon intensity



30.9%

Percentage of recycled waste



Solar panels,
Spain.

Group's environmental management

The Cementos Molins Group has an environment policy based on the following principles:



Complying with the law and the Group's internal standard.



Adopting measures to minimise the environmental impact.



Using resources efficiently.



Assessing environmental risks.



Creating mechanisms for preventing them.



Making workers aware so that they can apply these principles.

During 2017, Argentina took part in various innovative projects. Particularly, for example, its involvement in the Commission of Environment- Sustainability of the Portland Association of Cement Producers (AFCP). The aim is to determine the sustainability indicators in the cement sector, and their

incidence on the cement industry road map developed in Argentina, in order to comply with greenhouse gas emissions reduction commitments. Also, an agreement has been formed with the government for the "Buenos Aires produce más Limpio" program (Buenos Aires produces cleaner).

Also from Argentina, together with Uruguay, they have taken part in Inter-American Federation of Cement (FICEM), particularly the Getting the Numbers Right Project (GNR), aimed at integrating an inventory and providing a methodology for the industry on the estimate of emissions of carbon dioxide and water consumption.

As for education and awareness, during World Environment Day, workshops have been held in Argentina for primary students on paleontological heritage.

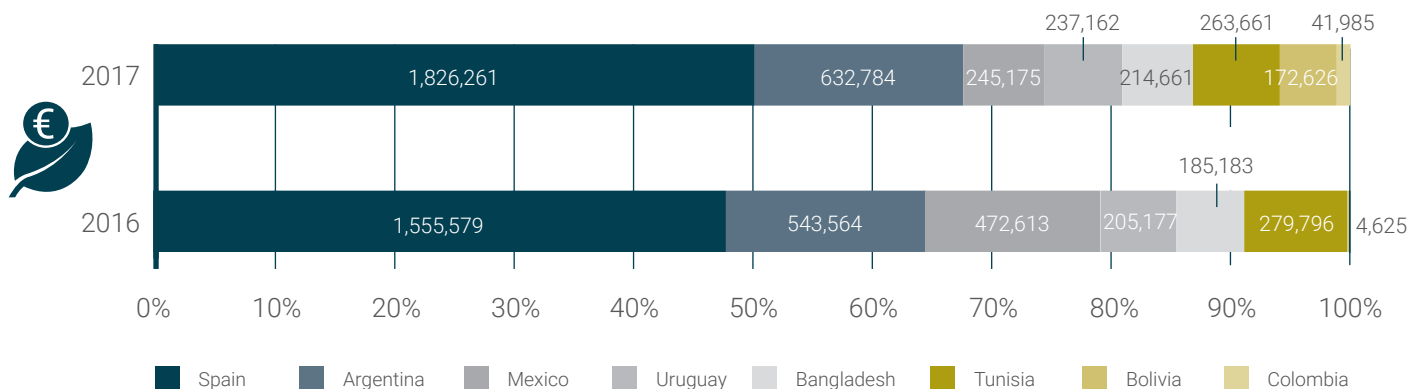
Furthermore, in Tunisia on World Environment Day, 20 students and the directors from the primary schools in the Rouissat area went on a guided visit around the plant and planted trees.

In Bangladesh they have run activities with the local community, including training sessions and participants were given young trees to plant.

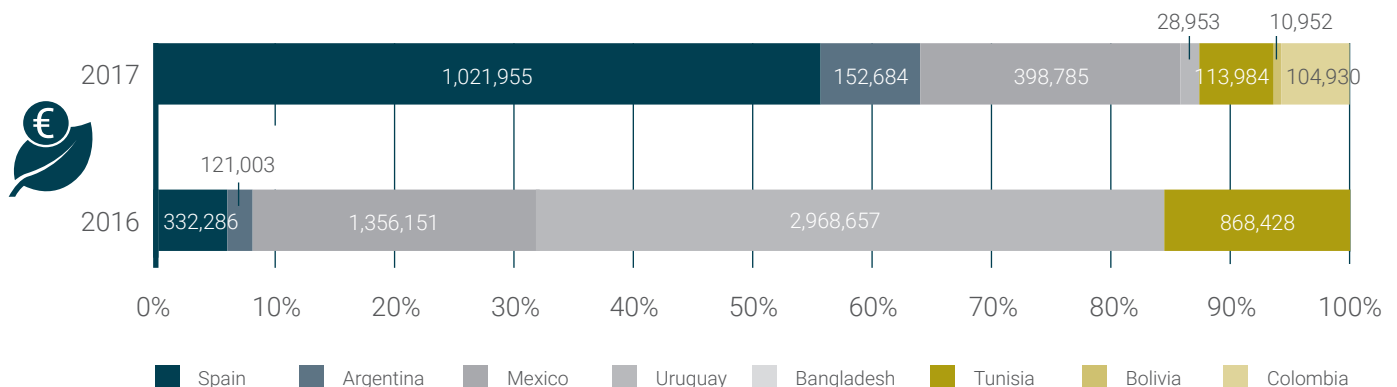
Also, in Colombia, they have created the Community Environment Committee to develop activities to promote taking care of and protecting the environment, such as installing 56 septic wells to manage the waste waters from dwellings in Pocitos (San Francisco) and Honduras (Sonsón).

The Group's total environmental costs in 2017 was 3.6 million Euros, 16.6% more than in the previous year. This variation is associated with the increases in Bolivia, Argentina and Bangladesh, mainly. Also, the total of environment-focused investments in 2017 has reached 1.8 million Euros, 67.6% less than in 2016, due to the impact of changing the electro filter in Uruguay in the previous financial year. The variation was positive in Spain and Argentina, where these investments have increased significantly, compensating the rest of the Group's variations.

Distribution of environment expenses according to country (Euros)



Distribution of environment-focused investments according to country (Euros)





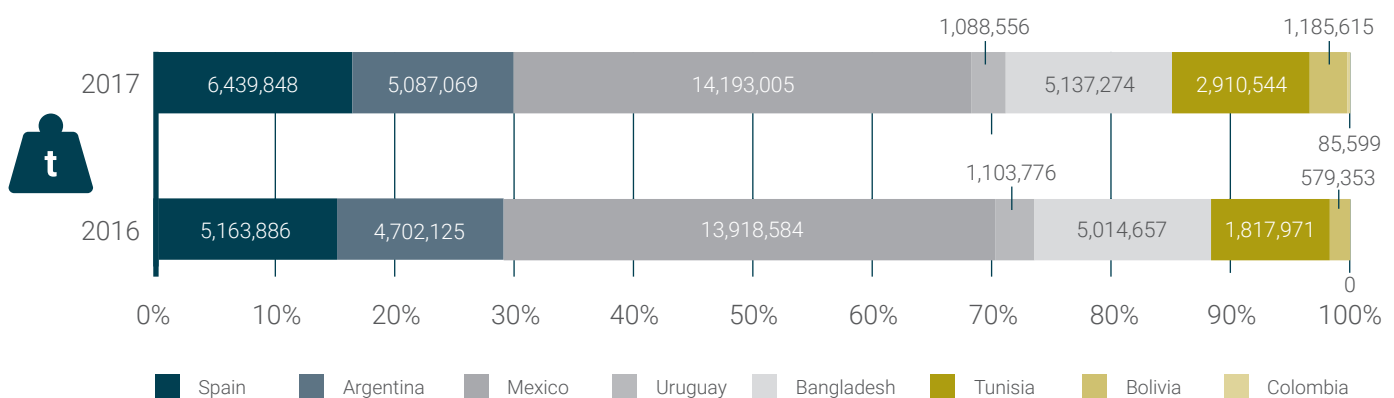
Quarry, India.

Consumption of natural resources and climate change

During 2017, a total of 36.1 million tonnes of materials have been consumed, 11.8% more than in 2016 due to the variations in Bolivia, Tunisia and Spain. Consumption has focused mainly on

natural raw materials (limestone, plaster, pozzolan, clay, iron mineral, aggregates, sand, kaolin, caliche and clinker), which represent 94.5% of the total of materials consumed.

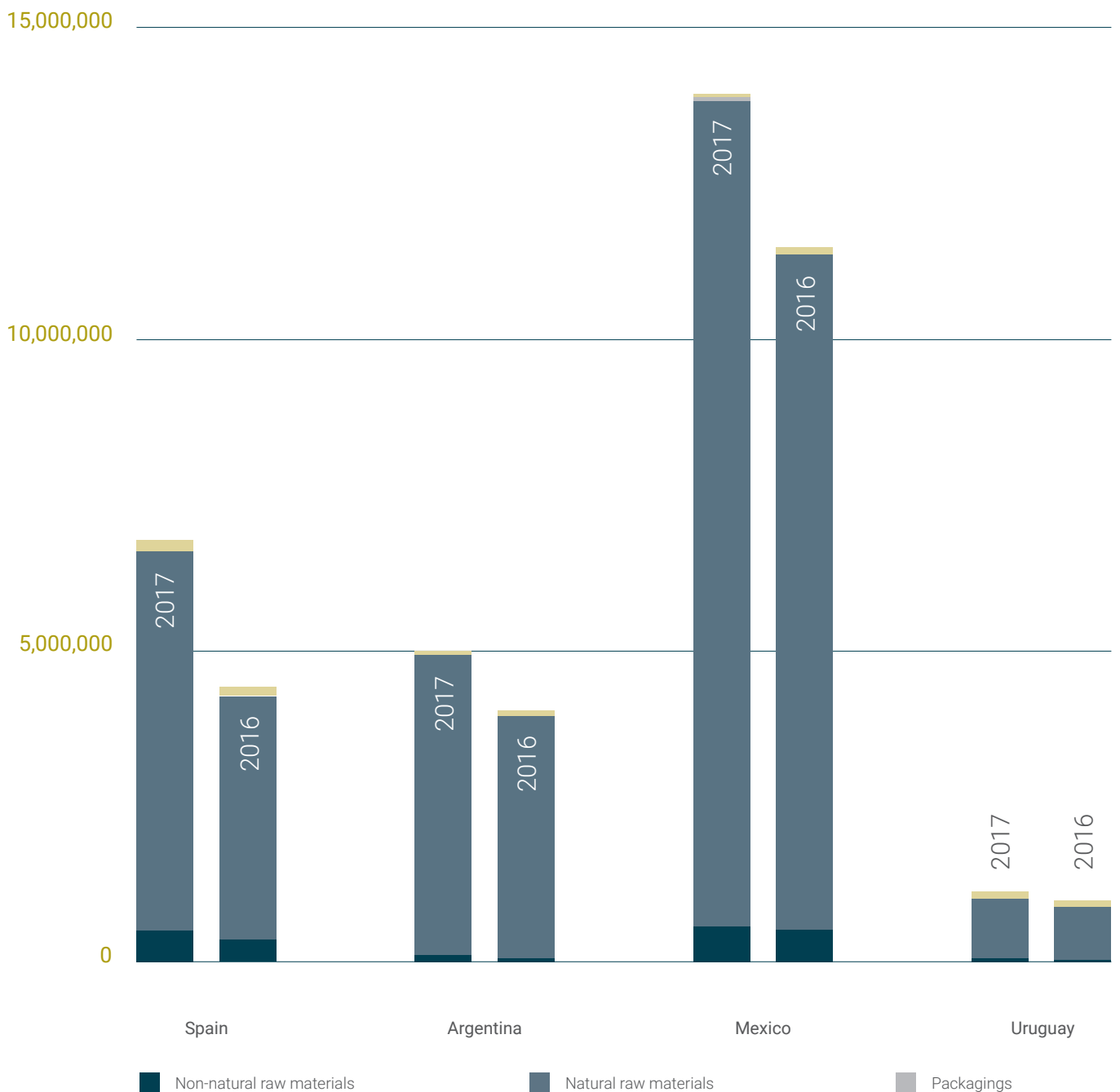
Distribution of material consumption (t)



With regard to 2016, the consumption of natural raw materials has increased 15% and renewable materials 13.9%, while packagings have fallen 79.7% and the use of recycled material has dropped 10.1%. It is interesting to

note that Mexico is the country with the highest consumption of materials (37.8%), while most packagings have been consumed in Tunisia. Argentina has used a significant amount of recycled materials.

Consumption of materials according to type and country (t)

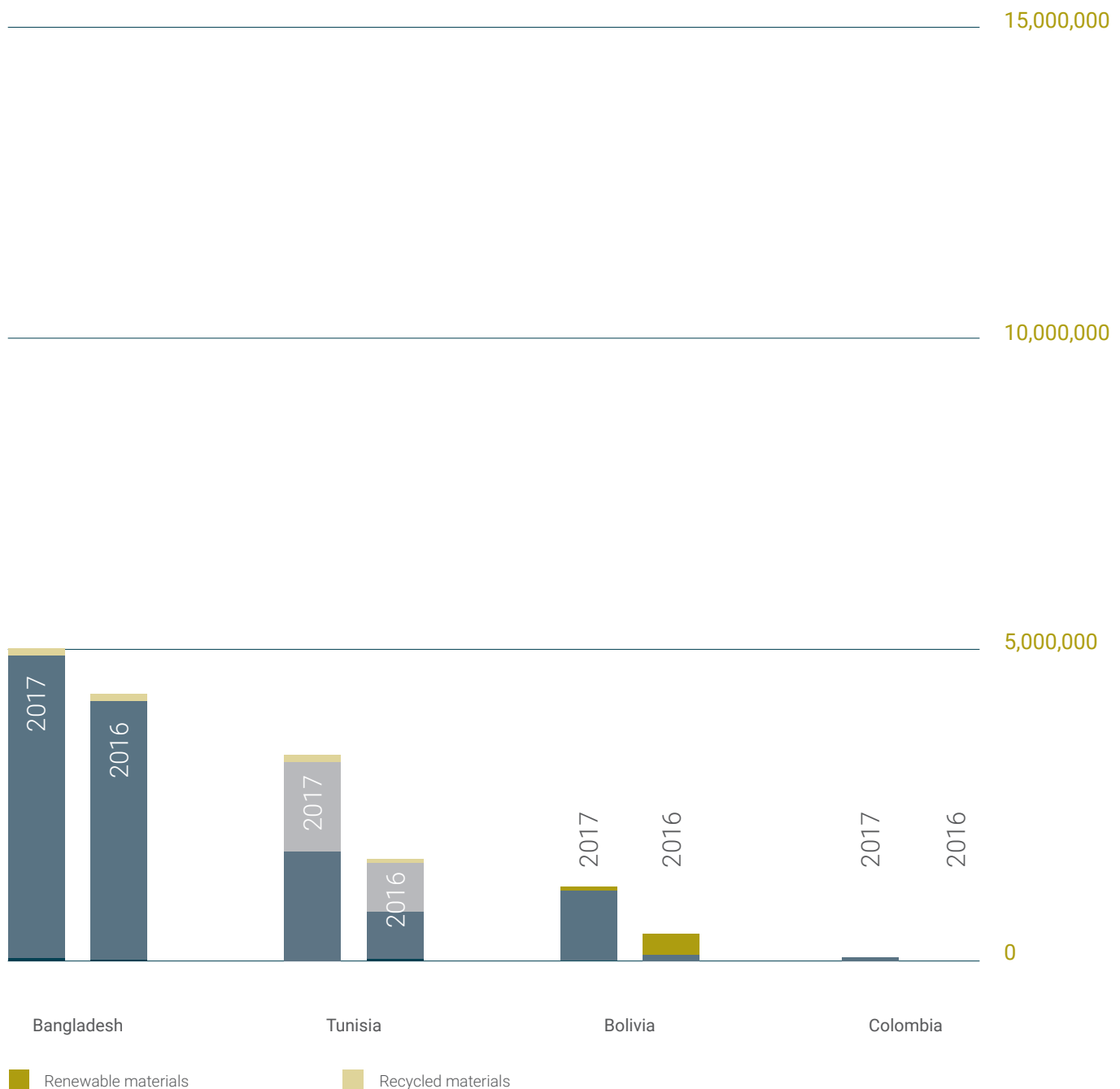


Fuel consumption totals 45.4 million GJ, that is 14.8% more than in 2016, mainly due to the increase in consumptions in Bolivia and Colombia (which both have started activities during 2017), together with Tunisia, Argentina and Uruguay.

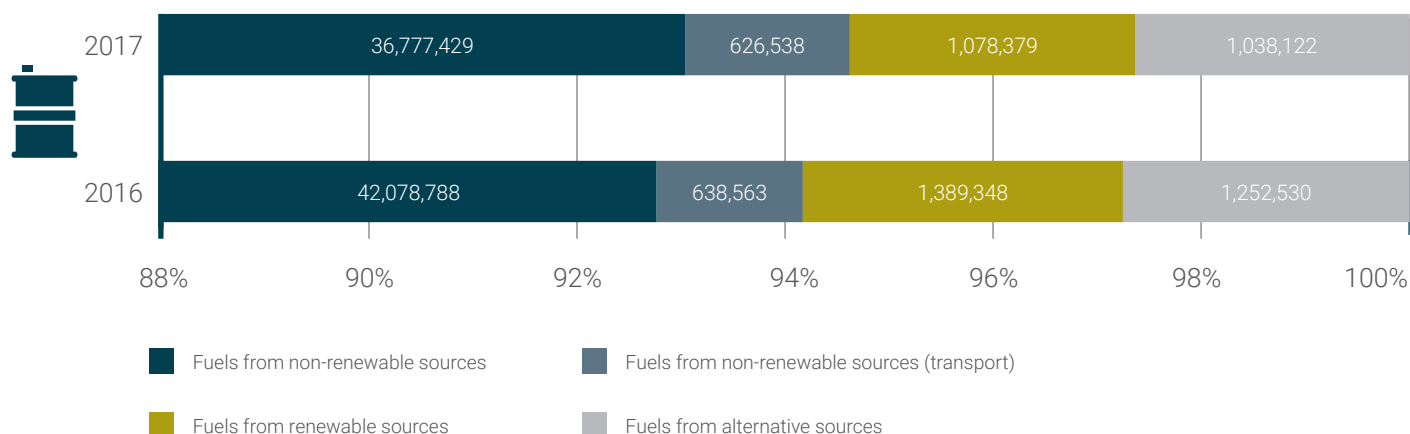
The mostly widely used fuels are those from non-renewable sources (coal and anthracite, petroleum coke, petroleum, natural gas, shale, lignite, petrol, fuel, diesel, liquid petroleum gas

and compressed natural gas) representing 92.8% of the total, followed by the fuels from renewable origin (sewage sludge, wood and sawdust, paper and cardboard, farming waste, charcoal, organic diapers and biomass), which total 3.1% of consumed fuels. The fuel from alternative sources (tyres, solid recovered fuel, glycerins, glycols and dried industrial liquids) has represented 2.8% and non-renewable fuel used in transport (diesel and petrol), 1.4%.

(*) Consumption of materials according to type and country



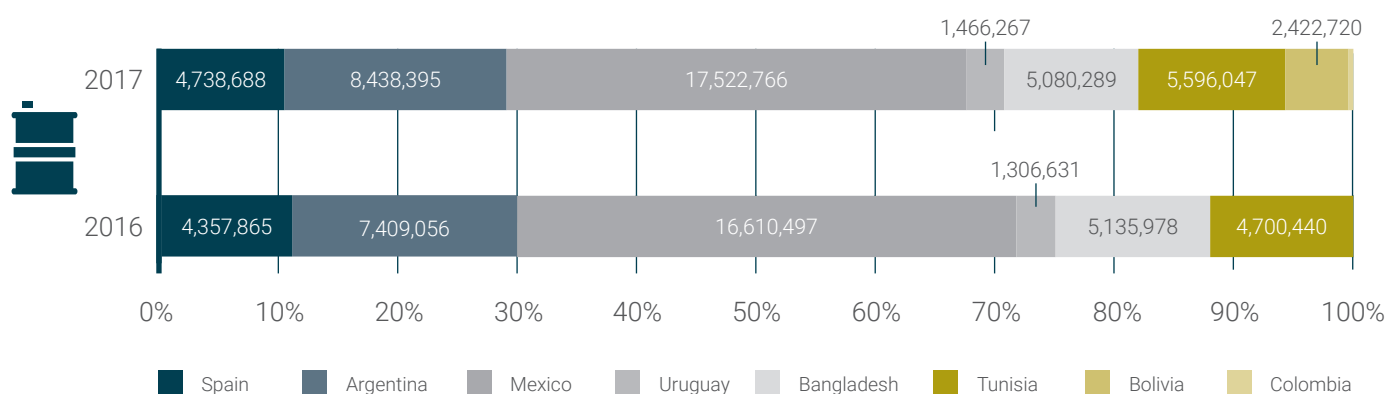
Distribution of fuel consumption according to type (GJ)



During 2017, the Group has consumed 14.4% more non-renewable fuels, 2% more non-renewable fuels used specifically in transport, 28.8% more renewable fuels and 20.7% more fuels

from alternative sources. The country that has consumed a higher percentage of fuels is Mexico, with 38.6% of the total, followed by Argentina, Tunisia, Bangladesh and Spain.

Distribution of fuel consumption according to country (GJ)



The global energy replacement rate, which compares the consumption of renewable and alternative fuels to the total amount of fuels consumed, has increased 8.8% with respect to financial year 2016, increasing to 5.8%. It is worth highlighting the rate distribution varies according to the country. The highest rates correspond to Spain (32.1%) and Uruguay (27.5%). As for consumption in terms of the turnover, this has remained

virtually constant, reaching 70.4 GJ of fuel for every million Euros turnover.

Within the framework of the Mechanisms of Clean Development, it is interesting to note the project for using fuels and alternative materials in the San Luis Plant, in Argentina. The aim is to replace (over 40%) fossil fuels from byproducts or waste from other industrial processes with alternative

fuels and materials, such as iron lamellar, pozzolans, limestone filler, peanut shells, sunflower, glycerol, and others.

Furthermore, Spain has continued actions to promote the use of better technologies available in cement manufacturing, in order to control and supply RDF (Refuse-

Derived Fuel) and unused tyres for their energy and material assessment. Consequently it has been possible to duplicate the use of tyres in Spain and continue using RDF, sludge and wood as fuels, reaching an energy replacement level of 31.2% with the corresponding reduction in emissions.

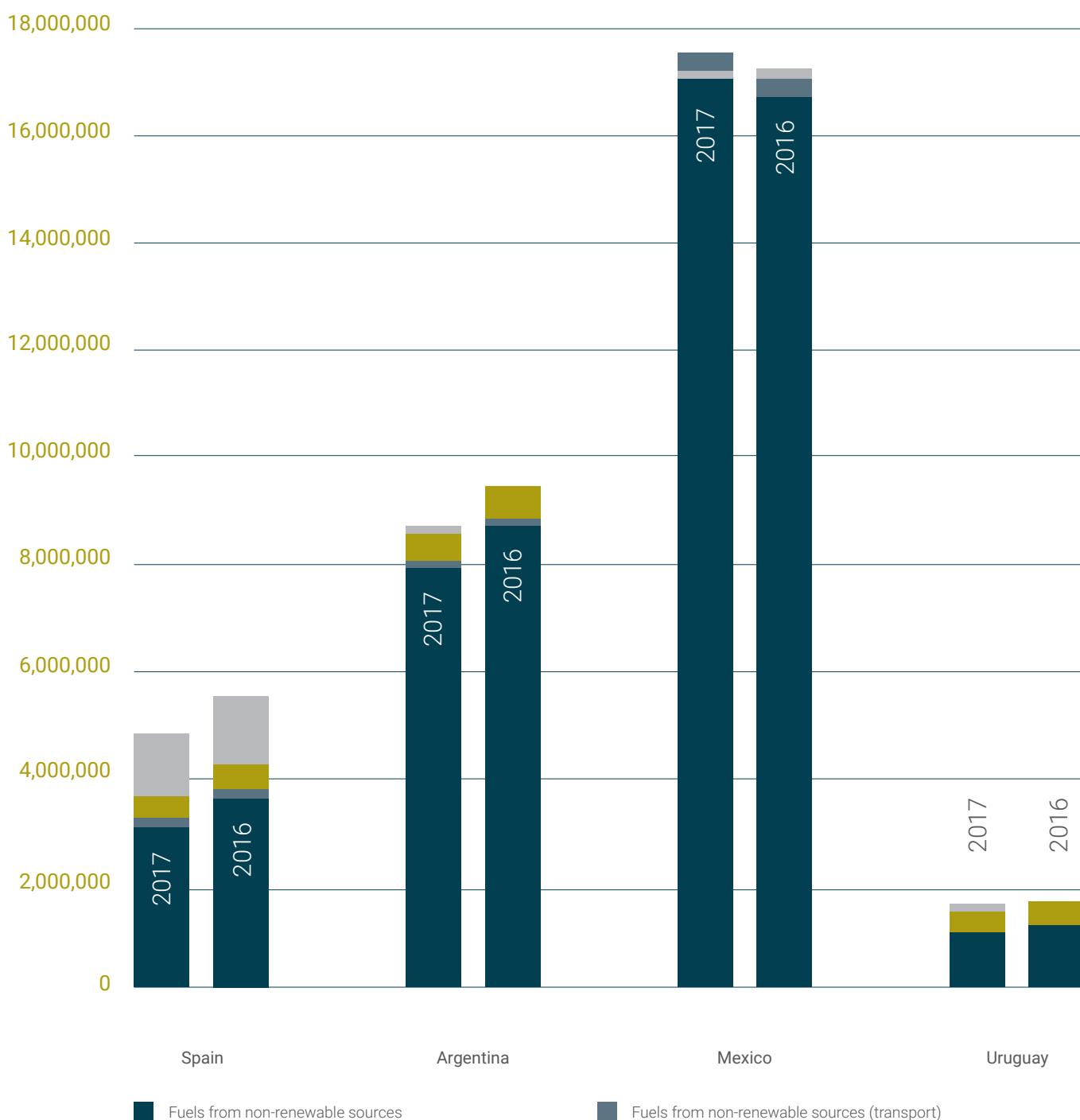
Ciment plant,
Bolivia.



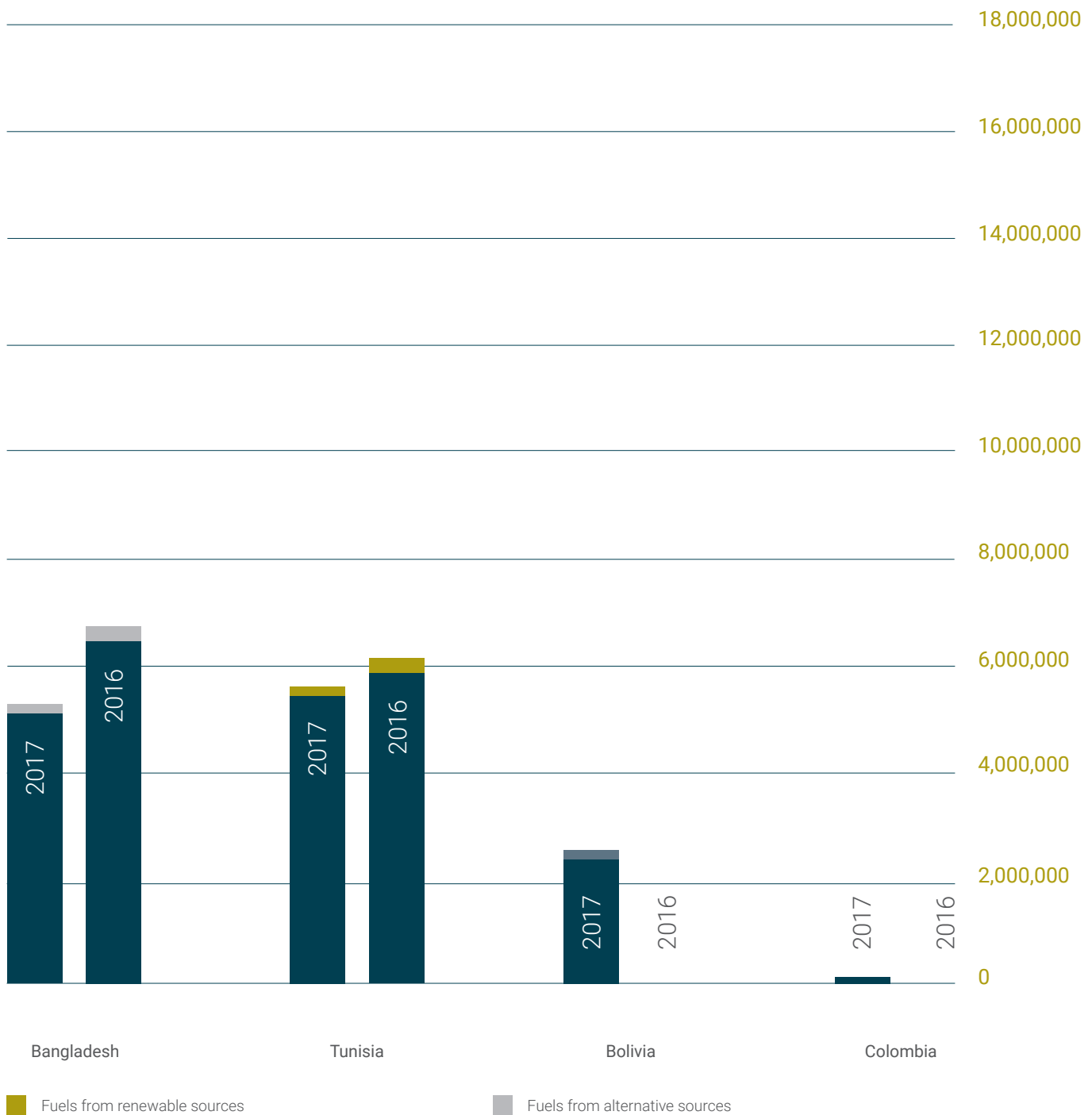
Consumption of fuels according to type and country (GJ)

As well as the consumption of fuels, another of the significant energy consumptions resulting from the Group's activity is electricity. The overall electricity consumption for 2017 is 1,427.7 GWh, 8% higher than 2016 due to the increase in Bolivia,

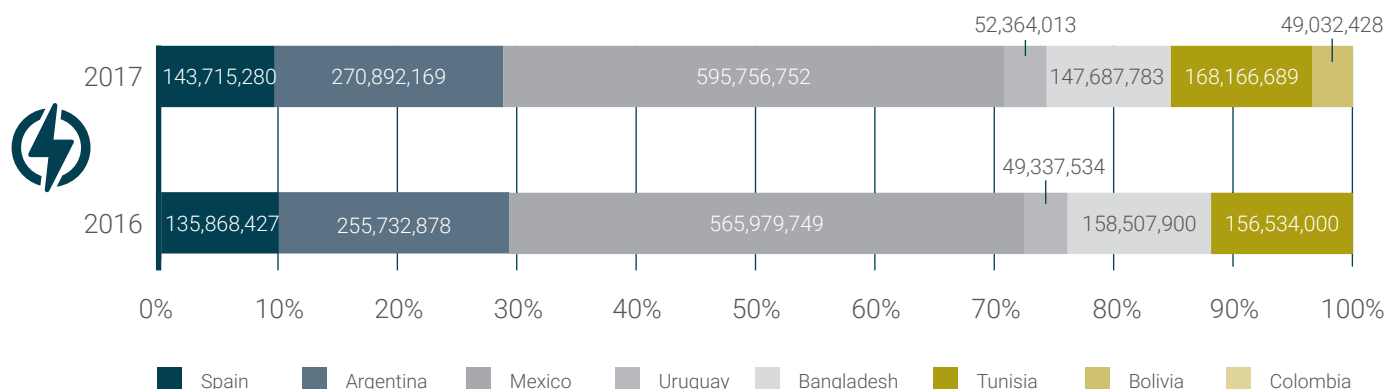
Argentina and Spain. It is worth highlighting that the Group's total electricity consumption for every million Euros of turnover has gone down 6.1% with respect to the previous year, with a total figure of 2,211.6 MWh.



(*) Consumption of fuels according to type and country in GJ

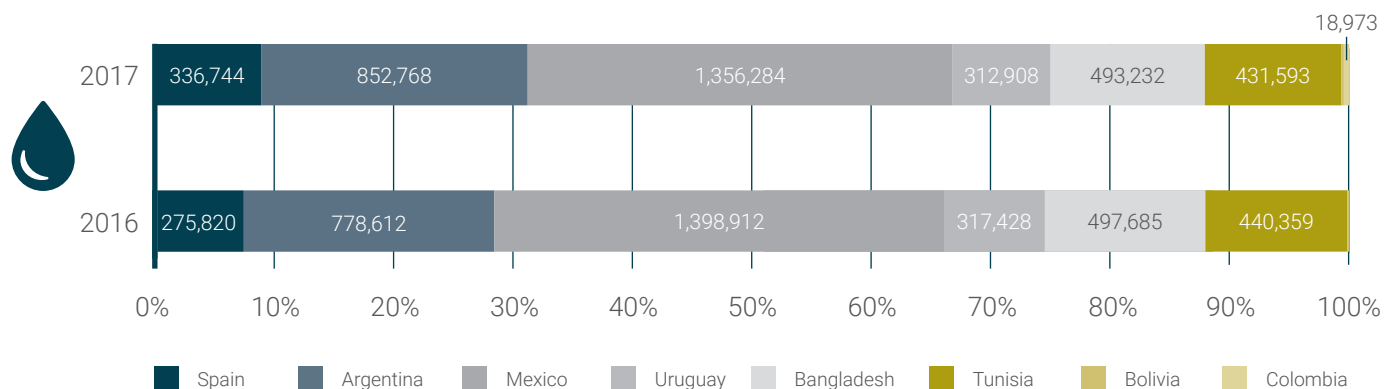


Distribution of the electricity consumption according to country (kWh)



Distribution of the water consumption according to country (m³)

As for the use of natural resources, during 2017, a total of 3,8 million cubic metres of water have been consumed, 2.6% more than in the previous financial year due to the variations in Bolivia and Spain.



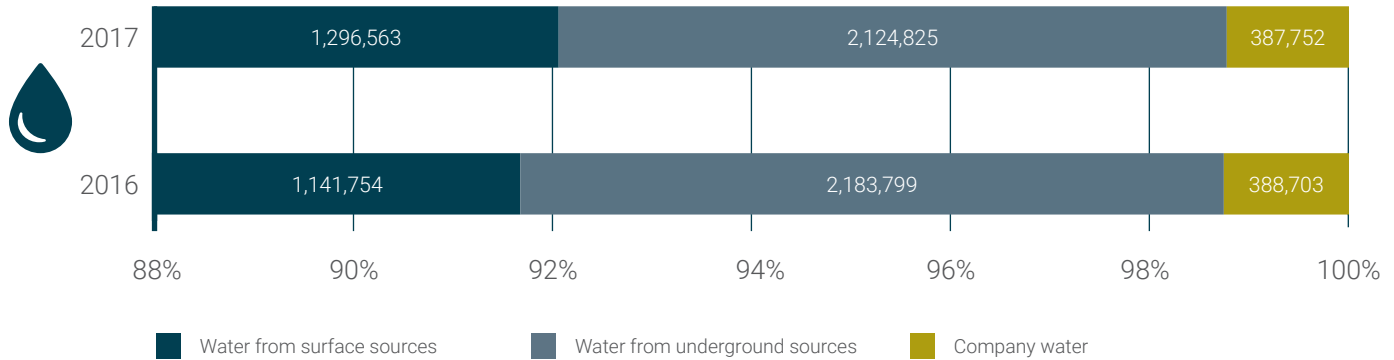
The distribution of consumption according to source has remained constant and the highest percentage corresponds to the underground origin. The percentage of reused water is worth mentioning, as it reached 8.2% of total water consumption.

We have developed general actions for rationalising water consumption and reusing it within the production processes. Mexico, for example, has established 6 washing ponds in various plants, and through a decanting process, this has allowed them to reuse the water in the concrete production process. Also, we also have three treatment

plants that allow reusing water for watering green areas and paths where raw materials are transported, thus in turn reducing dust emission.

In Colombia, the new Ecocementos plant considers the rational and efficient use of water in the construction project; the facilities have a closed circuit for cooling which allows them to reuse the water. Also, the production process in the plant is a dry method, and so no water is used to prepare the raw material that enters the oven. These measures allow a significant saving in water in the first five years of operation.

Consumption of water according to source (m³)



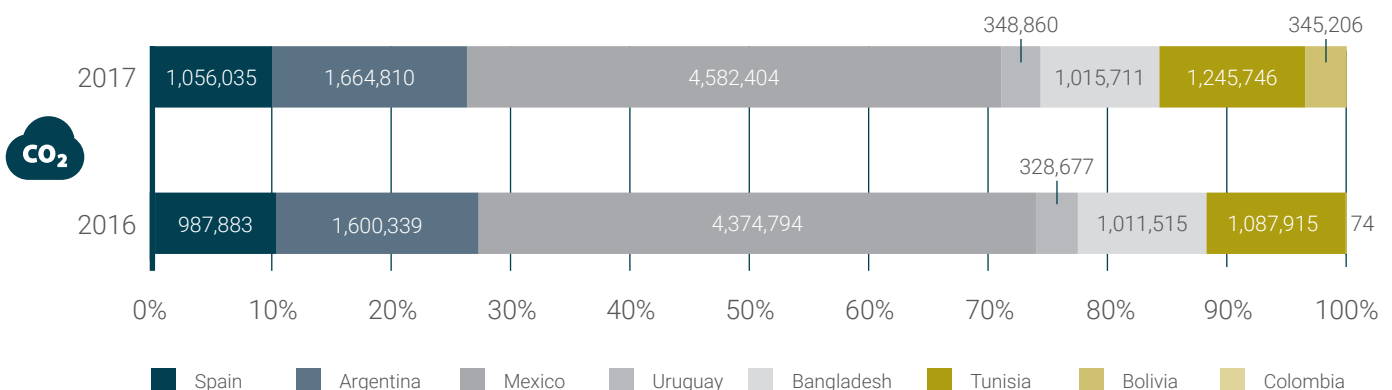
Distribution of greenhouse gas emissions according to country (t)

Fuel and electricity consumption generates greenhouse gas emissions that affect the current climate change, with a particularly positive impact on cement production. The Cement Sustainability Initiative (CSI), promoted by the World Business Council for Sustainable Development (WBCSD), establishes a specific methodology for calculating the emissions of scopes 1 and 2 linked to cement production.

According to this methodology, during 2017 greenhouse gas emissions from the cement production activity (including the extraction activity) have reached 10,3 million tonnes of equivalent CO₂, which means an increase of 9.2% with respect to the previous financial year due to the positive variations in virtually all countries. However, in relative terms this increase is much

lower: for every tonne of cementing produced, 632.8 kg of CO₂ have been released into the atmosphere, which represents an increase of 1.6% with respect to 2016 in overall terms. All this can be explained by the increase in Mexico and Bangladesh, which has offset the reductions in the other countries (except Bolivia).

In the construction project in the new Colombia plant an industrial process design has been included that focuses on energy efficiency and reducing emissions, as in the Sant Vicenç dels Horts. The plant in Colombia is already considered to be one of the world's most efficient in terms of electricity consumption, and it is expected to save significant amounts of greenhouse gas emissions resulting from electricity and fuel consumption.



Waste and circular economy

The Cementos Molins Group in Spain has joined the III Voluntary Agreement for an efficient use of resources and a transition towards a circular economy in the Catalan cement industry, led by Ciment Català (Grouping of cement manufacturers from Catalonia) and the Generalitat of Catalonia.

The circular economy is the central theme in the 20th meeting of the Sustainability Committee in Spain, which has been attended by around twenty councillors, environment technicians and representatives of the neighbourhood associations in the towns around the cement factory in Spain.

During 2017, in Spain we have avoided depositing more than 250,000 tonnes of waste into a dump by instead using the waste (tyres, CDR, sludge and wood) as a fuel. Also, the specific facility for independently supplying granulated tyres to the oven has led to greater stability in the combustion process and, therefore, increased waste consumption.

In Argentina, we have taken part in a workshop together with national, provincial and local environment authorities, the Association of

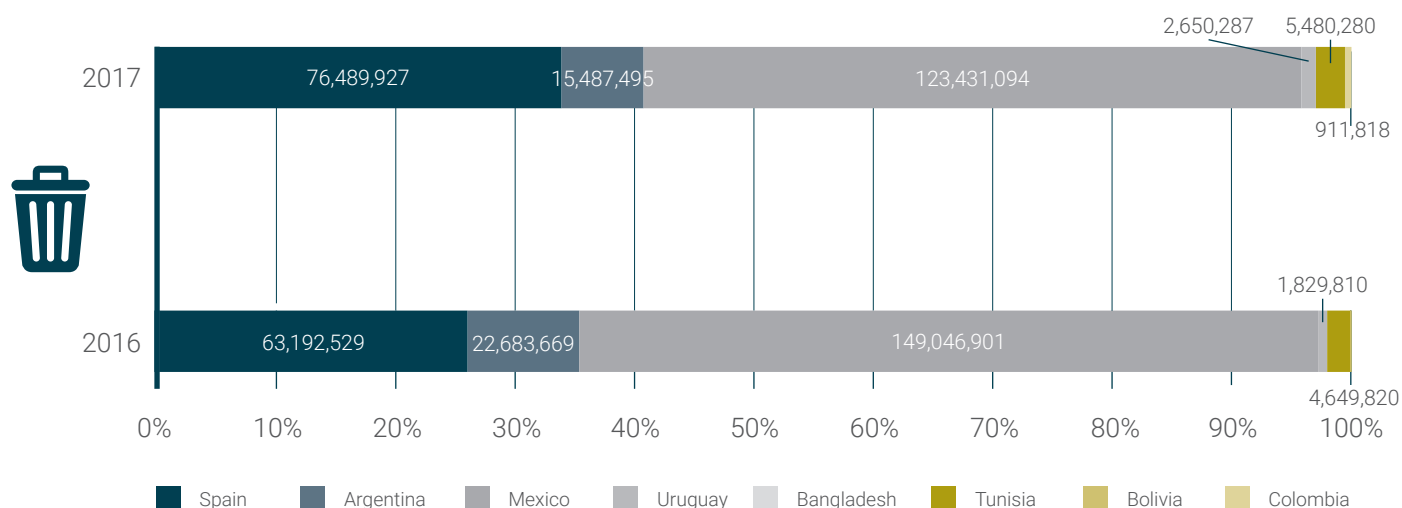
Portland Cement Manufacturers and other companies within the sector. This initiative will allow us to advance in the Law on co-processing tyres and residue-derived fuels, so that therefore we can also extend the use of waste as an alternative to fossil fuels.

Furthermore, the action to improve waste management in Tunisia has focused on implementing a waste cement collection system, and selling recyclable waste (56 tonnes of paper and plastic bags) and building a collector for the waste sludge in the osmosis plant, following the neighbours' request.

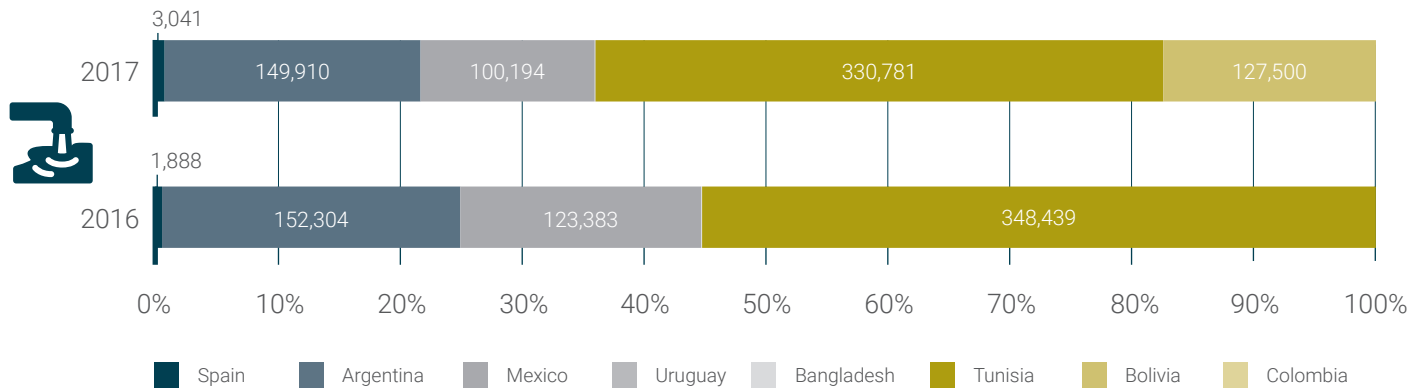
During 2017, the Cementos Molins Group has produced a total of 224,539.2 tonnes of waste, which represents a 7% reduction with respect to the previous financial year, where 99.8% corresponded to non-hazardous waste.

55% of the Group's total waste is produced in Mexico, mainly due to the incidents linked to managing orders for concrete. It is important to take into account that, once the product is mixed, its shelf-life is very short, and this prevents availing of any excess.

Distribution of the total waste generated by country (kg)



Distribution of the generation of waste water according to country (m³)



Virtually all the waste has been treated according to the technical specifications required and the existing standard in each country. It is worth highlighting that 30.9% of the total waste generated has been recycled and 7% reused. Waste recycling has increased 22.6% with respect to the financial year 2016

and composting has also increased 20.5%, while reuse has dropped 28.9%.

On the other hand, the Group's production activities have generated a total of 711,765.3 cubic metres of waste water, representing a 13.7% increase with respect to 2016.

Conveyor belt,
Bangladesh.



Quality of the air

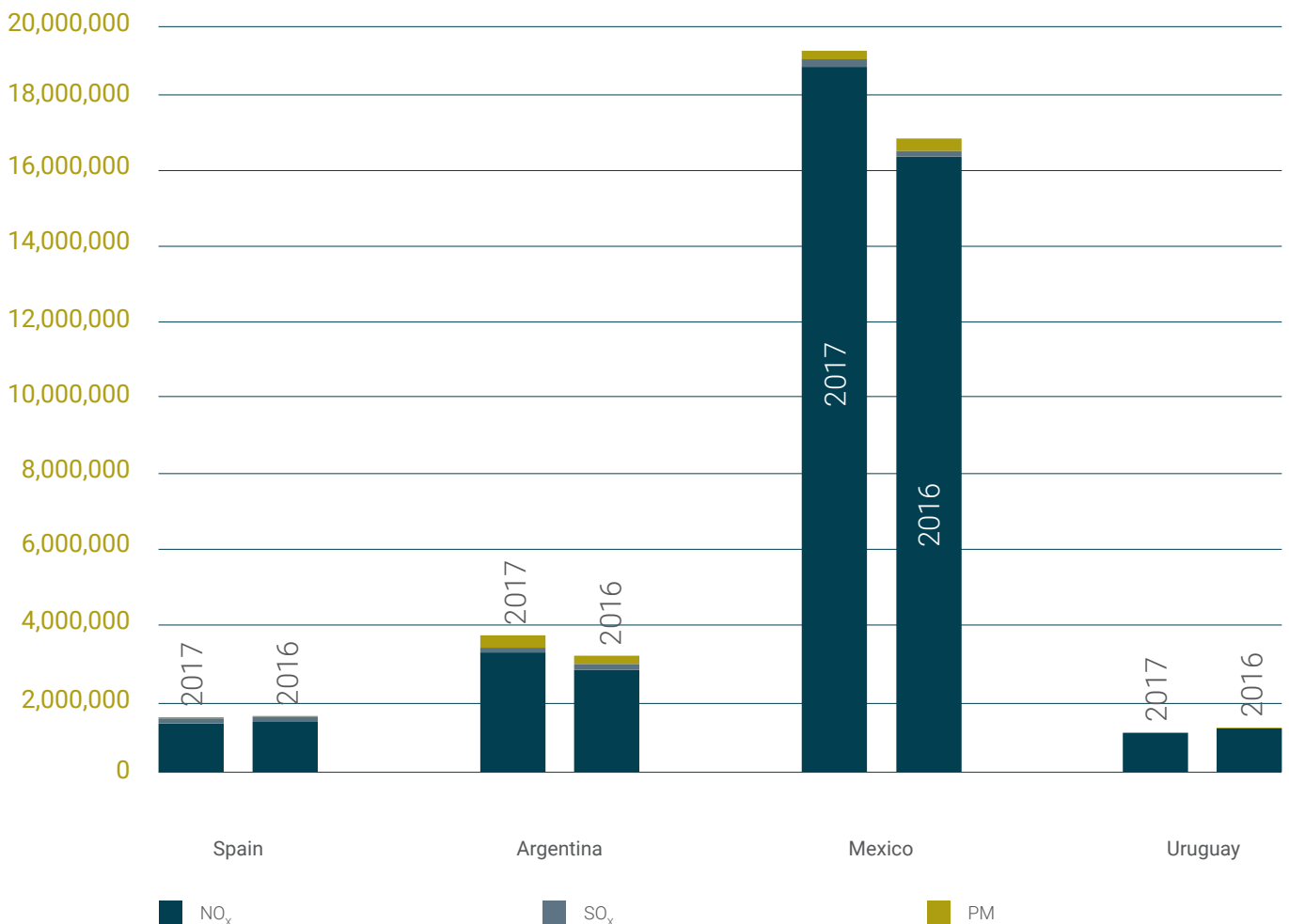
The quality of the air in the vicinity of our plants is one of the Group's key lines of action due to its importance and the awareness of the nearest local communities. Therefore specific measurements are made of NO_x, SO₂ and dust in all plants.

In response to this concern, in Spain we have set up an agreement with the Highest Scientific Research Centre (CSIC) to install new equipment for measuring the oven

emissions (NO_x, SO₂, HCl and CO) and which can be replaced quickly in the event of a breakdown, and to install a continuous gas collector for subsequently measuring dioxin and furan emissions.

In Mexico we have set up more restrictive thresholds than those set out in the country's legal framework, to measure emissions from oven chimneys, mills and grinders. In the same way, in the concrete plants in Querétaro,

Emissions of NO_x, SO_x and PM according to country (kg)



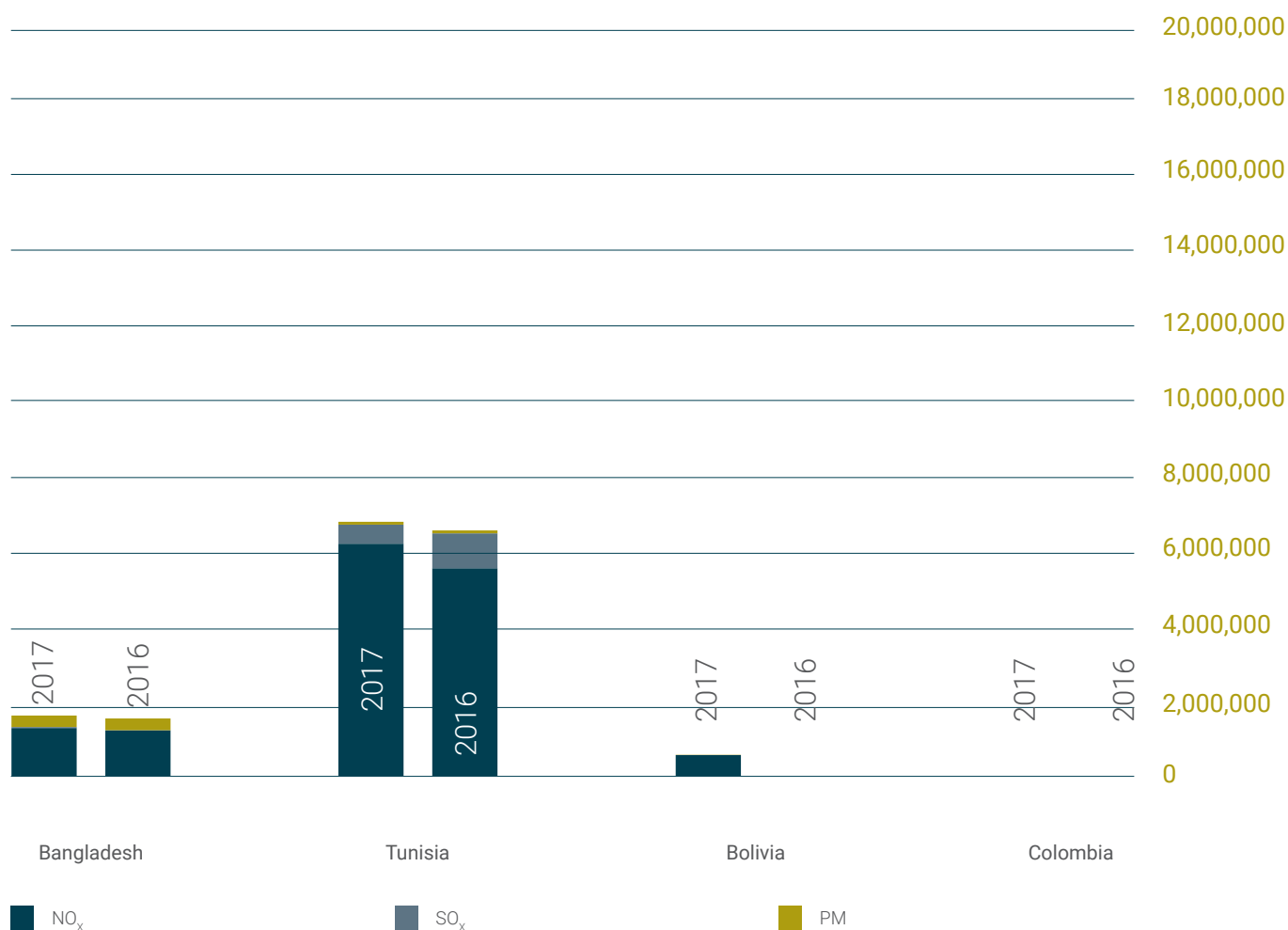
Veracruz, León, Irapuato and Altamira they have invested in silo filling safety systems, which detect any excessive pressure and automatically cut the inlet valve to prevent the entry of air and cement, thus making it possible to reduce diffused emissions into the atmosphere and providing safer operation.

The total of the nitrogen oxide (NO_x) emissions in 2017 is 32,4 million kilograms, 14% higher than 2016 due to the variations recorded in Argentina, Mexico, Bangladesh and Tunisia. Sulphur oxides (SO_x) have totalled 998,300 kg, which is a 27.5% reduction with respect to the

previous year, due to the reductions in Spain, Argentina and Tunisia. Finally, the emissions of suspended particles (PM) have remained virtually constant with respect to the previous year, reaching one million kilograms.

In terms relative to cement production, NO_x emissions have totalled 2,567.9 grams per tonne of clinker, 3.1% higher than those in 2016. Also, SO_x emissions have fallen by 34.4% with respect to the previous year, reaching 79.1 grams/t of clinker. The PM have shared the trend, reducing by 9.3% and registering values of 79.4 grams/t of clinker.

(*) Emissions of NO_x, SO_x and PM according to country (Kg)





Biodiversity

The extraction activity represents the greatest impact on biodiversity and ecosystems, and therefore the measures for prevention and restoring natural habitats are the most important ones the Group has implemented.

The activities in Colombia have also had an affect in this area, since it is the largest natural habitat where the organisation operates its activities. During 2017, we have linked the BanCO₂ program for forest conservation to a total of 68 families, who undertake to preserve 1400 hectares of forest units in exchange for financial recognition, and a contribution has also been made to building a new drinking water processing plant in the area.

Furthermore, it is worth mentioning the corrective measures resulting from the environmental impact of building the new plant. In the construction stage we have started monitoring the protected fauna and flora species, or those of special interest associated with the place, we have adapted the ecological pathway to connect people

from a road network to the township, we have planted 400 trees with the community and reforested the Zona de Retiro Río Claro and Lote La Batea with 650 trees.

In Spain, the main action taken along these lines has been to dismantle the old facilities in the Can Montané quarry, and this contributed to improving biodiversity by removing physical barriers. We have also set up strategic co-operation with Medi Natural from the Generalitat of Catalonia to promote developing and protecting two monitored species: Bonelli's eagle and the Black wheatear, based on the quarry restoration programs aimed at enhancing their habitat. We have also developed a cooperation project with UB to replant and follow-up the Ecoquarry area for restoring the Garraf quarry.

As for environmental education and awareness, in Spain, the Federación de Áridos y el Gremio de Cataluña (the Federation of Aggregates and the Catalan Guild) has organised a Day for trees, aggregates and



biodiversity, a campaign aimed mainly at students in the upper cycle of Primary Education and ESO. During 2017, the workshop has been held in the La Falconera del Garraf and La Fou quarries, and ended up with all the students taking part in the planting activity. In Tunisia a workshop has also been held and they have planted more than 200 trees in the spaces around the industrial plants.

In Argentina, they have continued with the paleontological project started in 2008 together with the Universidad Nacional del Centro de la Provincia de Buenos Aires, the University de Plata and the Museo de Ciencias Naturales de La Plata, aimed at promoting the recovery and conservation of fossils found in the quarry. Installing the “La Cabañita” Viewpoint is one more step along the path of bringing the quarry activity, information on fossils found, the characteristics of the natural habitat and the conservation commitment all closer to the local community. Within this framework, in 2017 we have developed a

reforestation project in the Yacimiento el Polvorín that was presented in the National Aggregates Conference, mainly aimed at identifying and assessing the local species best suited to the environment. Also, work has been done on adding a new replica of the “Diente de Sable” at the Viewpoint.

In Mexico, the cement factory located in Tepetzingo is near the Sierra Montenegro, one of the most important protected natural reserves (7,724 ha). In 2017 a cooperation agreement has been signed between Cementos Moctezuma, the Secretary for Sustainable Development and the neighbouring communities. In the first stage, 40 ha near the Tepetzingo plant will be reforested. Mexico usually has nurseries where they grow plants from each region for are then used to reforest quarries.

Also in Bangladesh, tree plantings have increased around the industrial plants, with about 1,000 trees being added to the already existing green ring in 2017.

Reforestation
at Montenegro,
Mexico.

Technical characteristics of the Report

The second edition of the Sustainability Report of the Cementos Molins Group includes information on the economic, environmental, social and good governance performance

during financial year 2017, to complement the other corporate publications during the year available on the organisation's website, including the following:



Activity Report
of the Cementos
Molins Group
(AR).



Individual and
Consolidated
Annual Accounts
(CCAA)



Corporate
Governance
Annual Report
(CGAR)



Annual Report on
remuneration
of Board Members
(ARRBM)

Also, on the Group's web page other significant documents are available associated with the General Meeting of Shareholders call, together with other corporate policies.

Equally, each organisation within the Group has a specific web page with more detailed information and a specific context.

Ciment plant,
Bolivia.



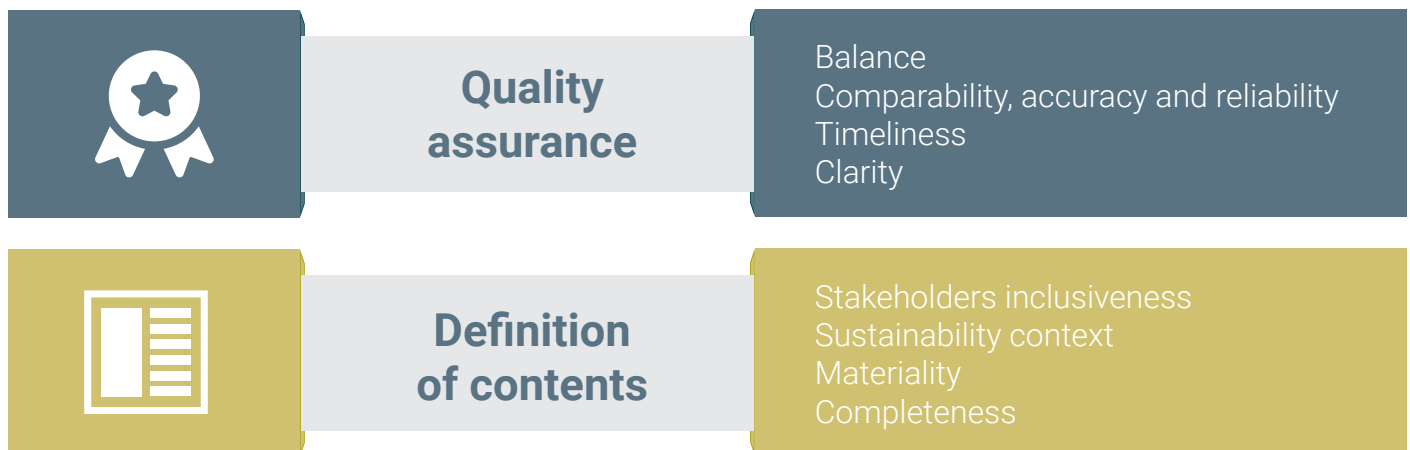
Preparation methodology

This report has been drawn up according to the main international reference standards, both on a general and sectoral level. Furthermore, the basis of the report are the standards used to prepare the organisation's reports, Global Reporting Initiative (GRI SRS 2016), for an essential level of conformity. Also, the requirements of the UN Global Compact have been considered to draft the Progress Reports.

Furthermore, the basis of the report are the Sustainability Reporting Standards promoted by Global Reporting Initiative (GRI STD 2016),

as per a core in accordance level. Also the UN Global Compact Communication on Progress requirements have been considered and the requirements established in the AA1000SES standard promoted by Accountability for drawing up the stakeholders map and identifying its expectations.

These methodologies contain requirements and recommendations associated with the report preparation process and the actual contents. The following GRI principles established in standard 101 are as follows:



In this respect, work has been done to improve the application of the principles of comparability, accuracy and reliability, and also balance and clarity, with respect to the preceding edition of the report. Virtually all the data from the year 2016 included in the previous edition has been re-expressed or omitted if it were not possible to obtain comparable data; it is important to take into account that in the 2017 edition, the information scope has been increased and new methodologies have been applied, which have required the said re-expression to ensure the information is comparable. This is the reason why in some cases there are not historical files for various indicators, since it is the first time they are published.

Materiality is the same as in the previous edition, and includes the activities in Spain and the participation by the internal

stakeholders. During this financial year, work has been done on formalising and updating an international map of stakeholders and progress has been made in describing the value chain and identifying the aspects with significant impacts throughout the activity life cycle. This way, we are able to broaden and update the materiality during the year 2018.

The contents of the Sustainability Report has been coordinated and prepared by the work group formed for this purpose, with representation from all the activities and countries, and a large number of people have taken part in gathering and validating the qualitative and quantitative information. Likewise, these contents have been revised and approved by the Group's Board of Administration, the organisation's main governance body.

Cement plant,
Bolivia



Information scope

The information scope included in the Sustainability Report has been extended to all the Group's main activity, as well as about the manufacturing of cement, and virtually all the subsidiaries with international

press, based on the specific possibilities of management listed. In particular, the scope of this edition includes the following subsidiaries that represent virtually all the Group's turnover.

Activity	Companies included
Cement	Spain: Cementos Molins Industrial S.A.U (CMI) Argentina: Cementos Avellaneda, S.A. Mexico: Corporación Moctezuma S.A.B. de C.V., Cementos Moctezuma, S.A. de C.V., Uruguay: Cementos Artigas, S.A. Bangladesh: LafargeHolcim Bangladesh LTD, y Lafarge Umiam Mining Private LTD (India) Tunisia: Société Tuniso Andalouse de Ciment Blanc, S.A. (SOTACIB), Sotacib Kairouan, S.A., Bolivia: Itacamba Cemento S.A. Colombia: Empresa Colombiana de Cementos SAS, Insumos y Agregados de Colombia SAS.
Concrete and aggregates	Spain: Promotora Mediterránea-2 S.A. (PROMSA), Promsa del Berguedà, S.L., Monso-Boneta, S.L., Promotora de formigons, S.A., Pronatur Energy 2011, S.L., Montaspre Serveis Ambientals, S.L., Tècniques ambientals de muntanya, S.L., Granulated Rubber Project S.L. Argentina: Cementos Avellaneda, S.A. Mexico: Latinoamericana de Concretos, S.A. de C.V., Maquinaria y Canteras del Centro S.A. de C.V., Concretos Moctezuma del Pacífico S.A. de C.V., Concretos Moctezuma de Jalisco, S.A., Concretos Moctezuma de Xalapa, S.A. de C.V., CYM Infraestructura S.A.P.I. de C.V., Uruguay: Cementos Artigas, S.A.
Prefabricate	Spain: Prefabricaciones y contratas S.A.U. (PRECON), Catprecon S.L.
Mortars and other materials	Spain: Propamsa S.A.U, Promotora Mediterránea-2 S.A. (PROMSA) Argentina: Cementos Avellaneda, S.A.
Corporation	Spain: Cemolins International S.L.U., Cemolins Servicios Compartidos S.L.U., Cementos Molins, SA.

The rest are made up of the following companies, which have been excluded from the scope of the Sustainability Report. Cemol Corporation, B.V., Minus Inversora, S.A., Precon (Linyi) Construction Co. LTD, Santa Pamela S.A.U., Fresit B.V., Presa International, B.V., Colina Justa, S.A., Fresh Markets, S.A., Eromar, S.A., Mondello S.A., Inmobiliaria Lacosa S.A. de C.V., Latinoamericana de Comercio, S.A. de C.V., Lacosa Concretos, S.A. de C.V., Cemoc servicios especializados, S.A. de C.V., Escofet 1886 S.A., Escofet Paviment,

S.L.U, Escofet Pretecno, S.A. de C.V., Portcemen, S.A., Vescem-LID, S.L., Surma Holding, B.V., Lum Mawshun Minerals Private LTD, Société Tunisienne de Transport en Vrac-STTV, Yacuces S.L., GB Minerales y Agregados, S.A.

The data on environmental and social performance were added without having to apply the proportionality criterion which does include the turnover, except in those cases where it is indicated otherwise.

GRI contents index

Foundation and general contents

General contents	Direct response page	Omissions
GRI 101 FOUNDATION 2016		
101 Principles	69-70	
GRI 102 General Contents 2016 Organisation profile		
102-1 Name of the organisation	Cementos Molins S.A.	
102-2 Activities, trademarks, products and services	14-19	
102-3 Location of Headquarters	Sant Vicenç dels Horts, Crta Nac. 340, 2 to 38 (BCN)	
102-4 Location of operations	18-19	
102-5 Ownership and legal form	Limited Company	
102-6 Markets served	16 MA 10-11, 19-21	
102-7 Scale of the organisation	6-7	
102-8 Information on employees and other workers	7, 39, 44	
102-9 Supply chain	20-22	
102-10 Significant changes in the organisation and its supply chain	71	
102-11 Precautionary Principle or approach	26-27, 29-30, 32	
102-12 External initiatives	48-49, 69	
102-13 Membership of associations	Contents notes (a)	
Strategy		
102-14 Statement from senior decision-maker	4-5	

Ethics and integrity		
102-16 Values, principles, standards and norms behaviour	16, 27-29	
Governance		
102-18 Governance structure	IAGC / MA	
Interest group involvement		
102-40 List of stakeholders	24-25	
102-41 Collective bargaining agreements	41	
102-42 Identifying and selecting stakeholders	23	
102-43 Approach to stakeholders engagement	23-25	
102-44 Key topics and concerns raised	26	
Practices for preparing reports.		
102-45 Entities included in the consolidated financial statements	CCAA 75-77	
102-46 Defining report content and topic Boundaries	20-22	
102-47 List of the material topics	26	
102-48 Restatements of information	70	
102-49 Changes in reporting	69-70	
102-50 Reporting period	1 January to 31 December 2017	
102-51 Date of most recent report	Financial year 2016, published in 2017	
102-52 Reporting cycle	Annual	
102-53 Contact point for questions regarding the report	sostenibilidad@cemolins.es	
102-54 Claims of reporting in accordance with the GRI Standards	69	
102-55 GRI content index	72-76	
102-56 External assurance	The Sustainability Report and the information contained therein have not been checked externally.	

Economic topics

Standard	Direct response page	Omissions
GRI 103 Management approach 2016 Related to Economic performance (201) and procurement practices (204)		
103-1 Explanation of the material topic and its boundary	20-22, 26	
103-2 The management approach and its components	30, 32-34 MA 14, 15, 22, 31, 34, 36, 39, 41, 44, 46	
103-3 Evaluation of the management approach	32-37	
GRI 201 Economic Performance 2016		
201-1 Direct economic value generated and distributed	37	
GRI 204 Procurement practices 2016		
204-1 Proportion of spending on local suppliers	36	

Environmental topics

Standard	Direct response page	Omissions
GRI 103 Management approach 2016 Linked to: Materials (301), Energy (302), Water (303), Biodiversity (304), Emissions(305), Effluents and waste (306), Environmental compliance (307)		
103-1 Explanation of the material topic and its boundary	20-22, 26	
103-2 Management approach and its components	30, 32, 51-52	
103-3 Evaluation of the management approach	32, 50	
GRI 301 Materials 2016		
301-1 Materials used by weight or volume	53-55	
301-2 Recycled input materials used	54-55	
GRI 302 Energy 2016		
302-1 Energy consumption within the organization	56, 58-60	
GRI 303 Water 2016		
303-1 Water withdrawal by source	61	
303-3 Water recycled and reused	60	
GRI 304 Biodiversity 2016		
304-3 Habitats protected or restored	66-67	
GRI 305 Emissions 2016		
305-1 Direct GHG (scope 1) emissions	61	
305-2 Energy indirect (scope 2) GHG emissions	61	
305-7 NO _x , SO _x and other significant atmospheric emissions	64-65	
GRI 306 Effluents and waste 2016		
306-2 Waste by type and disposal method	62-63	
GRI 307 Environmental compliance 2016		
307-1 Non-compliance with environmental laws and regulations	Contents notes (b)	

Social issues

Standard	Direct response page	Omissions
GRI 103 Management approach 2016		
Linked to: Employment(401), Occupational relations (402), Occupational health and safety (403), Training and education (404), Diversity and equal opportunities (405), Freedom of association and collective bargaining (407), Rights of the indigenous people (411), Marketing and labelling (417), Socio-economic compliance (419)		
103-1 Explanation of the material topic and its boundary	20-22, 26	
103-2 The management approach and its components	30, 32	
103-3 Evaluation of the management approach	32, 38	
GRI 401 Employment 2016		
401-1 New employee hires and employee turnover	41-42	
GRI 402 Labor/Management relations 2016		
402-1 Minimum notice periods regarding operational changes	Contents notes (c)	
MM-4 Number of strikes and lock-outs exceeding one week's duration, by country	Contents notes (c)	
GRI 403 occupational health and safety 2016		
403-1 Workers representation in formal joint management-worker health and safety committees	45	
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	43-44	The absenteeism index has not been published, as the data is not available. Actions are being carried out to publish this data in reports after 2021.
GRI 404 Training and education 2016		
404-1 Average hours of training per year per employee	47	
GRI 405 Diversity and equal opportunities 2016		
405-1 Diversity of governance bodies and employees	39-40; IAGC 6-7, 16-17	
405-2 Ratio of basic salary and remuneration of women to men		The ratio has not been published as this is considered confidential information. Actions are being carried out to publish this data in reports after 2021.
GRI 407 Freedom of association and collective bargaining 2016		
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	They have not been identified.	
GRI 411 Rights of the indigenous people 2016		
411-1 Incidents of violations involving rights of indigenous people	They have not been identified.	
MM-5 Number of operations taking place in or adjacent to indigenous people's territories, and number and percentage of operations or sites where there are formal agreements with indigenous people's communities	Contents notes (e)	
GRI 417 Marketing and labelling 2016		
417-1 Requirements for product and services information and labelling	33; MA 53-55	
GRI 419 Socio-economic compliance 2016		
419-1 Non-compliance with laws and regulations in the social and economic area	Contents notes (f)	
MM-10 Number and percentage of operations with closure plans	16	

Contents notes:

(a) The various companies are part of the following associations:

CIMENTS 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).

PROMSA: Anefhop (Spanish National Association of Prepared Concrete Manufacturers), Gremi d'Àrids (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.

PRECON: AFTRAV (National Association of Sleeper Manufacturers for Railways), MAFEX (Spanish Railway Association), ANDECE (National Association of cement derivatives).

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).

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).

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).

CORPORACIÓN MOCTEZUMA: Fundación UNAM and Coparmex (Employer's Confederation of the Mexican Republic).

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.

(b) A sanction has been received in Mexico for the value of 597.7 Euros associated to not showing the Unique Environmental License and the Environmental Contingency Program. The Unique Environmental License has been processed and the Environmental Contingency Program has been drawn up.

(c) The minimum term of notification for operational changes is variable depending on the country. In Spain and Mexico the period is two weeks, in Argentina and Uruguay it is four weeks, in Bolivia and Bangladesh it is 12 weeks, and in Colombia and Tunisia there is no minimum term of notification.

(d) There have been a total of 12 strikes lasting more than one week in one of the plants in Tunisia, linked to improving employment and payment conditions. Following the dialogue, an agreement has been reached to re-establish the activity in the facilities.

(e) There are operations that take place in centres adjacent to indigenous territories in Colombia and Bolivia, countries where collaboration projects are run with these communities.

(f) A sanction has been received in Uruguay for the amount of 700 Euros, associated with the delay in the concrete setting time. Also a sanction has been received in Spain for an amount of 2,046 Euros, linked to the non-availability of the data on the subcontracted companies in the corresponding subcontracting log.

(g) The company has a total of 35 inactive holdings with closure plans (all in Spain, except one in Mexico).

Equivalences between GRI and the principles of the UN Global Compact

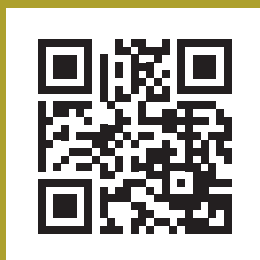
Principles of the Global Compact

Equivalence with the GRI Index of contents (G4)

Human Rights	
Principle 1 Business should support and respect the protection of internationally proclaimed Human Rights, within their scope of influence.	Human Rights Subcategory: all aspects. Society Subcategory: local communities.
Principle 2 Business must make sure that their companies are not complicit in Human Rights abuse.	Human Rights Subcategory: all aspects.
Employment standards	
Principle 3 Businesses must uphold the freedom of association and the effective recognition of the right to collective bargaining.	G4-11 Employment practices and dignified work subcategory: relations between the workers and the management. Human Rights subcategory: freedom of association and collective bargaining.
Principle 4 Businesses must support the elimination of all kinds of forced or compulsory labour.	Human Rights Subcategory: forced labour.
Principle 5 Businesses must support the abolition of child labour.	Human Rights Subcategory: child labour.
Principle 6 Businesses must support the abolition of discriminatory practices in respect of employment and occupation.	G4-10 Employment practices and dignified work subcategory: all aspects. Human Rights Subcategory: no discrimination.
Environment	
Principle 7 Businesses must maintain a precautionary approach in favour of the environment.	Environment category: all aspects.
Principle 8 Businesses must promote initiatives to promote greater environmental responsibility.	Environment category: all aspects.
Principle 9 Businesses must encourage the development and diffusion of environmentally-friendly technologies.	Environment category: all aspects.
Anti-corruption	
Principle 10 Businesses must work against corruption in all its forms, including extortion and bribery.	Company Subcategory: Fight against corruption and Public Policy.



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