

Cementos Molins

Annual Report 2019

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Message from the President

Dear shareholders,

In 2019, the companies in Argentina (Cementos Avellaneda) and Uruguay (Cementos Artigas) in which Cementos Molins had an interest and of which Cementos Molins has been a shareholder since 1980 and 1991 respectively, celebrated their 100th anniversary. It has been 100 years of leaving its mark with an ever-decreasing environmental impact and a great influence on the development of countries, as well as on the relationship with local communities.

Despite the challenging situation, 2019 was a good year, marked by the negative impact of the currency depreciation in some of the countries we operate in—especially, Argentina and Mexico—, and by the lower results in Tunisia. However, the net profit of Cementos Molins in 2019 increased by 5%, amounting to 90 million euros.

Thus, the consolidated turnover for the 2019 financial year totalled 633 million euros, an 8% increase with respect to that of 2018. The operating result amounted to 83 million euros, 57% higher than in 2018. And the investment made in order to expand the production capacity of the San Luis plant in Argentina should be sufficient to continue increasing sales volumes.

During 2019, 81.6% of the economic value created was distributed among the stakeholders. Cementos Molins has always been committed to Corporate Social Responsibility and increases this commitment through an integrated business strategy, working to reduce its environmental impact and promoting circular economy and ethics, among other values.

This strategy will enable us to continue growing on a solid basis, while facing today's sustainable development challenges, considering the environmental, social and good governance criteria, as well as our economic performance.

I would like to convey my heartfelt thanks to all our employees for their dedication, and our shareholders, customers and suppliers for trusting us.

Juan Molins Amat
President



Message from the CEO

Dear stakeholders,

Our 2019 annual report shows the environmental, social and good governance (ESG) information integrated with the economic performance of Cementos Molins. It is published with the Consolidated Annual Accounts for the first time, timely and in due form, along with the Management Report included therein.

This report follows the recommendations issued by the GRI (SRS) standards and includes the two new standards regarding water (GRI 303) and occupational health and safety (GRI 403). The non-financial information was reviewed by an independent auditor.

This year we have promoted the integration of Corporate Social Responsibility (CSR) at Cementos Molins, following the technical recommendations of the World Business Council for Sustainable Development (WBCSD) adopted by the Global Cement and Concrete Association (GCCA) in the GCCA Sustainability Charter (October 2019). On the other hand, we have identified and linked the United Nations Sustainable Development Goals (SDG) to the different stages of our value chain, incorporating those SDG into our ESG accountability process. Similarly, we have defined the organisation's strategy and we have started to update the organisation's materiality analysis.

In December 2019, Cementos Molins refinanced 180 million euros over 5 years by means of a Sustainability Linked Loan. I think it is important to highlight that this is the first time a company in the cement sector in Spain signs this type of sustainable financing. This initiative strengthens the organisation's commitment to sustainability.

The indicators of our Sustainability barometer remained constant, but with a slightly lower score than in the previous year (6.6 points versus 6.7 points in 2018). This tool is based on five indicators (power consumption, caloric consumption, carbon intensity during cement production, accident frequency index and employee satisfaction index) and it is key in the Cementos Molins' strategy as it even affects the Management's variable remuneration.

We work with a 0 accident goal by means of sensitization and awareness activities in all the countries where the organisation operates. Cementos Molins is committed to training its working teams: over 80% of the employees were trained in 2019.

In terms of energy, we have reduced the consumption of fuels and electricity by means of less polluting alternative fuels and energy efficiency actions. In addition, we have managed to decrease the greenhouse gas emissions (GHG) by 7.8% compared to 2018.

The priority of Cementos Molins is to develop ecomaterials, recycling and recovering waste. In this line, more than 70% of the waste generated were recovered, reused and recycled in 2019. This year, the project to dismantle the former production lines in Sant Vicenç dels Horts is focused on recycling all waste.

The organisation incorporates circular economy into its value chain, optimising the use of water, energy and raw materials. In order to offset the environmental impact of the production of cement and other products, Cementos Molins promotes the preservation of biodiversity and the restoration of quarries.

It also contributes actively to social and economic improvement of communities. In 2019, we have developed a social action plan to systematise the Cementos Molins' contribution to the community. Contributions to local communities amounted to more than 1 million euros in 2019, a higher figure than in the previous year.

The level of customer satisfaction remained constant compared to the previous year. Cementos Molins is committed to continuous improvement and quality of our services and products, and is focused on customer satisfaction, above all.

In 2020, we will continue to work on growth, sustainability, efficiency, digitalisation and human resources initiatives to strengthen our commitment to the environment and the society, implementing our new strategic plan.

I want to thank you for your commitment through this letter. We remain at your disposal for any further questions regarding this Report.



Julio Rodríguez
CEO

2019 Performance Summary¹

Countries with
industrial presence

9



Total number of
active quarries

34



Net profit
(in million of euros)

90



Total number
of plants

111

**Sustainability
barometer**

2019
6.60

Change
-1.8%

ECONOMIC PERFORMANCE



Income
(millions of €)

797

+4.3%

EBITDA
(millions of €)

192

+5.8%

Distributed
economic value

81.6%

-2.2%

PERSONS



Workforce

Number
of workers

4,932

+1.3%

Percentage of
women in workforce

10.9%

+7.2%

% of workforce covered
by a collective agreement

63.2%

-6.4%

Occupational health and safety²

Number of fatal
accidents

2

NA

Frequency
index

3.9

NA

SOCIAL IMPACT



Contributions
made (thousands of €)

1,470.4

+17.8

CLIMATE CHANGE AND ENERGY



Environmental expenses
(millions of €)

4.3

-1.7%

Environmental investments
(millions of €)

12.8

486%

Climate change

Total CO₂ emissions
(thousands of t)

8,971.7

-7.8%

Global energy
substitution rate

7.6%

35.3%

CIRCULAR ECONOMY



Waste and circular economy

Total waste generation
(thousands of t)

226

+11%

Water consumption

Percentage of water reused
compared to total

6.8%

-12.1%

(1) All data included in the Performance Summary correspond to the entire perimeter of the Group with the exception of economic indicators, which are calculated according to the proportionality criterion.

(2) Data including our workers and external workers.

The Activity of the Organization, its Management and its Governance

Cementos Molins is one of the most important companies in the cement sector in Spain: its history goes back over 90 years and is present in Spain, Argentina, Uruguay, Mexico, Bolivia, Colombia, Tunisia and Bangladesh. The basis of our business model is the balance between a wide range of cement-rela-

ted products (concrete, aggregates, concrete pre-casts, special mortars, adhesive cements and eco-materials, among others) and the commitment to continuous improvement of production processes. All this, without surrendering the values of a family company.



Countries
with industrial
presence

9



Total
number
of plants

111



Total
number of
active quarries

34

Sustainability
barometer

2019

6.60

Change

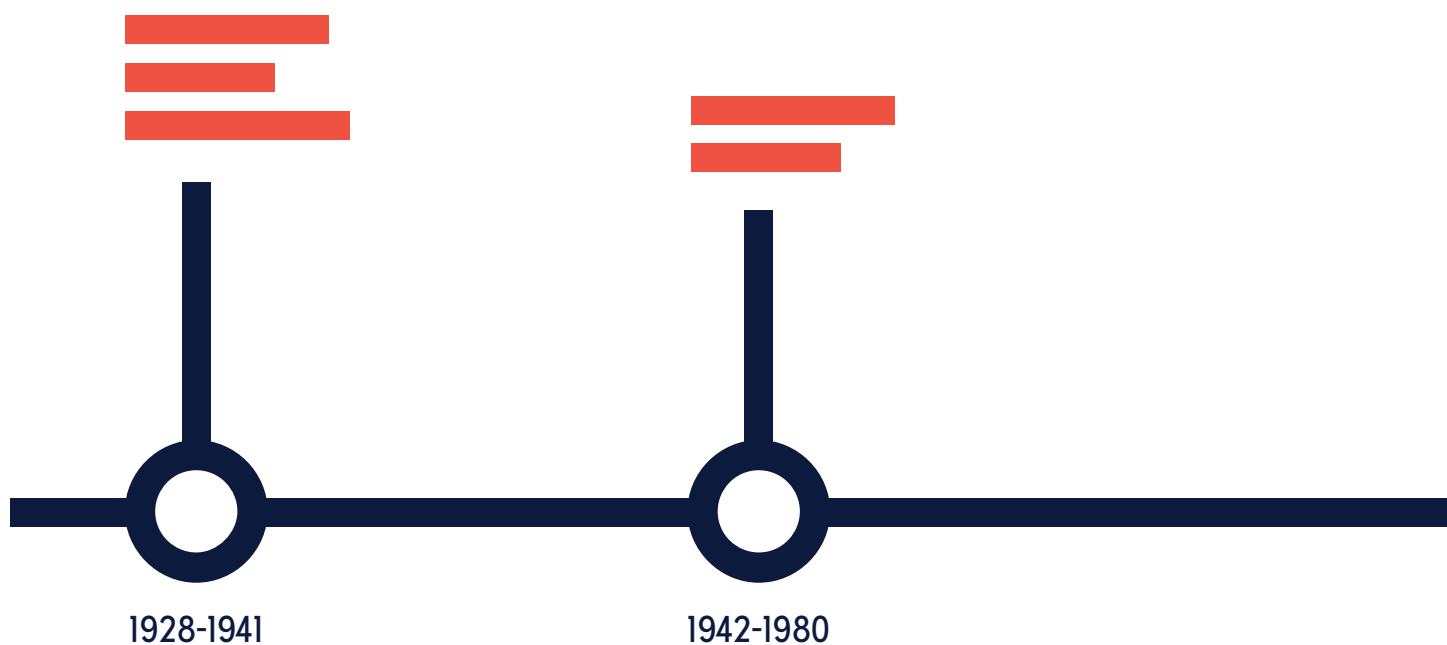
-1.8%



Activity and Geographical Presence

Cementos Molins began operations in 1928 under the leadership of Mr. Juan Molins Parera, with the exploitation of quarries and the manufacture of lime and natural cement in Pallejà, Vallirana and

Sant Vicenç dels Horts. Currently, the organisation has diversified its activity and has extended its geographical scope, being present in nine countries in total.



1928-1941

1942-1980

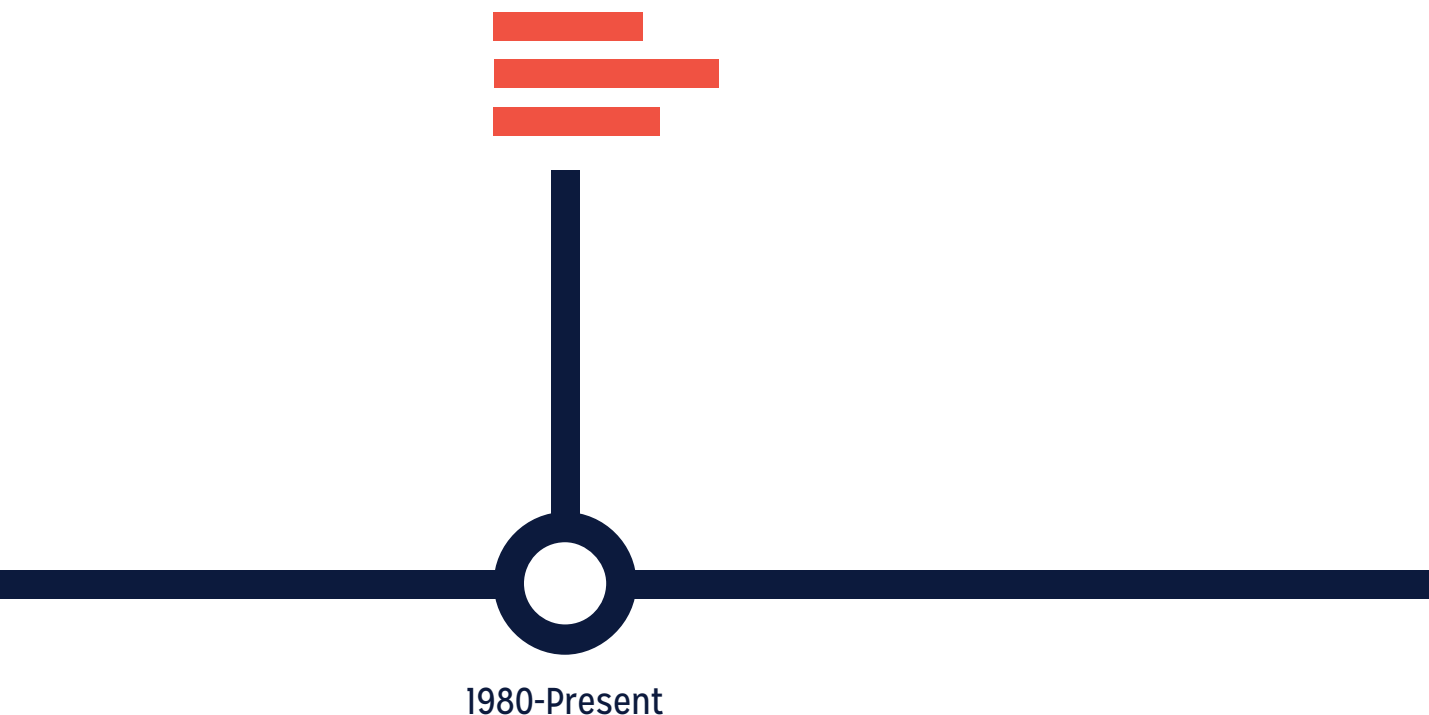
Start

In **1929 and 1939**, Mr. Joaquín Molins Figueras, the founder, together with his father and chairperson of the Company, installed the first two kilns. These kilns allowed to manufacture calcium aluminate cement.

Development

In **1942**, Cementos Molins was floated on the Barcelona Stock Exchange and one year later it installed a rotatory kiln to manufacture portland cement, which allowed to increase the profitability of the business.

The fifties were prosperous following a greater demand, which made it possible to build new kilns with larger capacities. From **1965 to 1974**, the production capacity, which used to be 200 t/day, became 4,800 t/day. During the seventies, Cementos Molins was affected by the crisis in the Spanish cement sector, linked to the oil crisis.



Expansion and diversification

In 1997, the facilities to manufacture calcium aluminate cement of the initial production plants were fully renovated. Cementos Molins started the expansion and diversification of its activity:

1980

2 cement factories and concrete plants in Argentina (51% of the shareholder base of Cementos Avellaneda).

1988

3 cement factories in Mexico (33.33% of the shareholder base of Corporación Moctezuma).

1991: 1 clinker manufacturing plant in Uruguay, 1 adhesive cement and mortar manufacturing plant (49% of the shareholder base of Cementos Artigas).

2006

1 cement factory and 1 milling plant incorporated in 2018 in Bangladesh (29.45% of the shareholder base of Lafarge Holcim Bangladesh).

2007

1 white cement factory and 1 portland cement factory in Tunisia, the latter incorporated in 2012 (67.05% and 70.27% of the shareholder base of Sotacib Feriana and Sotacib Kairouan respectively).

2016

1 cement factory in Bolivia (32.67% of the shareholder base of Itacamba Cemento).

2019

new cement manufacturing plant in Colombia (50% of the shareholder base of Empresa Colombiana de Cementos).



The activity in Spain during this period was also characterised by the diversification: besides portland and calcium aluminate cement, we have offered products such as concrete, aggregates, pre-cast concrete, special technical mortars, adhesive cement and other ecomaterials, together with the development of environmental activities particular-

ly related to waste management. Cementos Molins Industrial, Promotora Mediterránea-2 (PROMSA), Prefabricaciones y Contratas (PRECON) and Propamsa are the subsidiaries centralising these activities whose main customers include public and private agents linked to buildings, public works and railway lines.



Mission

Being a respected and attractive family company in the world cement sector, creating value for all stakeholders and aiming primarily for the satisfaction of clients.



Vision

Promoting the development of the society and people's quality of life by creating innovative and sustainable solutions in the construction sector.

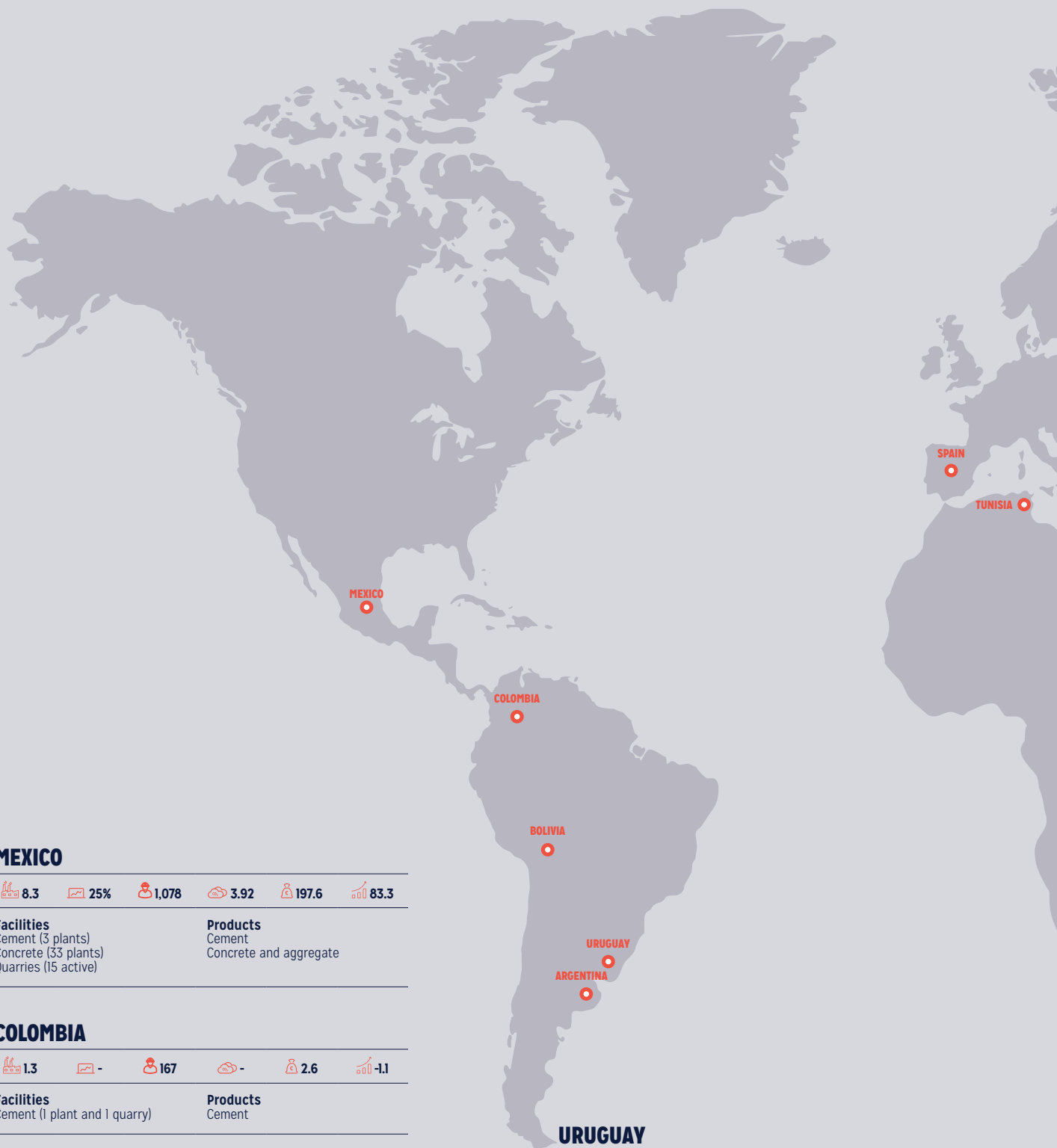


Values

The values linked to the creation of innovative and sustainable solutions in the construction sector are:

- **Efficiency:** we fulfil our promises and we are pragmatic.
- **Non-conformity and continuous improvement:** we are agile and move at the speed of change.
- **Passion:** we never give up, we are positive and look for solutions.
- **Respect for the environment:** we always look for the best available technical improvements to achieve our sustainability goals.
- **Integrity:** we do what we say and we say what we do.

A global vision of Cementos Molins



MEXICO

8.3 25% 1,078 3.92 197.6 83.3

Facilities

Cement (3 plants)
Concrete (33 plants)
Quarries (15 active)

Products

Cement
Concrete and aggregate

COLOMBIA

1.3 - 167 - 2.6 -1.1

Facilities

Cement (1 plant and 1 quarry)

Products

Cement

BOLIVIA

1 3% 213 0.47 26 4.1

Facilities

Cement (1 plant)
Quarries (1 active)

Products

Cement

URUGUAY

0.6 5% 204 0.27 35.5 8.5

Facilities

Cement (1 plant)
Mills (1 plant)
Concrete (8 plants)
Quarries (1 active)
Mortar (1 plant)

Products

Cement
Concrete and aggregate
Mortars and special products



Annual production capacity
(millions of tonnes)



Turnover in 2019
(proportional distribution) %



Direct staff in 2019
(staff at 31 December)



CO₂ emissions in 2019
(millions of tonnes, cement activity, scope 1 and 2)



Sales in 2019
(in millions of euros, proportionality criterion)



EBITDA 2019
(millions of euros, proportionality criterion)

BANGLADESH | INDIA

SPAIN

1.6 37% 1,294 0.89 295.3 50.5

Facilities

Cement (1 plant)
Concrete (21 plants)
Quarries (8 active)
Prefabricated (9 plants)
Mortar (7 plants)
Environment (7 plants)

Products

Cement
Concrete and aggregate
Prefabricated
Mortars and special products

TUNISIA

2.1 5% 441 0.84 39.7 6.5

Facilities

Cement (2 plants)
Quarries (5 active)

Products

Cement

ARGENTINA

3.7 18% 798 1.57 145.3 41.2

Facilities

Cement (2 plants)
Concrete (7 plants)
Quarries (2 active)
Mortar (1 plant)
Lime (1 plant)

Products

Cement
Concrete and aggregate
Mortars and special products
Lime

BANGLADESH | INDIA

3.8 7% 735 0.92 55.5 12.7

Facilities (Bangladesh)

Cement (1 plant)
Mills (3 plants)

Facilities (India)

Quarry (1 active)

Products

Cement



Governance model

During 2019, the total number of training hours received regarding ethics and prevention of corruption was 1,512.

Board of Directors

President

Mr. Juan Molins Amat

First Vice-President

Cartera de Inversiones CMSA, represented by Mr. Joaquín M^a Molins Gil

Second Vice-President

Otinix, SL, represented by Ms Ana M^a Molins López-Rodó (CA)

Chief Executive Officer

Mr. Julio Rodríguez Izquierdo

Members

Mr. Miguel del Campo Rodríguez (CR)
Mr. Eusebio Díaz-Morera Puig-Sureda (CA)
Mr. Juan Molins Monteys
Mr. Joaquín M^a Molins López-Rodó
Noumea, SA, represented by Mr. José Ignacio Molins Amat
Foro Familiar Molins SL, represented by Mrs. Roser Ràfols Vives
Mr. Francisco Javier Fernández Bescós
Mrs. Andrea Kathrin Christenson (CA, CR)
Mrs. Socorro Fernández Larrea (CA, CR)
Mr. Rafael Villaseca Marco (CA, CR)

Non-director Secretary

Mr. Ramon Girbau Pedragosa (CA, CR)

Non-director Vice-Secretary

Mrs. Ana M^a Molins López-Rodó

Second non-director Vice-Secretary

Mr. Raúl Manuel González Rodríguez

They are members of:

CA: Auditing and Compliance Committee (President: Mrs. Socorro Fernández Larrea)

CR: Remuneration and Appointments Committee (President: Mrs. Andrea Kathrin Christenson)

Management Committee

The Executive Committee is the management team, led by the CEO, whose main mission is to manage the various business areas in order to meet the strategic financial and non-financial objectives established by the Board of Directors. Its management is characterised by the development of a sustainable business model and, ultimately, ensures the continuity of the company in the long term. This Committee is made up of the Chief Executive Officer (Julio Rodríguez Izquierdo), the Chief

Financial Officer (Jorge Bonnin), the Development and Sustainability Director (Carlos Martínez Ferrer), the Director of Human Resources (Eva González Andreu), the Business Director for Spain and Mexico (Salvador Fernández Capo), the Business Director for Colombia, Tunisia and Bangladesh (Marcos Cela Rey), the Business Director for Argentina, Uruguay and Bolivia (Jaime Prieto Vizoso) and the Industrial Technical Director (Ignacio Manuel Machimbarrena Gutiérrez).



Corporate Governance

The general principles that make up the Corporate Governance System are set out in the Ethical Code and in the Mission, Vision and Values of Cementos Molins. These principles are aligned with the obligations and duties of the Directors, as set out in the Capital Companies Act and other regulations, and respond to the best practices in Good Corporate Governance and Corporate Social

Responsibility which apply to listed companies.

In order to comply with the Good Governance obligations contained in the Capital Companies Act and the recommendations of the Unified Code of Good Governance, the Cementos Molins Group has based its Corporate Governance System on the following integrated suite of elements:

Articles of Association: the Articles of Association of Cementos Molins, SA.

The Group's Mission, Vision and Values: The Cementos Molins Group's Mission, Vision and Values describe the Group's purpose and corporate principles.

Corporate Policies: They have the purpose of establishing the guidelines of each of the areas that form part of the Corporate Governance System as well as the action framework for the Group's employees. They are divided into the following sections: 1) Corporate Governance and Regulatory Compliance, 2) Risk Management and 3) Corporate Social Responsibility. To ensure a greater efficient control environment on material issues, specific protocols have been developed that complement corporate policies, such as equality, anti-discrimination and environmental matters. Similarly, on the basis of the crime prevention and anti-fraud policy, there is a crime prevention model (MPD) which allows the effective prevention of behaviours that could result in corporate criminal liability.

Internal regulations: It corresponds to the operating rules of the Group's corporate governing body. The Regulations of the General Shareholders' Meeting and the Board of Directors are included. The latter includes the Auditing and Compliance Committee Regulations and the Remuneration and Appointments Committee Regulations.

Codes and procedures: The codes and procedures of the Cementos Molins Group are the Ethical Code, the Ethics and Compliance Committee Regulations, the Internal Code of Conduct in securities markets, internal rules for the treatment of insider information, the Shareholders' Electronic Forum Regulation and the procedures related to the Internal Financial Information Control System (SCIIF). The Compliance Body must ensure compliance with the aforementioned codes and procedures.

On the basis of this integrated structure, the Corporate Governance model of Cementos Molins is developed through certain internal entities that differentiate the functions of ordinary management and effective management from those supervision and control functions. These entities are listed below:

- The Board of Directors of Cementos Molins, SA is responsible for adopting and effectively executing an organizational and management model that includes appropriate surveillance and control measures to prevent bad practice. This translates into the approval of corporate policies and the strategy of Cementos Molins within this area, as well as supervision of the proper functioning of internal controls established for this purpose.
- The Auditing and Compliance Committee's function is to support the Board of Directors in the periodic preparation of regulated information, the Group's internal controls and the independence of the Company's external auditor. In turn, it oversees the Ethics and Compliance function and the Internal Audit function, which ensure the proper functioning of Cementos Molins' IT, internal control, risk management and regulatory compliance systems.
- The Remuneration and Appointments Committee must propose to the Board of Directors the remuneration policy for directors and general managers or for those who perform senior management functions under the direct authority of the Board of Directors, executive committees or managing directors. Likewise, it is the duty of the Remuneration and Appointments Committee to periodically review the remuneration policy established and to ensure that conflicts of interest do not prejudice the independence of external advice provided to the Committee.
- The Board of Directors of Cementos Molins, SA has delegated all delegable functions to the Chief Executive Officer.
- The Board of Directors of Cementos Molins, SA has delegated the supervisory and advisory tasks of the Corporate Governance System to the Ethics and Compliance Committee, which in turn reports to the Auditing and Compliance Committee. Similarly, the Ethics and Compliance Committee must monitor the corporate policies developed, ensure that the information posted on the website is correct, accurate and up to date at all times.
- The General Management is responsible for implementing those measures which may be necessary for the proper functioning of the Group's Corporate Governance System.

In this regard, it should be noted that Cementos Molins aligns its Corporate Governance guidelines with the recommendations of the Unified Code of Good Governance of the CNMV.

Cementos Molins aims to develop a sustainable business model, generating value and meeting the expectations of interested parties. This is all based on a structure of Good Corporate Governance which, aligned with the values of the company, promotes integrity and business ethics in the development of our activities.

In this respect, during financial year 2019, we made further progress in the development of a system of internal control and corporate policies and principles, both nationally and internationally.

At the national level, an internal control system was implemented in 2018 through the identification, implementation and supervision of key controls. These controls derive, on the one hand, from the corporate policies and protocols of the Crime Prevention Mo-

del (MPD) and, on the other hand, from the Internal Control System for Financial Information (SCIIF). This gave rise, during 2019, to the evaluation of a total of 349 controls and 51 action plans to be developed (MPD+SCIIF). Likewise, 84 hours of specific training were given to 56 professionals in charge of ensuring the realization and evaluation of controls.

On the other hand, a new Ethics Channel (Ethics-Point) managed by an independent organisation has been designed to guarantee the strictest confidentiality of the communications received. People are the most valuable asset of Cementos Molins and by creating open communication channels it is possible to foster a positive work environment and to maximise productivity. In addition, an effective complaints system increases the success of our efforts to promote a culture where decision making is honest and ethical. It should be noted that this channel will be open both for internal communications (employees) and for stakeholders through the corporate website. It operates both electronically and via telephone calls that are answered 24 hours



a day, 365 days a year. During 2019, internal communication campaigns were carried out through mailing, banners and the Cementos Molins's Intranet for the purpose of publicising the existence and operation of the Ethical channel.

All the activities described above have been duly reported to the Auditing and Compliance Committee by the Ethics and Compliance Committee and have been periodically passed on to the entire management team of Cementos Molins to ensure proper alignment from the management.

During 2019, at the international level, through coordination between the Global Ethics and Compliance Committee and the local committees in each country, the principles of our Code of Ethics were fully transposed to all our foreign subsidiaries, with the exception of Colombia (it started its operations in October 2019), which is still in process, by means of the development of proper ethical codes for each of them. In the same way, local corporate policies have been developed following the basic principles

of those already implemented at the national level, adapting them to local regulations and standards in each case. The policy development areas established following priority criteria due to risk materiality were anti-corruption, protection of competition, nepotism and conflict of interest, information technology and IT resources, as well as complaints and internal investigations. This plan for implementing the code of ethics and corporate policies is accompanied by a local training plan developed by the Ethics and Compliance Committees in each of the international subsidiaries. In 2019, these international training plans have involved a total of 576 workers of all professional categories in Argentina, Uruguay, Mexico, Bolivia and Bangladesh on specific issues such as code of ethics, anti-corruption or protection of competition.

During the 2019 financial year, we received 58 complaints through the ethics channels that the different Cementos Molins companies established for this purpose, of which 33 have been processed. The corresponding disciplinary regime was applied on a case-by-case basis.





Risk management

Cementos Molins has designed a risk control and management system that allows risks to be appropriately identified and managed. This system is implemented in the following phases:

- **Preparation of the inventory of risks:** The Internal Audit Department of Cementos Molins, on the basis of the Group's knowledge, the monitoring activities performed and the business goals established, prepares an inventory of risks. These are located in the corporate and operational sphere of each of the businesses, including environmental, social and good governance risks.
- **Identification:** The General Management, the area managers and the Internal Audit Department identify, through the inventory of risks, those risks to which the Group's companies are exposed.
- **Assessment:** After identifying the risks to which the Group's companies and Cementos Molins itself are exposed, an assessment to identify which risks are the most relevant (Top Risk) is carried out. The valuation is determined depending on (i) the

probability of occurrence, (ii) the potential impact and (iii) the number of businesses and/or areas in which the risk can materialize.

- **Risk map:** Following the selection of the most significant risks, the Group's risk maps, the corporate risk map and the operational risk map for each of the subsidiaries is prepared. These maps reflect the importance of each of the risks in the business. They are reviewed annually and a complete evaluation is carried out every 3 years.
- **Control:** After preparing the risk map and their evaluation, the Management of each of the companies, the Internal Audit Department and functional areas determine the measures necessary and define the controls to mitigate the risks identified. The Internal Control System is defined at this stage and will be evaluated by Internal Audit.
- **Supervision:** The risk maps and the control measures identified form the basis of the Annual Internal Audit Plan.

Once a year the scope of the risk management model is described through the Corporate Gover-

nance Annual Report, stating the risks that materialized during the year as well as the status of the Risk Control and Management System.

Based on this, the risk categories assessed in the Risk Control and Management System of Cementos Molins are defined and are as follows:

Cementos Molins has designed a risk control and management system that allows risks to be appropriately identified and managed

- **Corporate Governance risks:** Are those that occur as a result of non-compliance with the internal rules related to the Capital Companies Law and the Recommendations of the Good Governance Code of Listed Companies. The chapter "Organisational and Governance Structure" of this report explains in detail the Corporate Governance structure and the internal control system developed by Cementos Molins.
- **Strategic risks:** Are those that arise both from external and internal factors, and which affect long-term objectives. Generally speaking, strategic risk causes the Group's companies or the Group itself to lose value for unwanted activities that affect demand. Below are some identified examples of this type of risks:
 - Country risk, arising from the economic and geopolitical uncertainty and the social instability.
 - Market risk and competitive dynamics.
 - Risk associated with international expansion processes and future investments.

The degree of internationalisation of Cementos Molins entails a certain level of exposure to the evolution of economies and the social and political context of some countries in which it operates. Similarly, competitive dynamics and the evolution of some of the markets (supply and demand) can constitute risk elements which may affect the achievement of the business goals. Therefore, Cementos Molins continually supervises and monitors all these factors and potential events, permanently planning and anticipating all those actions and strategies that are necessary to mitigate them. The Cementos Molins' corporate investment policy, which is an integral part of the risk management policies of the Corporate Governance model, establishes the action framework, as well as principles and guidelines for the analysis, development, monitoring and control of investments and investment projects.

- **Financial or Reporting Risks:** Are those that arise from the inability to finance business obliga-

tions or because the information provided to third parties (financial statements) is not reliable and complete. Below are some identified examples of this type of risks:

- Exchange and interest rate risk.
- Cash flow risk.
- Financial risk from investment and financing operations.

In order to minimise the Cementos Molins Group's exposure to the main macroeconomic variables of each country, a permanent monitoring and follow-up of the fluctuation of these indicators is carried out. This way, the relevant and appropriate coverage and assurance measures are planned and anticipated at all times. The corporate market risk policy, which is an integral part of the risk management policies of the Corporate Governance model, includes the general principles of management and monitoring of the main financial parameters (such as liquidity, exchange rate, interest rate) and the investment and financing operations. It should be noted that, on 4 December 2019, Cementos Molins signed the optimisation of the financing structure, linking it to sustainability for the first time, more specifically to the reduction of CO₂ emissions through a Sustainability Linked Loan, one of its major strategic priorities.

- **Operational risks:** Are those derived from the activities carried out by Cementos Molins. This typology includes risks of business management and risks of internal and external communication. Below are some identified examples of this type of risks:
 - Risk in cost management (raw materials, fuels, electricity, etc.).
 - Business Continuity Plan Risk and Cybersecurity.



In order to minimise the impact of these risks, Cementos Molins has necessary action plans and measures to ensure a proper supply and cost management (e.g. through the establishment of long-term relationships with suppliers, the incorporation and promotion of renewable

energies and alternative fuels and so on). This approach facilitates the good operation of industrial assets, as essential business elements, which have specific policies and procedures in this regard. Similarly, contingency plans ensure the continuity of the plant operations and the development, as of 2019, of a computer security master plan within the framework of the Corporate Information Security Policy (for further details, please check the Corporate Governance Annual Report).

• **Compliance Risks:** are those that occur as a result of non-compliance with internal and external regulations which affect Cementos Molins companies. Below are some identified examples of this type of risks:

- Risks arising from the nature of listed company of Cementos Molins, SA, already explained in those regarding Corporate Governance.
- Regulatory risks in social, economic and environmental matters. The minimisation of the risks associated with climate change and compliance with environmental regulations are key elements. Given the geographical distribution of the Cementos Molins companies, with different environmental regulations depending on the country where they operate and their corresponding internal requirements, the Company places a special emphasis on compliance with current environmental regulations. To achieve the proposed goals, behavioural guidelines are established that give specific responses to current and future environmental regulation. This is achieved through the internal control system of Corporate Governance or by adding environmental variables in the calculation of the va-



riable remuneration of the staff. Additionally, as stated in the financial risks sections, on 4 December 2019, Cementos Molins signed the optimisation of the financing structure linked to the reduction of CO₂ emissions through a Sustainability Linked Loan, one of the major strategic priorities.

- Tax risks, for which Cementos Molins has implemented the corresponding corporate tax policy.
- Risks due to fraud or corruption in business.

Forced labour, child labour and freedom of association in our operations have not been identified among the risks evaluated.

Within the scope of the management of human resources, Cementos Molins has identified as a risk the matching of the human structure to meet the operational needs of international expansion. For this, several internal action plans have been developed that make it possible to recruit and develop talent within the organization.

With respect to the fraud and corruption risks, at the time we approved and developed a prevention of crimes and anti-fraud policy that encompasses the Crime Prevention Model of the organization. This model includes the Protocol for the Prevention of Fraudulent and Unfair Conduct, the Protocol for the Prevention of Corruption within the Framework of the Public Sector, and the Protocol for the Prevention of Corruption in Businesses, among others.





Some of the principles of action that have been established in these protocols for employees are:

- Commitment to ethical and legal compliance: the activities of Cementos Molins are carried out not only in accordance with current anti-corruption laws, but also with what is established in its Ethical Code and in other internal regulations.
- In business relations, Cementos Molins bases all contracting on merit and transparency. No officers, directors, employees or collaborators shall receive, request or accept, directly or through an intermediary, any unjustified benefit or advantage as consideration, in order to improperly favour another in the acquisition or sale of goods, in contracting services, or in any commercial relationship. Likewise, no member of Cementos Molins, directly or through an intermediary, shall promise, offer or grant to officers, directors, employees or collaborators of another company any unjustified benefit or advantage as consideration in order to obtain undue advantage in the acquisition or sale of goods, contracting services or in any commercial relationship.
- Cementos Molins is committed to transparent accounting and financial management. In this regard, for the purposes of preventing and detecting bad practices, all financial and commercial operations that we carry out are documented, keeping books and accounting records up to date.
- In order to avoid risks of corruption, before entering into a commercial relationship with a third party, an ethical commitment with strict compliance in business is established (due diligence

measures within the framework of relations with third parties). In public procurement, subsidy or auction procedures, no member or employee of Cementos Molins may offer or deliver gifts or any other type of compensation to an authority, public official or person participating in the execution of public function, or respond to a request for a gift or remuneration made by them.

- Cementos Molins prohibits facilitation payments, understood to be small amounts paid to an authority or public official to ensure or expedite the performance of a routine or necessary action, to which the payer is legally entitled.
- It is generally prohibited for any member or collaborator of any of the companies of Cementos Molins to offer or deliver gifts or invitations to any authority or public official.
- Cementos Molins will ensure that none of its members or collaborators use their possible personal relationships with any public official or authority to obtain a resolution that may generate an economic benefit for themselves or a third party.

In order to control compliance with what is found in the different corporate policies and protocols of Cementos Molins' crime prevention model, the Ethics and Compliance Committee, under the auspices of the Auditing and Compliance Committee, has implemented a series of six-monthly controls. The Ethics and Compliance Committee evaluates the results and, if necessary, proposes corresponding plans of action and adaptation.

Value chain and stakeholders

The four main stages of the Cementos Molins' value chain related to the production of cement and by-products (precast products, mortar and concrete) are as follows:

1. Extraction of raw materials: extraction of raw materials from quarries.

2. Production: transformation of raw materials into products and milling of raw materials to obtain a fine powder. Clinkerization stage: where chemical reactions occur in the kiln; transforming raw materials in clinker, which will be used as a material to obtain cement. Manufacture of cement, concrete, mortar, precast products. Recycling of the various materials (disused tyres, solid recovered fuel, metallurgical slags and aggregates) in the production process.

3. Storage and distribution: once the cement or the final product has been obtained, it is pac-

kaged and stored, and we handle the logistics for its distribution.

4. Use: construction of buildings and refurbishments as well as public works.

These stages generate several environmental, social and good governance aspects whose identification and explanation constitute the basis for their corresponding management. Additionally, during 2019, non-core activities regarding environmental services in the value chain were included. The SDGs relating to each stage of the organisation's value chain in the quarry, in the manufacture of cement and by-products (concrete, mortar, precast products), as well as in the recycling of several materials (disused tyres, solid recovered fuel, metallurgical slags and aggregates) in the production process have also been formally identified.



1. Extraction of raw materials:

- **Main impacts:** direct effect on the natural environment and biodiversity with the exploitation of quarries: loss of protected species and biodiversity, soil contamination, landscape change, natural resource consumption and depletion, visual and landscape impact. Consumption of materials such as fuels, explosives and waste management. In social terms: dust generation, impact on nearby communities (noise, vibrations), greenhouse gas and particulate emissions, health and safety.
- **Impact management:** restoration of habitats, implementation of ISO14001 systems, reduction of the amount of use of explosives and measurement, legal compliance (especially mining regulations) and protection of the staff.
- **Associated SDGs:** Goal 15: life of terrestrial ecosystems. Goal 12: responsible consumption and production. Goal 9: industry, innovation and infrastructure. Goal 8: decent work and economic growth.
- **SDG associated targets:** 15.1: ensure the sustainable conservation and use of ecosystems. 12.2: achieve an efficient use of natural resources. 12.5: waste prevention, reduction, recycling and reuse. 12.6: adoption of sustainable practices in companies. 9.4: modernisation of infrastructure, clean technology. 8.8: protection of labour rights and safe employment.



2. Production

- **Main impacts:** natural resource consumption, energy (fuels and electricity) and water consumption, greenhouse gas (GHG) emissions and other atmospheric emissions, occupational health and safety, noise, diffuse and odour emissions and impact on nearby communities.
- **Impact management:** implementation of ISO14001 systems, periodic measurements and energy audits, elimination of landfills due to the recovery of waste, training and supervision of staff, health and safety.
- **Associated SDGs:** Goal 12: responsible consumption and production. Goal 9: industry, innovation and infrastructure. Goal 13: climate action. Goal 7: affordable and clean energy. Goal 6: clean water and sanitation. Goal 11: sustainable cities and communities. Goal 8: decent work and economic growth.
- **SDG associated targets:** 12.2: achieve an efficient use of natural resources. 12.4: management of chemicals and wastes. 12.5: waste prevention, reduction, recycling and reuse. 9.4: modernisation of infrastructure, clean technology. 13.1: strengthening of resilience and adaptation. 7.2: increase in renewable energies. 7.3: double the energy efficiency rate. 6.3: improve water quality. Reduce pollution and wastewater. 8.8: protection of labour rights and safe employment.



3. Storage and distribution

- **Main impacts:** atmospheric emissions, greenhouse gas (GHG) emissions, energy (fuels, electricity) consumption, impact on nearby communities (noise, traffic), nuisance due to dust in the environment, landscape change, light pollution, road safety.
- **Impact management:** legal compliance, implementation of ISO14001 systems, periodic measurements, maintenance of vehicles, occupational risk prevention and health monitoring to prevent occupational diseases.
- **Associated SDGs:** Goal 12: responsible consumption and production. Goal 9: industry, innovation and infrastructure. Goal 8: decent work and growth.
- **SDG associated targets:** 12.2: achieve an efficient use of natural resources. 12.5: waste prevention, reduction, recycling and reuse. 9.4: modernisation of infrastructure, clean technology. 8.8: protection of labour rights and safe employment.



4. Use

- **Main impacts and management:** They depend on each situation. They will be analysed in the medium-term with the Cementos Molins customers.
- **Associated SDGs:** Goal 17: alliances to achieve the objectives. Goal 9: industry, innovation and infrastructure. Goal 13: climate action. Goal 12: responsible consumption and production. Goal 11: sustainable cities and communities.
- **SDG associated targets:** 17.17: promotion of public-private partnerships. 9.1: development of sustainable infrastructure. 13.1: strengthening of resilience and adaptation. 12.2: achieve an efficient use of natural resources. 12.4: management of chemicals and wastes. 12.5: waste prevention, reduction, recycling and reuse.

Similarly, the following are environmental and social impacts of a transversal nature in the entire value chain: impact in local employment; creation of economic value distributed among stakeholders; generation of value in the country; contribution to local taxes; environmental expenses and investments, such as the elimination of landfills due to the recovery of waste,

the prevention and control of emissions, the restoration of natural areas and the involvement of local communities. They also allow for the construction of houses that consume less energy, the construction of roads with pavements that save fuel, a lower maintenance of buildings and, ultimately, they contribute to the construction of more sustainable cities.

In short, the organisation makes a direct contribution to the following SDGs which are priorities for its business:

- **Goal 8:** decent work and economic growth
- **Goal 9:** industry, innovation and infrastructure
- **Goal 12:** responsible consumption and production
- **Goal 13:** climate action
- **Goal 15:** life of terrestrial ecosystems

It is also related in a less direct way to the following SDGs:

- **Goal 6:** clean water and sanitation
- **Goal 7:** affordable and clean energy
- **Goal 11:** sustainable cities and communities
- **Goal 17:** alliances to achieve the objectives



01 | QUARRY



02 | PRECAST CONCRETE PLANT



03 | CONCRETE PLANT



04 | WATER SEALING POND



Minimization of the extraction impact by restoration of the area biodiversity

Stakeholders

Workers
Suppliers
Local community

Transportation

Stakeholders

Suppliers

Stakeholders

Workers

Solid
Recovered
Fuel

Recycling of
aggregates

Stakeholders

Workers
Suppliers

Stakeholders

Workers
Suppliers

Stakeholders

Clients

Solid
Recovered
Fuel



05 | CEMENT PLANT



08 | DRIED SEWAGE SLUDGE



06 | SOLID RECOVERED WASTE



09 | POTABLE WATER



07 | RECYCLED TYRES



10 | POWER PLANT



11 | AGGREGATES RECYCLING FACILITY



12 | MORTAR PLANT



Biomass coming from agriculture
is recovered as energy

Local community

Clean water





During 2019, the update of the materiality analysis and the identification of the organisation's stakeholders began. We have carried out a sustainability study on current issues in the cement industry in each of the countries where Cementos Molins operates, focused on the social, environmental, economic and political dimension. We have examined the current industry issues in terms of sustainability and the importance they have according to the Company's and the local stakeholders' expectations. Finally, we have identified active and important stakeholders of the cement industry in the countries where we operate.

For Cementos Molins, the following stakeholders, with whom it communicates through different channels for dialogue to maintain the relationship and manage expectations, are a priority:

- **Company employees:** Main communication channels: performance evaluation, intranet and email, complaints and suggestions mailbox, code of ethics and complaints channel, annual meeting and so on.
- **Trade unions and Legal Representation of Employees:** Main communication channels: Company Committee, Health and Safety Committee, Environmental Information Committee, factory committees.
- **Shareholders:** Main communication channels: regular meetings, quarterly financial reports, annual financial statements and annual report, General Shareholders' Meeting.
- **Collaborating companies and suppliers:** Main communication channels: initial training in specific cases, procedures for the prevention of occupational risks and direct communication.
- **Internal and external customers:** Main communication channels: meetings, website, catalogue of products and services, etc.

We also identify the stakeholders with whom we interact less frequently:

- **Guilds and professional associations in the sector:** Main communication channels: participation in work groups, meetings and events.
- **Local community, neighbours and NGOs:** Main communication channels: Sustainability Committee, visits to the facilities, telephone and web, external communication service, seminars and environmental outreach projects in the quarries, and other local committees.
- **Public administration:** Main communication channels: Sustainability Committee, visits to the facilities, telephone and website, notification of accidents to local authorities, seminars, collaboration agreements, administrative requests, guilds, etc.
- **Collaborating entities,** i.e., universities and research centres. Communication channels are not formally established.
- **Companies within the sector:** Main communication channels: involvement in guilds and associations within the sector.

Materiality

The main goal of the activities related to the materiality update which started in 2019 was to extend the geographical dimension of the studies carried out to date. The geographical benchmarking we performed, adjusted to the building materials sector and the cement industry, allowed to analyse and preliminary identify relevant social, environmental and good governance aspects in the sector. All of this, differentiating the specific reality of each local context.

We have selected the material issues for the company's stakeholders and we have classified them according to the level of connection with the national company or the Cementos Molins companies. Secondly, this selection has been correlated with the material sustainability issues of the cement sector.

In terms of results, the material issues identified in each of the countries where we operate correspond to current issues identified in the country correlated with the general sustainability issues in the cement industry. They are as follows:

- **Spain:** GHG emissions, air emissions, energy, occupational health and safety, training and development, sustainable products, impacts on the community, environmental and social standards.
- **Argentina:** air emissions, energy, biodiversity and ecosystems, restoration of natural areas, attractive

workplace, talent attraction and retention, impacts on the community.

- **Bangladesh:** GHG emissions, air emissions, biodiversity and ecosystems, natural resources, restoration of natural areas, creation of economic value.
- **Tunisia:** GHG emissions, air emissions, biodiversity and ecosystems, occupational health and safety, impacts on the community, ethical behaviour and compliance.
- **Bolivia:** biodiversity and ecosystems, natural resources, creation of economic value, impacts on the community, stakeholder engagement, human rights, ethical behaviour and compliance.
- **Colombia:** GHG emissions, biodiversity and ecosystems, creation of economic value, impacts on the community, human rights, ethical behaviour and compliance.
- **Mexico:** air emissions, biodiversity and ecosystems, waste and wastewater, occupational health and safety, attractive workplace, talent attraction and retention, creation of economic value, impacts on the community, stakeholder engagement, ethical behaviour and compliance, environmental and social standards.
- **Uruguay:** air emissions, occupational health and safety, attractive workplace, talent attraction and retention, impacts on the community, stakeholder engagement, corporate governance, ethical behaviour and compliance.

The creation of value, the innovation and sustainable products and the reputation and image are material economic issues. Important social issues for the organisation and for stakeholders, such as employees and the community, are the health and safety of the people, the commitment to society and to the community development and the alignment with the stakeholders.

The most remarkable material environmental issue is the reduction of CO₂ emissions through the fight against climate change and the reduction of energy consumption related to the production activity. Other material issue for the company is the circular economy through the reduction of materials and water consumption, as well as the reduction of waste. Stakeholders attach a great deal of importance to the management of environmental incidents and air quality, as well as to the restoration of quarries and the preservation of biodiversity.

Finally, as regards to corporate governance, good governance and transparency, as well as human rights and business ethics are material issues.

Materiality Matrix



Strategic Plan and CSR

Those responsible for the implementation of the CSR in the organisation are the Board of Directors (for the approval of the Group's strategic lines and sustainability) and the Sustainability Committee (for the design of the annual sustainability plans). In both cases, work is carried out in cooperation with the subsidiaries and exchanging ideas with the stakeholders.

Cementos Molins is committed to sustainability in its business in order to create value and is committed to its stakeholders. It seeks a continuous improvement of its products and the production process. To this effect, it integrates sustainability throughout the entire value chain, respecting the environment and fostering stable and quality employment.

Cementos Molins is committed to sustainability in its business in order to create value and is committed to its stakeholders

The CSR and sustainability policy of Cementos Molins was approved in 2016 and is available on the organisation's webpage.

In 2018, Cementos Molins joined the Global Cement and Concrete Association (GCCA), an association which brings together cement producers from all over the world and which proposes 5 working areas

for the cement industry in order to create greater value in the environmental and social fields. The pillars of the GCCA's commitment are health and safety, climate change and energy, social responsibility, environment and nature and circular economy. The obligations of the organisation include the alignment of the accountability strategies and procedures with the requirements established by the GCCA (which from the technical point of view derived from the previous CSI initiative from the WBCSD). To this effect, the transition period started in 2019.

The 2020-2022 strategic plan, developed during 2019, defines sustainability as a fundamental growth pillar. Therefore, countless initiatives to improve the Group's sustainability have been developed, such as the increase in the consumption of alternative fuels in all our plants and the implementation of innovation processes for new products and technologies.

The Sustainability barometer is the tool developed by Cementos Molins which allows to evaluate and monitor the organisation's environmental and social performance by following up five key non-financial indicators. This way, we can adapt improvement plans every year. This tool also allows to define specific objectives linked to the performance of managers in order to promote better results in the sustainability field.

The barometer is based on the GCCA's pillars with regards to the organisation's environmental performance (in terms of energy intensity in the production of cement); it is focused on occupational health and safety and helps to assess the level of employee satisfaction.



Composition of the Sustainability Barometer

Indicators of the Sustainability Barometer	GCCA's linked pillars	Linked SDGs
Electricity consumption related to cement production, measured in KWh/t of cement. <i>Weighting: 20%</i>	Energy intensity	SDG 7. Ensure access to affordable, reliable, sustainable and modern energy for all. SDG 12. Ensure sustainable consumption and production patterns. SDG 13. Take urgent action to combat climate change and its impacts.
Caloric consumption related to the production of cement, measured in kcal/kg of clinker. <i>Weighting: 20%</i>	Energy intensity	SDG 7. Ensure access to affordable, reliable, sustainable and modern energy for all. SDG 12. Ensure sustainable consumption and production patterns. SDG 13. Take urgent action to combat climate change and its impacts.
Carbon intensity of cement production, measured in kg of CO₂/t of cement. <i>Weighting: 20%</i>	Energy intensity	SDG 7. Ensure access to affordable, reliable, sustainable and modern energy for all. SDG 12. Ensure sustainable consumption and production patterns. SDG 13. Take urgent action to combat climate change and its impacts.
Lost Time Incident Rate (LTI) of direct and indirect workers from the Group's factories. <i>Weighting: 20%</i>	Occupational health and safety	SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
Group's worker satisfaction index. <i>Weighting: 20%</i>	Worker satisfaction level	SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

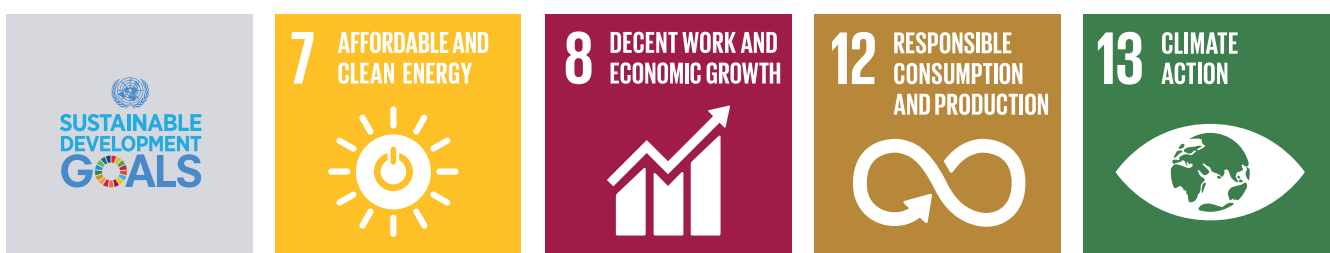
Annual Evolution of the Sustainability Barometer



In 2019, the results of these five indicators remained constant, but with a slightly lower score than in the previous year, 6.60 points (6.72 points in 2018). Consequently, it has decreased by 1.8% in relation to the previous year. This score does not allow to meet the objective set by the organisation in 2019, which was 6.91, mainly due to an increase in the caloric consumption (which went from 873.8 to 877.7). We achieved 15 Mcal/t above the objective set for 2019, while the increase of

the lost time injury rate stood at 4 (an index of 3.5 in 2018).

However, power consumption evolved positively as compared to 2018, from 95.4 to 92.1; with this we have come closer to the objective of 89.60 for 2019. CO₂ emissions remained constant, but with a slightly higher result than in 2018, from 628.6 to 631.0. Finally, the satisfaction index remained constant at 1.18, in line with the objective for 2019.



Company performance

Economic affairs and finance

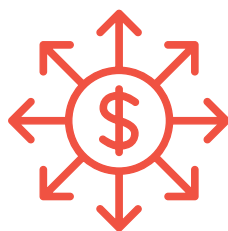
Consolidated net
result
(million euros)

90



Economic value
created distributed

81.6%



Facilities with an
implemented and
certified Quality
Management
System (ISO 9001)

70



Satisfaction index
in all countries
(on a scale of 5)

↑ 3.9



Purchase volume
from local suppliers

84.7%

Economic results

The net profit of Cementos Molins in 2019 has grown by 5% and reaches 90 million euros. The growth in Spain was circumscribed by the market situation in Mexico, the depreciation of the currency in Argentina and the specific difficulties in the Tunisian operations.

Thus, the consolidated turnover for 2019 increased by 8% with respect to that of 2018, totalling 633 million euros. The turnover of international companies increased by 3%, circumscribed by the impact of the severe devaluation of the Argentine peso. On the other hand, companies based in Spain increased their turnover by 14% compared to the previous year, with a noticeable increase in the precast business.

The operating result of the year 2019 reached 83 million euros, 57% higher than in 2018, improving in every single country, especially in Argentina and Spain.

The Equity Method Companies have registered a result of 62 million euros in 2019, 15% lower than that of the previous year, essentially due to the

worse results obtained in Mexico. Based on this consolidation method, the Group has incorporated the results of its businesses in Mexico, Uruguay, Bangladesh, Bolivia and Colombia.

Solid generation of results despite the negative impact of exchange rates

The consolidated net result for 2019 was 90 million euros, 5% higher than in the previous year. The recovery of results in Spain is remarkable. The Group's international companies have registered net profits of 77 million euros, which represents a 12% decrease in results compared to the same period of the previous financial year. This decrease is mainly due to the depreciation of the results in Mexico, the depreciation of the Argentine peso and, to a lesser extent, the lower results in Tunisia.

Thousands of euros

	2016	2017	2018	2019
Consolidated Net Result	63,869	89,078	85,334	89,574
Dividends for the financial year	15,206	16,529	18,512	19,173



With regards to investments, we highlight the growth projects that were carried out in Colombia and Argentina:

- Construction of a new cement production plant in the municipality of Sonsón, Antioquia (Colombia), in partnership with the Colombian group Corona. Its start-up was carried out at the end of October 2019, with the cement sales starting in November.
- Project to increase the capacity of the plant the Group has in San Luis, Argentina, by 700,000 tonnes of cement per year, reaching one million tonnes. The cement grinding facilities started operating in October 2019 and the kiln is expected to start operating in February 2020.

Total consolidated net equity is 930 million euros, 91 million higher than that registered on 31 December 2018.



Economic management information

Cementos Molins actively takes part in the management of the companies that it is part of through the accounting equity method, whether this is in conjunction with another shareholder or by means of relevant participation in its decision-making bodies.

Following the guidelines and recommendations of the European Securities and Markets Authority

(ESMA), whose objective is to promote the usefulness and transparency of the Alternative Performance Measures that are included in the regulated information or in any other information submitted by the listed companies, **the information that is included in this section of the report is based on the proportionality criterion in the consolidation method of its investees.** The final shareholding percentage in each one of them is thus applied. This way, Cementos Molins considers that the management of the businesses and the way the results are analysed for decision-making are reflected appropriately.

Therefore, the following parameters are defined in the different sections of the report as:

'Revenue': turnover reported in the individual and consolidated financial statements of the different companies accounted for in the consolidation scope, multiplied by the shareholding percentage in each one of them.

'EBITDA': operating result before amortizations, and results for the impairment and sale of assets of the different companies accounted for in the consolidation scope, multiplied by the shareholding percentage in each one of them.

'Net Financial Debt': financial debt, after subtracting the treasury, temporary financial investments and long-term deposits of the different companies accounted for in the consolidation scope, multiplied by the shareholding percentage in each one of them. Cash surpluses are indicated with a negative sign.

'Volumes': physical units sold by the different companies included in the consolidation scope (without taking out internal sales), multiplied by the shareholding percentage in each one of them.

'% of comparable variation': it gathers the variation that the heading of the current period would have reported if the exchange rates (same exchange rates as in the previous period) or the consolidation scope had not changed and if the inflation accounting adjustment in Argentina (IAS 29) or standard changes (IFRS 16) had not been applied.

With the aim of providing information that facilitates the follow-up of the evolution of Cementos Molins, the following parameters are detailed below under the proportionality criteria:

	2016	2017	2018	Thousands of euros 2019
Income	690,823	779,154	764,513	797,261
EBITDA	168,371	192,948	181,079	191,619

Consolidation of companies based on their final shareholding percentage.

Contribution to the consolidated figures of Income and EBITDA¹:

Millions of euros

	2018	2019	Change %
Income			
Spain	259.8	295.3	13.6%
Mexic	209.4	197.6	(5.6%)
South-America	197.8	209.4	5.9%
Argentina	134.2	145.3	8.2%
Uruguay	40.2	35.5	(11.9%)
Bolivia	23.4	26.0	10.8%
Colombia	-	2.6	-
Rest	97.4	95.2	(2.3%)
Bangladesh	49.7	55.5	11.7%
Tunisia	47.7	39.7	(16.9%)
Corporate	-	-	-
Total	764.5	797.3	4.3%

Millions of euros

	2018	2019	Change %
EBITDA			
Spain	33.1	50.5	52.7%
Mexic	96.1	83.3	(13.3%)
South-America	45.1	52.7	16.9%
Argentina	30.3	41.2	36.0%
Uruguay	10.9	8.5	(21.8%)
Bolivia	4.6	4.1	(11.5%)
Colombia	(0.7)	(1.1)	-
Rest	21.6	19.2	(11.1%)
Bangladesh	11.4	12.7	11.0%
Tunisia	10.2	6.5	(35.7%)
Corporate	(15.0)	(14.3)	-
Total	181.1	191.6	5.8%

¹ Spain includes companies operating in the country, while the 'Corporate' section includes holding companies.

Using the proportionality criterion, the Group income was 797 million euros, 4% higher than in 2018. This increase occurs mainly in Spain, Argentina, Bangladesh and, to a lesser extent, in Bolivia. On the other hand, Mexico, Uruguay and Tunisia experience decreases. At constant exchange rates, income would increase by 15% with respect to 2018.

During the year 2019, a volume of 5.7 million tonnes of cement, 6% lower than that of the previous year due to the decrease in sales in Mexico, Tunisia and Uruguay.

1.5 million cubic meters of concrete were sold, 3% less than the previous year, mainly due to the decrease in sales in Mexico.

On the other hand, sales of our precast products grew to 110 million euros, 32% higher than in 2018,

mainly due to the increase in the activity of railway products and construction.

The EBITDA reaches 192 million euros and shows an increase of 6% compared to the year 2018. By markets, the positive contributions of Spain, Argentina and Bangladesh, and the decline in Mexico, Uruguay, Bolivia and Tunisia, are to be highlighted. At constant exchange rates, the Group's EBITDA would have increased by 15% compared to the year 2018.

The Group's net debt stands at 181 million euros as at 31 December 2019, which represents an increase of 2 million euros with respect to 31 December 2018.

The reconciliation between the proportionality criterion established for income, EBITDA and net financial debt with the International Financial Report Standards (IFRS-EU) is shown below:

Millions of euros

12M 2018				
	Proportional method	Adjustment Cos. accounted for via equity method	Adjustment Cos. accounted for via full consolidation method	EU-IFRS application
Income	764.5	(327.9)	151.5	588.2
EBITDA	181.1	(122.5)	33.8	92.4
Net financial debt	178.8	(27.7)	16.4	167.6

Millions of euros

12M 2019				
	Proportional method	Adjustment Cos. accounted for via equity method	Adjustment Cos. accounted for via full consolidation method	EU-IFRS application
Income	797.3	(323.0)	159.0	633.3
EBITDA	191.6	(107.6)	42.9	126.9
Net financial debt	180.9	(59.7)	26.8	148.0



Results by geographical segment

SPAIN



The growth of the Spanish economy moderated in 2019, with figures close to 1.9%, which entails a lower annual growth since 2014. The escalation of the trade war from July, the possibility of a no-deal Brexit, the crisis of the German industry and the geopolitical tensions in the Middle East has an impact on the investors and on the global economy. Spain was affected by this scenario and by the internal political uncertainty.

The growing trend in sales and results continues

In this context, the reasons for the slowdown in growth would be a certain slowdown in domestic demand, a less dynamic private consumption and a lower growth of investments.

The annual change of inflation stood at 0.8% in 2019, slightly below that registered in 2018, which closed the year at 1.2%.

Cementos Molins Industrial, S.A.U.

Cementos Molins Industrial (CMI) bases its activity on the manufacture and sale of cement, both portland and calcium aluminate, through its plant located in Sant Vicenç dels Horts.

The consumption of portland cement in Spain in 2019 grew by around 6%, which entails a consumption of 14 million tonnes.

The consumption of portland cement in Catalonia was 2 millions tonnes approximately, equivalent to a 8% growth. The sales of CMI in Catalonia grew by 6.1% in 2019 compared to 2018.

The global calcium aluminate cement (CAC) market is still growing, mainly in the construction chemicals sector. The refractory sector is recovering after several years of recession. The CAC sales have increased by 14% compared to 2018 and the Company hit a new all-time high for sales of this product, with 47,000 tonnes.

In turn, the clinker exports were lower than in 2018 with lower sale prices, but favourable exchange rates.

The foregoing contributes to an improvement of margins strengthened by the favourable trend in energy costs (electricity and fuels).

The company continues to commit to the consumption of alternative fuels, achieving a record percentage of 42.9% with regard to replacement with alternative fuels this year.

As a result, in 2019, the Cementos Molins Industrial's income was 88 million euros, similar to the figure reached in the previous year. The higher sales obtained in the domestic export market are consolidated. The

EBITDA increased by 31% compared to 2018, reaching 22.8 million euros.

The investments in 2019 amounted to 3.1 million euros, including the dismantling works of the former cement lines, a new bagging machine for portland cement, the improvement in the cooling water and the softened water circuit facilities, the acquisition of a loader and a new dumper for the quarry and so on.

Thousands of euros

CMI	2016	2017	2018	2019
Sales	74,872	79,744	87,507	87,669
EBITDA	15,400	12,010	17,430	22,825

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

PROMSA's activity is concentrated in the manufacture and sale of concrete, aggregates, mortars and construction services. This last line of services incorporates a division for pavements and another for concrete structures. It also has an environmental business area, specializing in recycling, the recovery of waste and the manufacture of alternative fuels. The company operates mainly in the Catalan market, where it has 34 active production facilities.

In 2019, the market grew by around 6%, similar to the previous year, with a slowdown as the months went by. The housing sector continued the trend of the previous year, with a solid growth situation, heavily concentrated in the main urban centers. The non-residential market also showed a positive behaviour with the emergence of new projects, some of which focused in the office sector. Finally, the civil engineering sector remains stable at very low levels, strongly affected by the governance problems and the absence of budget allocations.

In this market situation, the PROMSA's turnover in 2019 was 78 million euros, up 13% with respect to the previous year, with a very positive evolution in the price of the different business lines. The increase in

the scope due to the new investments also contributed to this growth.

Once again, PROMSA has been present in the main works relevant to the market. In the public works sector, the construction work at the Sagrera station and the rail connection of Barcelona with the Airport (shuttle) are remarkable. In the private initiative sectors, the most relevant works in which PROMSA was engaged were the construction works of the La Roca shopping centre parking lot and the new hospital in Girona.

The turnover growth, along with the increase in the prices and contribution margins, allowed for the significant improvement of the company's results, reaching an EBITDA of 7 million euros, 55% higher than that of the previous year.

The investments made throughout 2019 amounted to 3.2 millions euros, most of them intended for the improvement of the facilities and especially for the renovation of the mobile machinery and the transport fleet. The development chapter emphasises the acquisition of the assets of a new concrete plant located in Pineda de Mar, an investment geared to expanding the territorial offer and to offering greater market coverage.



	Thousands of euros			
PROMSA	2016	2017	2018	2019
Sales	51,392	64,865	69,121	78,050
EBITDA	-3,128	4,187	4,473	6,946

Consolidation of the companies belonging to the Promsa Group on their final shareholding percentage.

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

PRECON's activities focus on the personalised projecting, producing and trading of a wide range of concrete prefabs for the construction of buildings in general, public works and railway lines. The company carries out its production in ten factories located throughout Spain.

The company's turnover in 2019 increased by 32% with respect to the previous year, amounting to 110 million euros, although with different behaviours in the business lines.

The construction activity at PRECON, closely linked to the private initiative, increased by 29% with respect to the previous year, continuing the line of growth of the last years based on the policy of consolidating and/or incorporating unique and im-

portant clients. The following are to be highlighted: the construction of the logistics warehouse for Amazon in Megapark Dos Hermanas (Seville); the building, closure and parking lot of the shopping centre and Ocio Way for Kronos in Dos Hermanas (Seville); the Logistics Park Madrid M-40 (PAL-40) in Villaverde (Madrid); the industrial logistics building for Solvia in Montornès del Vallès (Barcelona); the logistics warehouse in the Industrial Estate Sector 13 in Ribarroja del Turia (Valencia); the industrial building for Anudal in Barcelona; the cold warehouse of deep-frozen vegetables for Monliz in Badajoz; the warehouse for Caprabo in plot A.23.2, managed by CILSA in the ZAL Port de Barcelona; the industrial building for Indcresa in the Can Parellada Industrial Estate in Terrassa (Barcelona); the extension of the facilities for Exkal in Marcilla (Navarre); the logistics

warehouse for Goodman in the Can Estella Industrial Estate in Sant Esteve Sesrovires (Barcelona); the logistics platform for Logisor in the Ciudad Circuito de Cheste Industrial Estate (Valencia); the logistics warehouse for Goodman – Seur in Illescas (Toledo); the extension of the industrial warehouses for Nordex Blades in Lumbier (Navarre); and the warehouse for Hermanos Fernández Ibáñez Consignatarios de Pesca in Mos (Pontevedra).

Sales in Civil Works decreased by 5% compared to 2018, due to the fact that their evolution is entirely linked to budgetary allocations for carrying out public works. The following are unique works: the supply and assembly of beams for the structure of the Sagrera station - Parking Lot 2 in Barcelona; the San Benito viaduct in the connection from A-52 Highway to the San Cibrao das Viñas Industrial Estate (Ourense); the viaduct for the Reguerón MU-30 Highway, P.K. 10+600, in Murcia; the supply of beams and slabs to cover the extraction wells of the new access to the Barcelona airport; and the supply and assembly of beams for the bridge over the Genil river in Huétor Tájar (Granada). In this business line, the continuation of the manufacture and supply of prefabricated concrete towers for the wind farm located in Barásoain (Navarre) should also be noted.

The PRECON's activity in railway products has shown strong growth in 2019, increasing by 71% compared to the previous year. The reason lies in the significant increase in the volume of award and execution of projects by ADIF and ADIF – AV for the supply of sleepers for the AVE network, Extremadura and other railway lines.

2019 was characterised by a slight recovery in sales prices within a general environment of low level prices, evolution which was offset by the increase experienced in the price of some raw materials and labour costs.

This effect, together with the greater volume of production activity during the financial year and the measures for continuous improvement in the processes and supplies of the factories and projects, gave rise to an increase in operating margins for the company with respect to the previous year. The EBITDA was 14 million euros, with a 71% increase in 2018.

During financial year 2019, there were investments amounting to 3 million euros. They were mainly used to increase production capacity, maintain facilities, improve occupational risk prevention and product quality, as well as to improve productivity in factories.



Thousands of euros

PRECON	2016	2017	2018	2019
Sales	61,144	68,014	83,411	109,770
EBITDA	4,198	5,396	8,155	13,965

Propamsa, S.A.U.

PROPAMSA is the Cementos Molins company engaged in the manufacture and marketing of industrial mortars and chemical specialties for construction.

PROPAMSA's business focuses on technical assessment and sale of solutions and products for construction, both in new buildings and in renovation. Its wide range of solutions is structured along the following lines: pavements, ceramic installation, lime coatings, exterior thermal and acoustic insulation, repair and reinforcement of concrete structures and waterproofing systems.



The location of our five factories in Barcelona, Guadalajara, Seville, Pontevedra and Valencia and our two own logistics warehouses in Palma de Mallorca and Biscay allow us to provide an excellent distribution service to our customers nationwide.

During 2019, the Spanish market has continued to grow. In new construction, around 75,000 homes are expected to be completed, and in the renovation market there has been an improvement in the growth of consumption by households of around 1.8%.

The PROPAMSA's strategy consists of focusing on the search for value and improvement of margins, maintaining its positioning of quality and differentiation with technical support for distributors and new products.

Once again, it is worth noting the significant sales growth of the BETEC special mortar line, which, without having into account the impact of unique works, is almost a two-digit figure.

The volume of sales outside Spain represents 8% of total sales in 2019. In France and Portugal, we continue to work commercially with our own sales force and through agreements with commercial agents in other areas of these countries. The exports outside Europe also increased in 2019, reaching more countries.

One more year, PROPAMSA was present in the main congresses and fairs of the sector. It has also organised training sessions and workshops, both in its premises and in construction warehouses and professional associations, reaching more than 4,500 professionals in the sector.

The economic results show that sales increased by 7% in 2019, amounting to 40 million euros.

With these sales, the improvement in the mix of products sold and the good management of fixed and variable costs, the EBITDA has significantly improved, amounting to 4 million euros.

The most important investments in 2019 focused on the improvement of the bagging productivity in the factories of Seville and Barcelona.

				Thousands of euros
PROPAMSA	2016	2017	2018	2019
Sales	32,675	35,988	37,404	39,970
EBITDA	2,113	3,017	2,134	4,431



ARGENTINA



According to reports published by the National Institute of Statistics and Censuses (INDEC), the preliminary estimate for the Gross Domestic Product (GDP) for the third quarter of 2019 registered a fall of 1.7% with respect to the same period of the previous year and, according to private estimates, 2019 could close with a negative change of 2%.

For its part, the Consumer Price Index (CPI) prepared by INDEC increased by 53.8% in 2019, while the Wholesale Domestic Price Index (WDPI) showed an inter-annual variation of 58.5%.

As for the exchange rate variation, it closed the year in ARS/EUR 67.29, which represents a 55.46% variation with respect to its rate as at 31 December 2018.

Cementos Avellaneda, S.A.

Cementos Avellaneda, SA is an Argentine company that produces and markets portland cement, aggregates, mortar, lime, adhesive cement and concrete. It operates two cement factories, one aggregates plant, one mortar plant, one lime plant and five fixed concrete plants and two mobile plants.

year, totalling 11 million tonnes. Per capita cement consumption is estimated at 244 kg, which represents an 8% decrease with respect to 2018 (source: ANCP).

2019 was a special year for Cementos Avellaneda, since it celebrated the centenary of its foundation. This was commemorated in September 2019, with an event in which shareholders' representatives, partners and customers took part. There were also special events for the staff of the various plants and work centres.

The investment vocation was one of the growth drivers for the company in recent years and was evident in 2019 with investments such as the extension of the production capacity of the San Luis plant and the completion and start up of the aggregates plant and facilities for the Residual Solid Fuel (RSF) feed in Olavarría.

Cementos Avellaneda celebrates its centenary achieving record sales

The cement market in Argentina was 6.8% lower year on year in 2019 compared to the previous

The Olavarría factory hit a new all-time high for cement sales in 2019. Cement with activated clays consolidated as a symbol of innovation, the latest global trend of ecologic cement. With the new RSF facilities and the consumption of biomass, the replacement of fossil fuels doubled with respect to the previous year.

For its part, the San Luis plant achieved very good operation of its kiln in 2019, and consistently attained more than 20% of thermal replacement with sustainable fuels. As of October 2019, the company started to operate some of the new facilities, such as the shredding facility, the cement mill and the bag machine of the new plant. Similarly, we worked in the development of the Caliminas deposit, which will be one of the main limestone sources for the enlarged plant. In February 2020, clinker production is expected to be in operation, thus completing the project to increase the plant production capacity.

Hormigones Avellaneda provided materials to important works, such as the VASA industrial plant, La Genoveva wind farm (Bahía Blanca), AySA Bernal, Ezeiza Ministro Pistarini Airport and Los Curtidores park (Lanús), among others. In 2019, the company hit a new all-time high for sales, achieving good results despite the sharp drop in activity in the last months.

In March 2019, the new aggregates division started to operate. Despite a drop in demand, the results were in line with the projections of the company.

Sales in 2019 totalled 285 million euros and increased by 8%, while the EBITDA was 81 million euros, which represents an increase of 36% compared to that obtained in 2018.



Thousands of euros

C. AVELLANEDA	2016	2017	2018	2019
Assets	205,899	221,471	289,197	324,406
Shareholder's equity	135,947	142,307	184,197	215,314
Sales	279,575	344,457	263,210	284,863
EBITDA	59,491	85,085	59,443	80,963
Net profit	40,929	56,486	33,025	40,948

Data corresponding to 100% of the investee company, without consolidation adjustments



URUGUAY



According to the report published by the Central Bank of Uruguay, the third quarter of 2019 reported a 0.9% growth in the Gross Domestic Product (GDP) in year-on-year terms.

The Consumer Price Index (CPI) registered a year-on-year 8.8% increase, while the National Product Producer Price Index (NPPPI) increased by 20% in the same period.

The Uruguayan peso exchange rate closed at UYP/EUR 41.94 as at 31 December 2019, with a variation of 13%.

Cementos Artigas, S.A.

Cementos Artigas, SA is a company based in Uruguay which focuses its activity on the production and sales of portland cement, mortar and concrete. It owns a clinker manufacturing plant in the town of Minas, a mill and a mortar manufacturing plant in Sayago, as well as five concrete production plants.

In 2019, Cementos Artigas turned 100 and one of the most remarkable celebrations consisted of an event, carried out in September 2019, which was attended by Government officials, shareholders, customers and partners. Additionally, there was an event attended by staff from all the divisions (family day).

The Minas plant worked hard on the cost and productivity improvement programme, with tangible results in this financial year. The substitution of fossil fuels with alternative fuels was 34%.

The largest maintenance and renovation service of the Minas oven since its start up in 1997 was carried out: the rims on which it rotates were changed, along with some of its sections.

It is estimated that the cement market in Uruguay decreased by 1.5% compared to the previous year, with a volume of 724,000 tonnes.

The company is a pioneer in Uruguay in the formulation of low carbon footprint cements, and its products are more and more environmentally friend-

With 100 years of history,
Cementos Artigas is a pioneer in
environmentally friendly products

ly. In the Sayago mill, Portland Composite Cement (PCC) continued to be developed, including bulk and export products such as CPC and fillerised cement.

In its part, Hormigones Artigas was a supplier of concrete for the main road works that were being built in Uruguay in 2019: route 24. Product was also supplied for the construction of the most important works in Maldonado (Art Tower, Venetian Punta del Este). Likewise, it participated in the important road maintenance development in the capital of the country.

With regards to commercial management, attention should be drawn to brand positioning through an innovative communication, marketing and loyalty campaign for the line of adhesives and cement pastes, as well as to the launch of a cement of high initial resistance that allow us to compete in new developments, such as the development of railway sleepers.

Sales in 2019 totalled 72 million euros and the EBITDA was 17 million euros, which represents a 22% decrease compared to that obtained in 2018.



Thousands of euros

C. ARTIGAS	2016	2017	2018	2019
Assets	85,591	79,054	79,232	84,992
Shareholder's equity	69,959	64,410	60,238	67,931
Sales	74,822	79,801	87,025	72,354
EBITDA	14,379	17,446	22,225	17,387
Net profit	11,908	12,912	16,925	12,337

Data corresponding to 100% of the investee company

MEXICO



The year 2019 was marked by the new Government which emerged in late 2018. As is often the case in Mexico the first year of each presidential term, there was a slowdown as the different economic actors get used to the mechanics of the new administration, and investment decisions were suspended while the basis of the new Government were defined.

In this context, in the third quarter of 2019, the GDP came to a standstill (0% growth) and showed a 3% inflation.

In this scenario and with a view to reactivating both general economy and the construction industry in particular, the National Private Sector Infrastructure Investment Programme was announced on 26 November. In its first phase, it includes the development of 147 projects to be developed over the last five years of the presidential term.

By the end of 2019 there were positive economic signs: general interest rate cuts which boost the global economy again; the US economy, which is maintained with strong growth of 2% and full employment. For Mexico, the start of the infrastructure investment can trigger the economic recovery.

The exchange rate of the Mexican peso against the euro showed a positive change of 5.8%. At the end of the year, it was valued at PMEX/EUR 21.19.

Corporación Moctezuma S.A.B. de C.V.

Located in Mexico, its activities include the production and sales of cement, concrete and mortar. It has three cement factories located in Tepetzin-go, Cerritos and Apazapan, with two production lines each. It is present in the concrete business, with 30 plants, distributed throughout the Mexican territory. The Company is listed on the Mexican stock exchange.

ment. This initiative gave it greater solidity and flexibility, so that it can adapt to present demands.

In a declining market, Cementos Moctezuma made special efforts to strengthen the level of customer services, maintaining closeness and offering personalised attention. New distribution centres were opened to reinforce the presence in strategic locations, bringing the Moctezuma cement to the distribution networks and the final consumer.

Technological tools make customer service easier. Therefore, by means of an APP, delivery times from our facilities to the customer's address improve.

The investments made in previous years made it possible to mover a greater volume of cement by rail, which makes it possible to move cement over longer distances, thus optimising costs.

Contraction of public and private investment in 2019, with effect on results

In the second half of the year, the Company simplified itself to optimise administration and manage-

The Fit&Flex programme had an impact on the maintenance activities in the production facilities, identifying and eliminating those activities which entailed unnecessary expenses. This led to significant savings, efficiencies and the optimisation of several functions.

Throughout 2019, there were investments to improve our cement plants. This was evidenced by the fact that we installed the third cement filling machine in the Apazapan plant, to comply with the change in the rules for sacks exceeding 25 kg.

Improvements were made in the Tepetzingo plant, such as the total change of the distributed control system and the installation of a constant rate hopper in the feeding section of kiln 1. For greater efficiency, a wind decanter for Mill 2 was installed in the Cerritos plant.

As for concrete, Concretos Moctezuma worked on the development and implementation of an appropriate organisation, which resulted in a solid, flexible structure with high adaptation capacity which can respond quickly to any market change.

In 2019, the main adversity was a strong contraction of the national market, more pronounced in the centre of the country, an area of great operational importance. This situation made it necessary to better analyse the market, to expand the customer portfolio and to serve not only significant developments, but also smaller works. Special attention was also paid to optimise internal efficiencies and maintain strict cost discipline.

Concretos Moctezuma participated in major works throughout 2019 and, at the end of the year, it was awarded the Peribús project in Guadalajara, intended to pave all the peripheral areas of the city.

Sales amounted to 592 million euros in 2019, decreasing by 6% compared to the year 2018. The EBITDA was 250 million euros, which represents a decrease of 13% compared to the previous year. This is mainly caused by the lower volume and cement sales prices, affected by the market situation and an increase in variable costs.



C. MOCTEZUMA	2016	2017	2018	Thousands of euros
				2019
Assets	589,600	647,077	635,845	618,553
Shareholder's equity	464,907	440,608	448,709	434,803
Sales	611,741	696,484	626,243	591,776
EBITDA	292,411	329,779	288,296	250,144
Net profit	196,053	220,538	191,426	156,895

Data corresponding to 100% of the investee company, without consolidation adjustments

BANGLADESH



Bangladesh was one of the fastest-growing economies of the Asian countries in 2019. The country's economy grew continuously at a rate of over 6% annually (~7.5% in 2019) over the last decade, regardless of natural disasters and political uncertainties. In 2019, the GDP growth in Bangladesh was driven by an increase in population, low labour costs, a rapid urbanisation and industrialisation, and large infrastructure and public service projects.

The value of the currency against the euro showed an appreciation of 0.7% in the year. At the end of the year, it traded at BDT/EUR 95.4.

Because of several external and internal difficulties, cement companies announced an increase in one-digit only sales in 2019. Thus, consumption grew by around 8% in 2019, which is in line with the average annual growth of around 8-10% recorded over the last decade. One more time, the main consumption driver is the development of some rural areas, the large consumption centres in major cities such as Dhaka, Sylhet and Chittagong, and, finally, the development projects.

The annual cement consumption in Bangladesh remained at around 33.9 million tonnes in the last year. Despite the industry growth, Bangladesh is still one of the least significant consumers of cement products in the world. Per capita cement consumption in Bangladesh stands at around 188kg, far below 270 kg of Myanmar and 312 kg of India; while it amounts to 1,700 kg in China, 1,250 kg in South Korea, 800 kg in Malaysia or 500 kg in Thailand.

LafargeHolcim Bangladesh (LHB)

Based in Bangladesh, LHB dedicates itself to the manufacture and sale of cement. The factory and its three mills are located in Bangladesh and the limestone quarry in India, connected to the factory by a conveyor belt. Cementos Molins and LafargeHolcim jointly hold 60 percent of the capital, while the remainder is held almost totally by local shareholders. The company is listed on the Dhaka and Chittagong exchanges.

The turnover of LHB increased by 12% in 2019, which was supported by a strong increase in the volume in tonnes. Raw material prices remained constant in 2019, compared to the previous year. In total, freight and transport costs were contained.

In the commercial area, some of the most important activities in 2019 were the commercial development of the Supercrete brand with the release of new TV campaigns; big efforts to diversify sales channels; the implementation of a customer portal to improve distribution management and the development of new training programmes, especially in the technical area, for the entire sales team.

Increased sales and reduced costs have allowed the results to grow

During the financial year, LHB sales totalled 188 million euros and increased by 12% compared to 2018. The EBITDA generated amounted to 43 million euros, which represents an 11% increase. The reduction and control of overheads and logistic costs helped to achieve this result, despite the increase in the raw material prices.

LHB invested 10 million euros in 2019. Most of the investment was used in the project to develop the new aggregates business, projects regarding the future use of alternatives fuels and the improvement in the power consumption efficiency in the quarry and the improvements for incoming and outgoing materials in the mills.



Thousands of euros

LHB	2016	2017	2018	2019
Assets	252,901	217,315	280,876	280,913
Shareholder's equity	181,027	150,205	162,163	168,845
Sales	123,943	116,346	168,792	188,460
EBITDA	40,447	22,342	38,807	43,063
Net profit	25,721	8,784	15,132	18,452

Data corresponding to 100% of the investee company, without consolidation adjustments

TUNISIA



Volume falls and energy cost increases, slowed the results

Due to the weak growth in the first half of 2019, the growth forecasts for 2019 were revised downwards to 1.4%, as compared to 2.5% recorded in 2018. There are two main reasons for this weak economic activity: internal factors such as the decrease in the olive oil harvest and the production of hydrocarbons. On the other hand, there are external factors such as the slowdown in internal demand, especially in the Eurozone, which had a negative impact on manufacturing industries seeking to export.

This level of growth was insufficient to overcome the main difficulties faced by the Tunisian economy. The industrial production index continued its declining trend in 2019 and showed a 3.6% reduction, in line with the continuous decline in the production in the manufacturing industries and energy extraction industries.

The price index fell in December 2019 to 6.1%, compared to 7.4% in the previous year.

In the cement sector, local demand decreased by 5.5% for white cement and 10.7% for grey cement. Following the slowdown in the economy, exports volumes of grey cement also decreased by 1.9% compared to the previous year.

The currency, the Tunisian dinar (TND), was closed at the close of the year at TND/EUR 3.14, with an appreciation of 8% compared to the previous year.

Société Tuniso Andalouse de Ciment Blanc 'SOTACIB'

Located in Tunisia, SOTACIB has a factory situated in the city of Feriana, near the border with Algeria, which is dedicated to the production and sale of white cement. SOTACIB sells its products in the region (Tunisia and Libya) and also exports to Europe, the Middle East, West Africa and North America.

Sales prices in the domestic market remained controlled by the Ministry of Commerce. As of December 2018, a 20% price increase was granted, and 8% of this price was applied in 2019.

White cement revenues increased by 19.3% in 2019 due to an increase in export volumes (+35.7%) and prices (+4.3% on average). This is despite the 5.5%

decline in local volumes due to the slowdown of the economy.

Variable costs per tonne increased by 14.7% during the year. This was primarily due to the impact of the increase in the kiln heating costs due to the use of gas instead of petroleum coke during a 4-month interval (caused by the closure of the distribution company of crushed petroleum coke after 4.5 months with industrial disputes).

Sales amounted to 30 million euros, a 19% increase. In its part, the EBITDA increased by 34%, reaching 3.6 million euros.

The investments made in 2019 amounted to 1.8 million euros, mainly used to maintain the plant.



Thousands of euros

SOTACIB	2016	2017	2018	2019
Assets	77,916	55,931	52,244	48,130
Shareholder's equity	31,793	20,777	16,504	9,481
Sales	35,278	32,425	25,126	29,983
EBITDA	4,766	2,954	2,673	3,583
Net profit	-2,901	-4,619	-1,841	-2,279

Data corresponding to 100% of the investee company

SOTACIB Kairouan

SOTACIB Kairouan has a grey cement factory in the municipality of Jebel Rouissat (Kairouan, Tunisia), which became operational in early 2012.

Following the good performance during the first half of financial year 2019, during the second half of the year there were labour disputes, overcome at the end of the year, which had an impact on the production and the sales, and caused the deterioration in the results.

In terms of trade, the total volume sold decreased by over 40% despite an increase of over 44% in the Libyan market, as compared to financial year 2018. This

sales decrease was partially mitigated by an improvement in local prices. At the same time, the rising costs of electricity and gas, as well as the impact of the depreciation of the dinar on imported petroleum coke, led to an increase in the costs.

Sales amounted to 32 million euros, falling by 35%, and the EBITDA was 6 million euros, which represents a 51% decrease with respect to the previous year. This was mainly due to labour disputes at the factory, the inflation and the rise in energy costs.

The total investment in 2019 amounted to 1.2 million euros, mainly used to maintain the plant.



SOTACIB KAIROUAN	2016	2017	2018	Thousands of euros
				2019
Assets	178,615	137,043	128,570	127,713
Shareholder's equity	74,834	56,475	55,310	56,325
Sales	47,797	45,560	49,328	32,277
EBITDA	11,249	9,019	12,135	5,885
Net profit	-4,435	-3,141	1,309	-3,672

Data corresponding to 100% of the investee company



BOLIVIA



The main feature of 2019 was a complex global economic context for Latin America, which, in accordance with the data published by ECLAC, came to a close with a 0.1 growth.

In Bolivia, the downward trend of recent years continued. According to official data, at the close of the third quarter of 2019, the growth with respect to 2018 was 2.8%. Projections indicate that 2019 ends with a growth of around 2% due to the social and political conflicts that led to the resignation of the former president Evo Morales.

Despite this, Bolivia had the second largest growth in South America, slightly below Colombia, growing above 3%.

On the other hand, the construction sector in Bolivia increased by 3.5% at the end of the third quarter and cement demand increased by 6.5% compared to the previous year, according to official governmental data.

The value of the currency against the euro showed an appreciation of 1.9%. At the end of the year, it was valued at BOB/EUR 7.76.

Itacamba Cemento, S.A.

Itacamba Cemento, SA is a Bolivian company which focuses its activity on the production and marketing of portland cement. It has an integral cement manufacturing plant inaugurated in 2017 in the Puerto Suárez municipality, Germán Busch province (Santa Cruz department).

and November, the country was partially paralysed due to social and political protests, which hit the activity hard due to blockades in the area where the company operates.

Despite this adverse scenario, 2019 ended with a 2.3% increase in domestic sales with respect to 2018. Adding exports to this figure, the company achieved 10% higher cement sales and 17% higher clinker sales. As a result, sales increased by 11% compared to the previous year, amounting to 76 million euros.

The Yacuses plant reached its third year of operation with an optimal performance and a production volume which increased by 11% compared to 2018.

Increased sales in the domestic and export markets

In 2019, the ECEBOL factory in Oruro started up, which generated a significantly increased competition in the market. In addition, between October

The EBITDA was 11 million euros, which represents a 2% decrease compared to the previous year. This decrease was mainly caused by the price decrease in the market due to the entry of the new competitor.

During the year, Itacamba was listed in the Bolivian Stock Exchange, successfully placing two bonds issuances amounting to USD 78 millions. This reflects the strength, reputation and support the Company offers to investors.



Thousands of euros

ITACAMBA	2016	2017	2018	2019
Assets	218,928	181,821	183,735	178,782
Shareholder's equity	85,639	70,142	66,603	65,626
Sales	30,409	55,890	67,961	75,511
EBITDA	1,504	8,875	11,104	10,728
Net profit	1,718	-5,970	-5,559	-2,227

Data corresponding to 100% of the investee company without consolidation adjustments.

COLOMBIA



Despite the challenging scenario in the Region, the Colombian economy showed several signs of stability, such as foreign direct investment, which showed increases of more than 25%. This circumstances allowed for an increase in tax revenues.

In 2019, inflation reached 3.8% and, according to recent estimates, the growth of the Gross Domestic Product would be 3.4%.

The construction sector showed a drop in GDP through the third quarter of approximately -1.9%. However, cement consumption, due to the start of infrastructure investment in the country, increased by 3.6 with respect to 2018.

The value of the currency against the euro showed an appreciation of 0.8%. At the end of the year, it was traded at COP/EUR 3,687.

Empresa Colombiana de Cementos, S.A.S. / Insumos y Agregados de Colombia S.A.S.

Cementos Molins signed, on September 30, 2015, an agreement with the Colombian Corona Group for the construction of a cement production plant in the municipality of Sonsón in Antioquia, Colombia. The plant, which started operating at the end of October 2019 and began selling in November, has a production capacity of 1,350,000 tons per year. It is equipped with the most modern technology, including vertical grinding of crude, clinkerisation with vertical grinding of coal, vertical grinding of cement and cement dispatch, both in bulk and in bags.

ments in Colombia, initially through wholesalers, retailers and some sales to constructors and processors. In December, customer growth was boosted through the store channel.

As regards to the product, it was well received by the market. Customers recognise good performance, good strength and uniformity in tone and color.

The activities established in the construction project called 'TORRE' were carried out throughout the year in the plant located in Sonsón, in order to start running the factory as scheduled.

In the last quarter of 2019,
the factory started up and
operations began

At the end of 2019, cement sales in Colombia are estimated at 12.4 million tonnes, with a 3.6 growth with respect to the previous year.

Cementos ALION, brand under which the company operates, entered the market on 5 November. In its 2 months of operations, it was present in 22 depart-





Tax contribution

The companies in the Molins Group contribute to the progress and socioeconomic development of the countries in which they are present by making different contributions for this purpose. In terms of taxation, this is reflected in our commitment to the payment of taxes to the Public Administrations of the different countries in which we operate.

The Board of Directors of Cementos Molins has the power to determine the tax strategy, the control policy and the management of tax risks, as well as to supervise the internal information systems and their control. To this end, Cementos Molins has a Corporate Fiscal Policy whose purpose is mainly aimed at ensuring compliance with tax regulations in the jurisdictions in which the Group operates, in the interest of the company.

The principles of control and management of fiscal risks that are part of the fiscal strategy of Cementos Molins aim to protect decision-making in order to maintain fiscal risk at the lowest possible level.

In accordance with these principles and the recommendations of the Code of Good Tax Practices, the Molins Group does not use opaque structures intended for tax evasion or to hide relevant information from public administrations, nor does it hold any share in companies resident in tax havens.

Our contribution in terms of income tax for the year 2019 is summarised below:

Thousands of euros

	2019	
	Results before tax	Corporate Income Tax paid
Spain	94,947	11,377
Argentina	59,227	16,520
Uruguay	15,997	4,551
Mexico	227,342	72,640
Bangladesh	28,980	7,193
Tunisia	-5,146	17
Bolivia	3,116	-

The data correspond to 100% of the companies represented by the country, regardless of the consolidation criterion in the annual accounts

The profit before Spanish taxes includes 80,285 thousand euros of dividends received from the foreign investees.

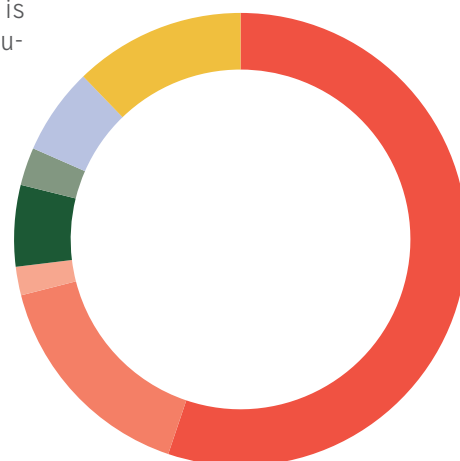
No significant public subsidies were received during the year 2019.

State of Added Value 2019

The State of Added Value shows the information in the profit and loss account grouped by stakeholders, and allows the quantification of the percentage of economic value generated by the activities of the organization which has been distributed among them. During 2019, 81.6% of the economic value created was distributed among the stakeholders.

Suppliers (Operating expenses)	55.16%	Financial expenses	2.04%
Staff costs	15.86%	Corporate Tax and taxes	5.81%
Dividends	2.71%	Amortisations	6.21%
Reserves	12.22%		

The amount of generated value is 708,363 thousand euros, distributed as follows:



Persons



Main indicators 2019

Workforce

4,932

Equivalent average
workforce

4,458.4

Women among
the staff

10.9%

Turnover rate

16.3%

Training hours per
person on average

30.5

Occupational accidents
resulting in medical leave

65

Workforce characterisation and quality of employment

Cementos Molins is committed to a balanced and fair working relations model, which responds to the needs of the company for the purpose of generating stable, quality employment. The Human Resources policy reflects these commitments and includes principles of equality, non-discrimination, respect for rights and regulatory compliance and transparency and fairness.

As at 31 December 2019, the staff was comprised of 4,932 people, up 1.3% from the previous year, with a 7.2% increase of the number of female employees and a 0.7% increase of male employees. This change was caused by an increase in the number of employees in Colombia and Argentina. At the end of 2019, the total number of staff was comprised of 89.1% men and 10.9% women, a distribution similar to 2018. The equivalent average workforce reaches 4,458.4 people, 7.4% more than in 2018.

The number of disabled employees is 15, of which 14 are in Spain and 1 in Tunisia. With this figure and the implementation of the alternative measures recogni-

sed in Spain by the General Law on Disability, a 2.5 quota of representation of this group was achieved.

98.6% of staff works full time and 96.1% has a permanent employment contract, similar to the previous year. All countries have this contract distribution with the exception of Spain where 87.1% of men have a permanent contract since a lot of projects are temporary and need specific labour for peak periods in some of the business units. On the other hand, almost 100% of the workforce from all countries work full time. 74.5% of women work full time in Spain, a slightly lower figure than in the previous year.

Total staff consists of 2.9% management positions, 31.2% of middle managers and specialists and 65.9% of employees and operators. The representation of women in the different professional categories is slightly higher than in the previous year: they represent 9.1% of management positions, 11.9% of middle managers and specialists and 10.6% of employees and operators. The ratio of women's pay to men's reached 105.9% in global terms.

63.2% of the workforce is covered by a collective agreement involving 65.1% of men and 47.1% of women. The countries with a team which is fu-

lly covered are Spain and Uruguay. The countries with less coverage are Argentina (56%), Mexico (38.1%), Colombia (35.9%), Bangladesh (35.1%) and Bolivia (0%).

The turnover ratio was 16.3% (15.8% for women and 16.3 for men), down 9.7 from 2018. 909 new people were recruited: 6 management positions, 168 middle managers and specialists and 735 workers, mainly in Spain, Colombia, Mexico, Argentina and Bangladesh. 156 people in total were dismissed, 216 people resigned voluntarily, 390 people ended their contracts and 40 people retired.

Work-life balance and cohesion

Through the Equal Opportunity and Reconciliation Policy, Cementos Molins promotes a culture of equal opportunities and diversity, the goal of which is to promote work-life balance through the development of several measures and actions.



In terms of diversity, in Spain, PRECON represents the globality and multiculturalism of the current society, with employees from more than 13 different nationalities. PRECON also works on integrating groups who experience difficulties re-entering the labour market.

Regarding the work-life balance, a 'Family Day' is held in Tunisia and in Spain (PRECON) in order to bring families into closer contact with the employees' working environment. On the other hand, these activities make it possible to increase the sense of belonging to the company and develop the team spirit and social cohesion.

Since 2016, a satisfaction survey is carried out every year in the Group in order to measure the level of engagement shown by the workforce, which is defined as the level of emotional and intellectual involvement encouraging them to do their best. The results of the survey carried out in 2018, in which 87% of the employees took part, were presented in 2019, and showed an improvement in the level of commitment of the team, but there was also room for progress and improvement.

The frequency of the survey has been changed and it will be carried out every two years in order to have more time to implement the action plans which focus on increasing the percentage of highly committed employees. Similarly, in Bolivia, the work atmosphere was assessed through the carrying out of workshops to implement improvement actions to increase staff confidence.

Communication, transparency and motivation of those working in the Company are the key areas in the different actions carried out by PROMSA in Spain. The PROMSA's annual convention focused on the theme "Think positive" in order to increase the motivation of the workforce, and visits to the different PROMSA plants continued every 3 months in order to satisfy the curiosity of the workforce concerning the organisation's operations. Similarly, informal meetings took place between plant operators and the management in order to address areas for improvement. Similarly, communication actions such as the Konkret internal magazine and the Promsalud project continue since 2018.

Itacamba has positioned itself as the company with the highest reputation in the construction sector and, for the third year in a row, it is one of the

best places to work in the country. Furthermore, it is the most powerful cement brand in Santa Cruz according to the Brand Ranking (RDM) published by the Bolivian Business Seminar. These recognitions, which can only be achieved with the efforts made by the partners and the impetus provided by the management, strengthen the presence of the Itacamba brand in Bolivia, turning it into a reference for those who wish to work in an environment that promotes and cares for its employees.

During 2019, 15 women and 56 men applied for parental leave. The return-to-work rate was 98.2% for men and 100% for women after the end of the parental leave.

On the other hand, 6,164 people received social benefits in 2019.

Training and development at work

Human development is one of the key aspects to address the needs of both the organisation

and the operational context in an environment of growth of those comprising our staff.

Thus, Cementos Molins develops actions such as the execution of career and promotion plans, as well as training and mobility plans. All these initiatives are focused on long-term talent management.

In 2019, average training hours totalled 30.5 hours per person, a figure similar to 2018. Overall, 4,093 employees (83% of the workforce) received 125,018.5 training hours in 2019, with an investment of €1,489,096.2, 17.1% higher with respect to 2018.

The training of the staff of Cementos Molins is crucial. In 2019, we carried out a training programme with the ESADE business school aimed at providing key persons in Cementos Molins with an overview of the business, sector and environment in which the company operates, offering resources and de-

veloping their leadership skills to manage high-performance teams and to achieve the strategic goals. This programme, which lasted 12 months, was attended by 26 people. The main goals were:

- To get a comprehensive view of the company, the processes and activities that make an important contribution to the generation of value.
- To develop the capacity to analyse problems and opportunities for an effective and appropriate decision making.
- To offer resources for effective leadership and teamwork.
- To create an environment that favours the assumption of responsibility for change management and for the development of the teams necessary to align the company with the CM's strategic goals.
- Self management to learn how to assess strengths and also to identify the areas for improvement and growth opportunities.

Specific training sessions are carried out every year according to the needs of the staff. In 2019,

there were training sessions regarding health, safety, environment, induction, SAP, mechanical and electrical maintenance, etc. A specific technical and commercial training for the PROMSA's sales force was delivered this year in Spain to present PRO-LIMIT and PROXTREM, two concretes designed for special pavements. This way, the sales force saw the final finishing of these products to be able to sell them better.

Similarly, the various countries assessed the performance of their employees, involving 60.2% of the staff in 2019.

Due to the need to recruit a significant number of people, a selection plan started in Colombia thanks to a partnership with Comfama (family compensation fund) and the development of the skills school. An assessment focused on identifying required skills, abilities and competencies in order to select candidates. This initiative allows to fill vacancies for operational processes, recruit skilled people and provide information for the training plan and the career plan.

Occupational health and safety

Occupational health and safety is one of the fundamental values of Cementos Molins and that is reflected in the Occupational Health and safety Policy, available on the website and applicable to all activities and countries where it operates. The organisation's global objective is to achieve Zero Accidents; to achieve this, it carries out a risk identification and analysis focused on guaranteeing safe and healthy jobs for both direct and indirect employees.

The implementation of formal occupational health and safety management systems and strict risk prevention procedure are the main mechanisms to secure the health of our employees. As at 2019, 6 facilities are certified under the international OHSAS 18001 standard, which brings the total number of certified facilities to 19 from 2018 onwards. Similarly, the number of people covered by a Health and Safety committee in 2019 amounted to 7,068.3 (72.8% of direct people and 59.1% of indirect people), up 0.8% from the previous year.



Similarly, sensitization and awareness activities regarding health and safety were carried out throughout 2019, especially in the World Day for Safety and Health at Work. A sensitization campaign concerning health and safety was reinforced in Spain, Tunisia, Mexico, Bolivia, Argentina and Uruguay, in order to prevent accidents. An awareness infographic was also sent to the staff every month. On the other hand, an awareness campaign was launched with adhesive vinyls on the mirrors of the work centres. The campaign stated “you are seeing the person ultimately responsible for safety” and “we care about your safety”.

In relation to the health and safety action plan, all the centres in Spain carried out a self-assessment to identify the improvements to be implemented. Similarly, the protocol for safety visits was updated in order to raise the staff's awareness so that they commit to safe work and compliance with preventive planning. During 2019, quarterly safety visits were carried out by all managers and middle managers.

With regards to injuries, a new preventive physiotherapy service was implemented in Spain to increase the protection and welfare of the employees, both preventively and correctively. Similarly, in Argentina and Uruguay, the training and qualification of trainers was implemented through the SAFESTART philosophy, an advanced programme to prevent Injuries and Incidents, whose approach is complementary to the traditional approach, since it is based on human behaviour, specifically on the Unintentional Risk behaviour (human error) and the Habitual Risk behaviour (habits). In Mexico, the fall arrest system was installed and implemented in 14 plants in 2019 in order to prevent falls in vehicle or machinery inspection works and to protect the worker. Finally,

in Tunisia, the Sotacib's health and safety system has published a health and safety report every month in order to identify the type of accident suffered and implement specific actions to prevent it from happening again.

In 2019, there have been 213 accidents and 65 lost time occupational accidents of direct workers in total, most of them in Spain, and 6 involved a woman. In 2019, there was 1 very serious accident. One person died in Spain. The total number of lost days was 9,071 for direct workers. The country with more lost days was Spain (with 8,231 days) followed by Argentina, Uruguay, Tunisia and Mexico.

As for indirect workers, the total number of lost days was 2,082 for indirect workers, most of them in Spain, Colombia and Mexico. In particular, there were 232 accidents of indirect workers, most of them in Colombia, and 2 involved women. One person died in Colombia.

The countries where Cementos Molins operates carry out safety trainings, awareness actions and health and safety action plans, among others



Most accidents consisted of bumps, falls on the same level, trapping and overexertion due to overconfidence, distractions, inadequate risk assessment and lack of order and cleanliness in the work centres.

The countries where Cementos Molins operates carry out safety trainings, awareness actions and health and safety action plans, among others, to achieve the accident reduction target. The goal for 2020 is to keep reducing frequency rates and implement the GCCA's guidelines in all the companies. A Corporate Safety Communication Plan will be implemented in all the companies within the Cementos Molins Group in order to promote transparency and a common Health and Safety message.

Climate change and energy



Main indicators 2019

Total CO₂ emissions
(t)

8,971,743

Total fuel consumption
(GJ)

39,751,993.8

Power consumption
(GWh)

1,371.6

The goals of Cementos Molins associated with climate change relate to the reduction of greenhouse gas emissions and the increase in the use of alternative fuels, as well as the development of other innovations that allow to reduce the carbon footprint associated with the products. The Environmental Policy and the Corporate Social Responsibility Policy, both available on the organisation's website, explain those commitments.

energy is one of the main strategies of the organisation in this sense.

During 2019, the total CO₂ emissions for the Cementos Molins' activities decreased by 7.8%, reaching 8.97 million tonnes. The emissions for the production of equivalent cement decreased with respect to 2018, totalling 587.7 kg of CO₂ per tonne of equivalent cement.

The main emission sources are the decarbonation of limestone and fuels used in the production process, which represent 90.1% of total fuel consumption, and which, during 2019, decreased by 14.6%, resulting in a figure of 39.8 million GJ. The most widely used non-renewable fuels are natural gas, diesel, petrol, fuel oil, petroleum coke, gasoline, coal and anthracite, and liquefied petroleum gas. On the other hand, the renewable fuels used included, among others, agricultural residues, biomass, wood and sawdust, sewage sludge, and paper and cardboard. Similarly, alternative fuels include solid recovered fuels, disused tyres, industrial liquid waste, glycerins and several alternative fuels. Finally, non-renewable fuels used in transport have been gas oil and gasoline. Total power consumption in 2019 was 1371.6 GWh, down 4.6% from 2018, due to a significant fall in consumption, especially in Uruguay and Tunisia.

Total power consumption in 2019 was 1371.6 GWh, down 4.6% from 2018

Monitoring the CO₂ emissions linked to the production of cement forms the basis for the monitoring of the carbon intensity inherent in the cement production process. Increasing the percentage of alternative fuels that allow to reduce the use of other fossil fuels with higher emissions at the same time that certain waste is used to produce

The actions carried out in Spain in 2018 and 2019 were recognised in the annual report on the CO₂ emitting industries published by the European Commission, which classified the Cementos Molins Industrial's factory as the most efficient factory in Spain with regards to CO₂ emissions.

In Argentina, actions to reduce CO₂ emissions continued through fuel switching in trucks. A map of emissions per vehicle was prepared and fuel-switching operations were carried out in 10 trucks which were identified as those that generated the greatest emissions in order to reduce the percentage of sulphur. Similarly, Cementos Avellaneda inaugurated a facility to use industrial waste to generate energy through the QCMOL (Burning of Multiple Fuels) project in Olavarría, burning Residual Solid Fuel (RSF). This process to recover waste to prepare RSF that can be incorporated into the cement production process allows to reduce the consumption of non-renewable fossil fuels and the emission of greenhouse gas (GHG).

In Mexico, alternative fuels from different sources of waste will start to be used to reduce fossil fuels through the signing of an Alternative Solid Fuel (ASF) supply agreement. Therefore, the energy substitution rate for 2019 stood at 7.6% in global terms, and exceeded 38.2% in Spain, 25.2% in Uruguay and 11% in Argentina.

Besides these alternative fuel initiatives, the organisation works on the development of alternative energy projects. In Spain, PRECON continued its cooperation with Nordex Acciona Windpower to build the wind farm located in Navarre. On the other hand, 100% of the electric power used by PRECON in the certified factories come from renewable sources and a very high percentage of raw materials is locally sourced.



Circular economy



Main indicators 2019

Total waste generation
(thousand of tonnes)

226.1

Percentage of water reused
compared to total

6.8%

Wastewater generation
(m³)

2,267,765.7

Total material consumption
(thousand of tonnes)

40,626

Total water consumption
(m³)

3,262,929.26

Cementos Molins regularly controls all the consumptions and effluents, and works on the development of initiatives to help protect the environment. The goal of the environmental policy along with the corporate social responsibility policy and the sustainability policy is to promote efficiency and minimise consumption along the value chain. To achieve this, circular economy activities and water, energy and raw material optimisation activities are activated. One of the priorities is to create new ecomaterial lines that make it easier to recycle and use waste to create energy.

During 2019, the organisation consumed a total of 40 million tonnes of raw materials, representing a 1.7% increase compared to the previous year. The main materials consumed were natural materials (such as limestone, clay, aggregates), recycled materials (such as steel waste, ash and slag), packagings (such as sacks) and renewable materials (such as pallets).

In Spain, PRECON is moving towards the inclusion of circular economy procedures. It is the first Spanish manufacturer with concrete products certified under the Cradle to Cradle stamp, one of the strictest certifications to certify products designed and produced through the minimisation of all environmental impacts in the entire life cycle of the product. PRECON promotes a rational use of

natural resources and materials. The PRECON material has also allowed to build the structure of a building certified by the Cradle to Cradle stamp in Viladecans Business Park, focused on the well-being of tenants and the team. The PRECON's priority is to deliver toxic-free concrete, among other criteria, to build a healthy building. On the other hand, PRECON reached a reuse rate of materials higher than 50%.

Similarly, recycled materials are also used in Bangladesh. During 2019, LHB included recycled materials to build a wall made of cement blocks, next to the packing plant, along the Surma river, through the use of sweep cement, sand and discarded chips.



In terms of waste management, Cementos Molins produced a total of 226,000 tonnes during 2019, up 11% from the previous year. 99.7% is non-hazardous waste (mainly mixed solid industrial waste, prunings and vegetation and other waste similar to household waste). Hazardous waste is mainly made up of used oils, oil filters, batteries, hydrocarbons, electrical waste and fluorescent bulbs. 62% of waste was recycled, 10.8% was reused and 0.2% was recovered. Similarly, 2.3 million cubic metres of wastewater were generated in 2019, up 2.3% from the previous year.

The dismantling works of the former cement lines in Sant Vigens dels Horts (Spain), which started in 2019, will last until 2020. For this, the circular economy principles with segregation tasks and controlled removal of special waste such as fiber cement will be applied. Similarly, we have worked to recover materials such as iron or concrete; thousands of tonnes of this material will be reused by the

company itself to manufacture new cement, which will lead to considerable savings in raw materials.

On the other hand, Cementos Molins celebrated the Environment Week from 3 to 7 June 2019: environmental events such as sustainability discussions and workshops were held to raise awareness among those working for the Group, both at corporate and personal levels, on waste management, plastic reduction and a second life for daily objects. A total of 78 people attended those circular economy awareness workshops.

Finally, during 2019, the organization's total water consumption reached 3.2 million cubic metres, down 1.8% from the previous year

Finally, during 2019, the organization's total water consumption reached 3.2 million cubic metres, down 1.8% from the previous year. The distribution of sources remains constant, with a majority of underground sources (49.5%), followed by surface sources at 37.1% and water from water suppliers at 9.1%. Total water reused reached 222,000 tonnes, 6.8% of total annual consumption.



Environment and nature



Main indicators 2019

Total NO_x emissions
(t)

28,648.0

Total SO_x emissions
(t)

330.7

Total PM emissions
(t)

823.2

Hectares of protected/
restored natural habitats

1.4 MIL

Air quality

Cementos Molins monitors NO_x and SO_x emissions and particulates, among other parameters, both regularly or occasionally. The reduction of atmospheric emissions generated by the activities is essential to the organisation, which is reflected in the Sustainability Policy of Cementos Molins, whose objective is to minimise the environmental impact of all the activities of the organisation and to promote the development and improvement of the quality of life of the local communities in which it operates and society in general.

During 2019, there were a global decrease in the atmospheric emissions generated by the organisation globally with regards to the emissions of NO_x and sulphur oxide, while there was an increase in the emissions of dust particles.

The emissions of nitrogen oxides (NO_x) reached 28.6 million kilograms, down 6.2 from the previous year, while the emissions of sulphur oxides (SO_x) reached 330,700 kilograms, down 53.3% from the previous year. The emissions of dust particles (PM)

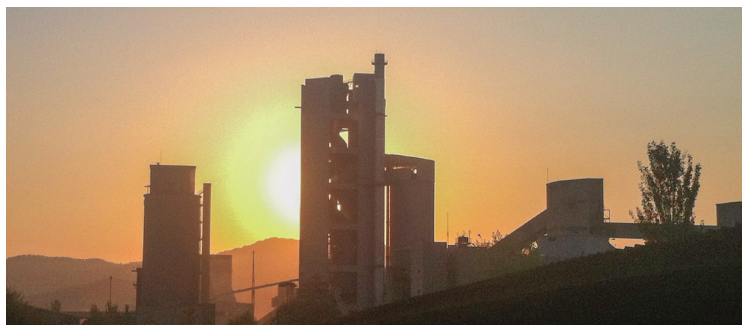
generated by the organisation reached 823,000 kilograms, up 9.8%.

Cement production generates dust along the value chain in the production, loading, transport and storage processes. For this reason, atmospheric emissions are monitored differently depending on the plants. In some cases, there are continuous measurement systems, while in others estimates are made depending on occasional measurements carried out at different points in time to evaluate

the amount of nitrogen oxide (NO_x), sulphur oxide (SO_x) and dust particles generated in the production process. Cementos Molins carries out activities to raise awareness among the team members in order to monitor and control dust generation in accordance with the current legal requirements. During 2019, the Department of Environment identified the main emission sources and is working to implement measures to control and reduce dust in localised areas.

On the other hand, the Cementos Molins Industrial's factory located in Sant Vicenç dels Horts has been using a control and monitoring system for years, especially with regards to atmospheric emissions; it is equipped with SAMs (continuous emission analysers directly connected to the Public Administration). During 2019, the technical and

administrative staff of the Emissions Section of the Air Monitoring and Control Service of the Generalitat de Catalunya visited the factory in order to train the technical and administrative staff and to show them measures to preserve air and reduce dust in the factory.



Biodiversity

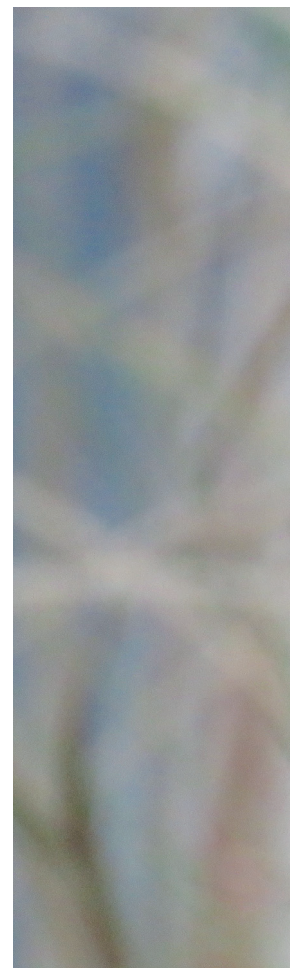
The activities carried out by Cementos Molins have a direct impact on the environment and biodiversity, as a consequence of the exploitation of quarries to obtain raw materials. In order to offset this impact, Cementos Molins offers resources to preserve and restore habitats which go beyond the obligations established by the laws of the countries where it operates. The environmental policy, along with the corporate social responsibility policy and the sustainability policy, define the Cementos Molins' commitment to restore the quarries and extraction areas, promoting the preservation of biodiversity and natural heritage and the awareness of local communities.

The organisation's facilities are usually located in areas with a great wealth of natural resources, with flora and fauna included in conservation lists, such as the IUCN Red List, which include a total of 17 species of flora and 45 species of fauna. Similarly, the total of protected/restored natural habitats during 2019 reached 1,400 hectares.

As for the activities to preserve biodiversity, the project to survey the fauna, which started in Argentina in 2018 for the purpose of identifying the species in the area where Cementos Avellaneda operates, was continued. Some of the specimens found were preserved to be examined in a laboratory and each species is subsequently entered into the fish collection

of the Azahara Foundation (a public scientific collection for researchers).

In Bolivia, Itacamba carried out an environmental campaign to preserve areas in order to protect the wetland, one of the largest in the world, with the greatest flora and fauna diversity on the continent.



The objective is to inform, educate and raise awareness among the population about the preservation of this natural area.

The “Bosques del mañana” initiative launched in Colombia in 2019 seeks to preserve the forests of the region by recovering native plant species

Similarly, the “Bosques del Mañana” initiative launched in Colombia in 2019 seeks to preserve the forests of the region by recovering native plant species. This project was created, on the one hand, to meet the obligations associated with the permit for the lifting of the regional ban in the area of the project and, on the other hand, to guarantee the protection of biodiversity and the preservation of the native forests of the region. Furthermore, a volunteer project in which the staff planted native trees for a day was carried out along the ecological connectivity corridor proposed for mining develop-

ment of La Batea mine. The goal is to plant a total of 5,000 specimens in the medium term.

The works to preserve biodiversity in Bangladesh consist of planting, harvesting and saving seeds and planting local trees in fields that are no longer in use, thus recovering a surface of 3,000 square metres.

Similarly, PROMSA carried out works in Spain to repair forest roads in the Natural Park and to clean the access to the Garraf beach, and it is also carrying out a study to restore quarries out in the same municipality along with biologists specialised in flora and fauna, and other stakeholders. Also, for the third year in a row, schoolchildren from the same municipality of CMI took part in a programme to restore La Fou quarry in Vallirana in which, after an environmental awareness practical class, a total of 16 holm oaks, 16 oak trees and 18 arbutus were planted. This type of projects boost a shared responsibility in the reforestation of natural areas.

Finally, in Bolivia, a total of 60 students were trained as environmental multipliers, organising an awareness campaign among the residents of the Puerto Quijarro municipality, along with reforestation activities, among others.



Social impact (value chain)



Main indicators 2019

Products certified based on quality and safety standards

208

Suppliers assessed according to environmental, social and good governance aspects

390

Contributions made

1,470,422.6€

Quality of service and relationship with clients

The quality policy approved in 2017 establishes the quality principles, from compliance to commitment to the organisation's stakeholders, while seeking the continuous improvement of services and associated quality in order to ensure customer satisfaction.

A total of 70 facilities present in different countries are certified under ISO 9001, which represents one more facility than in 2018. Upon obtaining certificate, companies can work on the basis of continuous improvement cycles.

In order to assess customer satisfaction, satisfaction surveys are carried out every two years in the countries where we operate with the exception of Bangladesh (where this assessment tool is not yet available). The overall customer satisfaction index was 4.1 out of 5 in Spain, 4.3 in Uruguay, 4.3 in Tunisia, 4.3 in Bolivia and 3.9 in Argentina.

Customer complaints are also collected through the communication channels. As at 31 December

2019, there were 633 claims regarding product quality, of which 66.7% were answered.

Aligned to the legal framework in force, a total of 337 products are subject to specific labelling and information requirements and 208 products were certified in 2019 based on quality and safety standards.



R+D

In 2019, the Molins Group focused its R+D+i on increased sustainability in all its plants and businesses. Companies have focused on improving and optimising processes to manufacture cement and concrete in a more sustainable way, innovating and expanding their product range, offering better performance and being more environmentally friendly.

At Cementos Molins Industrial, the work lines have focused on improving cement sustainability without reducing performance by reducing the clinker/cement ratio. In this sense, the use of new milling aids to enhance strength allows to reduce this factor as well as the CO₂ emissions associated with the product.

At PROMSA, efforts have focused on the arrival on the market of new more sustainable products which generate greater added value. They have also focused on improving the performance, optimising processes and ensuring the sustainability of the operations.

IT management with SAP technology has also been successfully implemented in all plants in order to improve logistics.

At PRECON, in the railway sector, mixed-gauge ballastless track solutions to be installed in high-speed lines have been completed.

In the building sector, criteria and tools for new products have been developed, new technical solutions such as the seismic rigid knot, new banked beams, hollow-core slabs for enclosures, new types of honeycomb belts, etc. Also in the field of civil works, new products, technical solutions and resources and software have been developed to be technically and economically efficient.

With regards to systems, the BIM (Building Information Modeling) technology has been implemented in building works, as well as its connection with ERP. This led to significant progress in management, since the technical information of each project is now shared and accessible to the entire company.

At the Cementos Avellaneda's Olavarría plant, due to the experience acquired in the thermal activation of clay and its grinding, the pozzolana quality improved, which allows to consolidate its use in different cements and in the development of a new high-performance and high-strength cement.

The range of technological products continues to be expanded

The range of PromsaTech and PromsaGreen technological products continues to be expanded. Some of these projects have been carried out together with leading suppliers and universities or technological centres.

The company initiated its digital transformation with the new PROMSA 4.0 project. New technologies are being applied in order to improve the logistics, traceability and control of the production processes for concrete and aggregates, as well as the customer service.

PROPAMSA is committed to consolidating the line of high-technology cementitious adhesives, expanding the range of products under the name PAM[®]ECOGEL. Similarly, products for the thermal insulation of the outside of façades have been strengthened, improving our PROPAM[®] AISTERM system.



With regards to dry premixed mortars, new products are also being developed. And the aggregates division is launched, with several product lines.

At Cementos Artigas, the main development was to relaunch the high-strength INCOR cement. It is a renowned cement with a long tradition in the Uruguayan market.

As for mortars, new products are being developed, both at laboratory scale and at industrial scale.

At Cementos Moctezuma, Mexico, R+D+i focused mainly on the optimisation of processes and the improvement of products, for the purpose of reducing costs and remaining competitive.

The continued use of fluorite in the Cerritos plant allows to maintain a lower clinker factor in cement, all of this without aids and with the same performance, while reducing CO₂ emissions. The optimisation of water as an additive significantly increased the performance of the Horomills located in all the plants. The first tests with additives were also carried out in the Cerritos plant to im-

prove the combustion process and stability of the kilns for petcoke with a high sulfur content.

The consolidation in the use of analytical techniques such as X-ray diffractometry, microscopy and isothermal calorimetry made it possible to improve and maintain the properties of clinker and cement, even predicting their strengths. This way, after a year of research, the Apazapan plant found the ultimate solution for the loss of sulphate resistance properties in vertical mills with fillerised cements, which does not occur in ball mills or Horomills. This achievement made it possible to use all the three milling technologies for all types of cement. This way, Moctezuma maintains its market position, offering more stable products. Furthermore, this supports its brand positioning strategy.

At LafargeHolcim Bangladesh, efforts were aimed at reducing and optimising costs. Many additives to reduce the use of slag without affecting the clinker factor or the performance were examined. They were also examined to improve resistance to prehydration of cement. Clay alternatives were examined and fuel tests were carried out to replace gas and to use alternative fuels.

Relationship with suppliers and supply chain

Cementos Molins has defined a purchasing policy which prioritises long-term relationships, local suppliers and environmental and social requirements. This policy is complemented by the company's Code of Ethics whose scope includes suppliers and which is attached to its contracts.

The total number of main suppliers in the year was 2,843, 3.3% more than in 2018, and the associated purchasing volume also increased slightly (1.7%). During 2019, a total of 764 suppliers adopted the Cementos Molins' Code of Ethics and 390 suppliers were assessed according to environmental, social and good governance aspects. Similarly, the contracting of local suppliers continued to be promoted; for this, the percentage of local purchases increased by 15.3%, reaching 84.7% of the total number in 2019.

In order to promote suppliers' good practice, Cementos Molins Industrial recognises the best supplier of the year, recognising excellence in performance, based on the technical rigour, the prevention of occupational risks and the environmental management of the services rendered. Similarly, in order to maintain a closer relationship with key suppliers to the organisation, an event was held this year to present several topics of interest to service providers, transport providers and some concrete pumping suppliers.

Commitment to local communities and human rights

The Policy of Respect for Human Rights developed by Cementos Molins includes ethical and compliance principles regarding non-discrimination, condemnation of forced and child labour, commitment to the supply chain and the detection of non-compliance. This Policy is also based on the rules of the organisation's Code of Ethics.

During 2019, a social action plan was developed to systematise the Cementos Molins' contribution to the community. This plan seeks to foster synergies among all the parties and to identify long-term projects in which the contribution of the organisation is significant for stakeholders, as well as the associated Sustainable Development Goals.

Similarly, the main lines for the development of the organisation's social action include responsible governance (relationship and dialogue with stakeholders) and the relationship with the environment (impact and investment in the community). The formalisation of the environment plans, plans agreed with local communities with a view to local development, will allow to support different countries to manage specific local realities under a common management framework.

kable, involving 91 teams, 237 teachers and more than 34,000 students. On the other hand, the company cooperated with the LEER Foundation, whose goal is to develop literacy in children and support them to develop their skills.

In Bolivia, several social initiatives were carried out in order to strengthen education, health, culture, economic dynamism and environment with long-term and medium-term projects. Among them, the cooperation with the Yacuses community is remarkable, through a financial support programme for projects having a positive impact, being 30% co-funded by the involved entities.

Similarly, a technical training fellowship project was developed to promote the development of suppliers, and two young students from Yacuses were supported with study grants for 'Electronics' and 'Home Electricity' courses. A shed was also delivered to be used in education so that students have an area for their in-school and out-of-school activities in the same community. Similarly, 76 young students were trained in the use of computers in a mobile computer classroom in the community of Yacuses and, for the second year, masonry courses were carried out in three municipalities along with the CRE Foundation and Itacamba, where 206 students received masonry training. These students carried out works in the benefit of their municipalities, such as the construction of the backyard of the municipal crèche of Puerto Suárez using reinforced concrete. On the other hand, with the same goal of developing competitive local suppliers and promoting economic dynamism in the area, Itacamba Cemento helped female entrepreneurs from Puerto Suárez to make the uniforms of the workforce by training them and financing the equipment.

In Colombia, priorities revolve around the dialogue with stakeholders, focusing on education, community development, the adequacy of infrastructures

Total contributions to local communities amounted to more than 1.4 million euros in 2019

The inclusion of standards formalises the procedure in Tunisia, into which the SA 8000 standard integrated, the requirements of which prohibit forced and child labour. The standard focuses on the health and safety of all persons, the right to collective bargaining and compliance with legal regulations in terms of working hours, breaks and holidays.

In Argentina and Uruguay, equity in education, the inclusion of vulnerable young people, and labour support with the Cimientos Foundation is promoted. Among the different initiatives carried out in 2019, the Teacher Training Programme is remar-

and the strengthening of capacities and diversity, inclusion and equity. As part of this strategy, the construction of La Danta Rural Educational Institution was started in the Jerusalem Headquarter in January 2019. Similarly, Empresa Colombiana de Cementos donated ceramic material and sanitary facilities to improve the community centre, and activities to promote the inclusion of people at risk of social exclusion were carried out by providing formal and stable jobs and by seeking to empower women in the household economy and in the entrepreneurship through the organisation of training workshops.

Moctezuma invested in the education of children and, during 2019, it delivered 1,500 school supply packs for the start of the school year in Mexico. On the other hand, in order to financially support excellent students, the organisation has awarded study grants to 270 students in total.

In Spain, Cementos Molins focuses its social initiatives on sport, as a lever to promote a sense of team spirit and a healthy lifestyle. In 2019, new agreements were signed with the local government of Sant Vicenç dels Horts and Pallejà, with sports entities of these municipalities. Cementos Molins has also launched the athletic scholarship project with the social enterprise Sport2live in Sant Vicenç dels Horts, offering physical activity to more than 32 young people at risk of exclusion. The organisation collaborates economically in various competitions in surrounding municipalities, in which employees take part, and organises annual visits to the facilities for school and university students in order to promote the activity and create vocations to work in this industry.

Apart from the comprehensive training of young people (focusing on young people at risk of exclusion), the social action strategy of Cementos Molins in Spain focuses on the two other main causes: the improvement of the quality of life of the elderly through medical research and socio-health care projects, and the improvement of equipment for social and medical use. In 2019, Cementos Molins collaborated in research activities on Alzheimer's disease with the Pasqual Maragall Foundation and the Ana Ribot Foundation. On the other hand, Cementos Molins collaborated donating part of the concrete to build a four-storey Pediatric Oncology Centre in Barcelona to serve more patients.

Total contributions to local communities amounted to more than 1.4 million euros in 2019, a higher figure than in the previous year, especially those made in Colombia, Mexico, Uruguay and Bangladesh. Similarly, during 2019, formal plans of actions with the local community were developed in 35 centres.



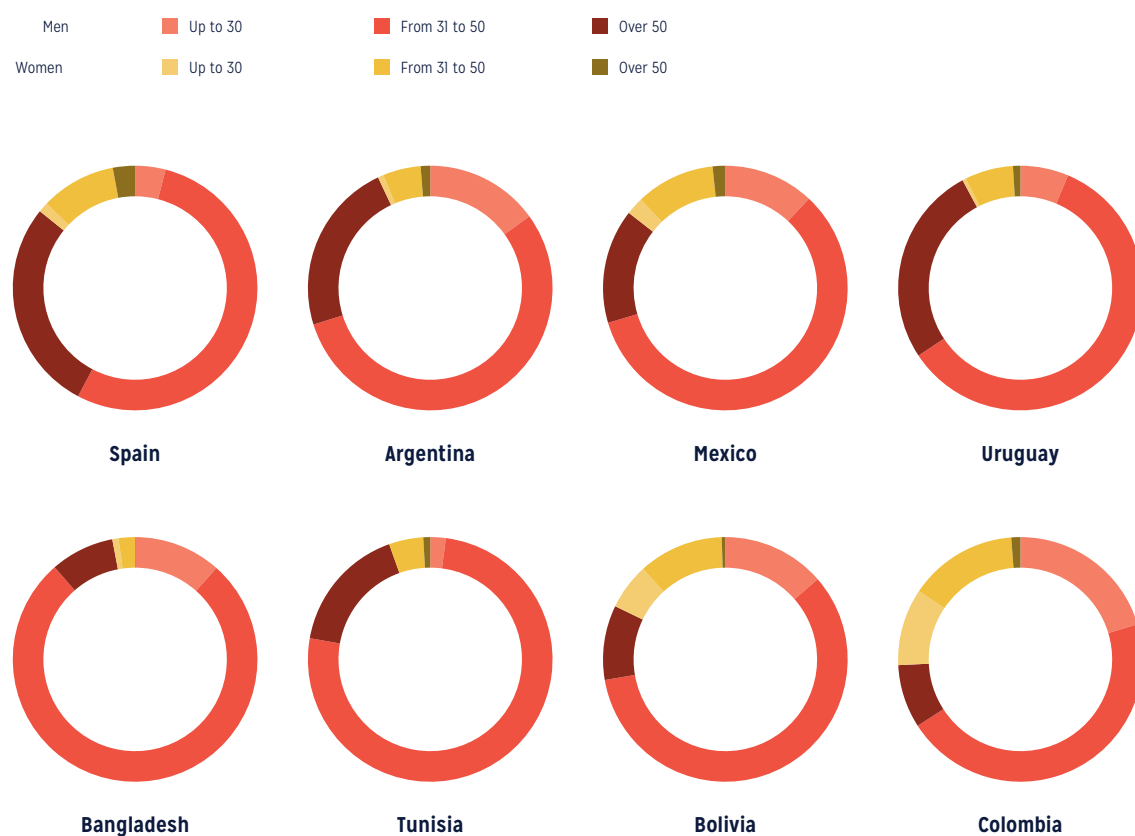


Analytical annex

Persons

Workforce characterisation and quality of employment

Staff by country, age group and gender (2019)



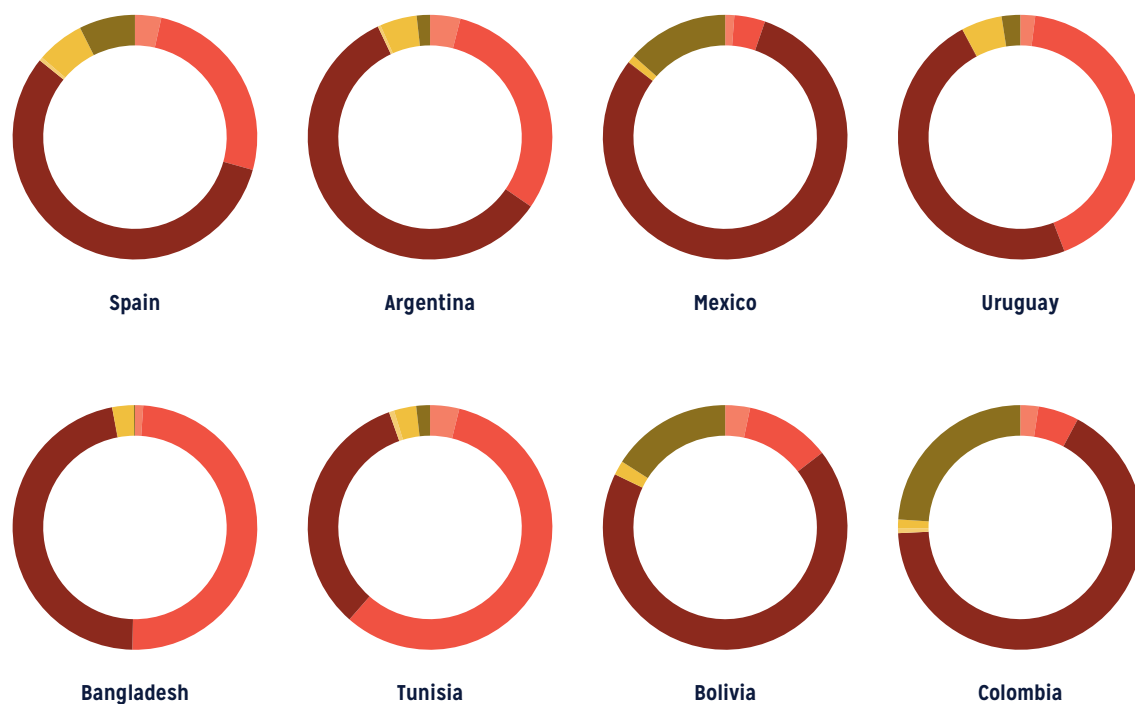
	Men			Women		
	Up to 30	From 31 to 50	Over 50	Up to 30	From 31 to 50	Over 50
Spain	52	696	364	17	129	38
Argentina	120	440	182	6	40	10
Mexico	129	630	163	25	113	18
Uruguay	13	121	54	1	13	2
Bangladesh	85	566	62	6	16	-
Tunisia	9	334	74	-	20	4
Bolivia	29	125	21	13	24	1
Colombia	34	76	14	17	24	2

Staff by professional category, age group and gender (2019)

		Permanent Contract			Temporary Contract		
		Women	Men	Total	Women	Men	Total
Management positions	Under 30 years	-	-	-	-	-	-
	31 to 50 years	9	56	65	-	-	-
	Over 50 years	4	74	78	-	-	-
Middle management	Under 30 years	1	13	14	-	1	1
	31 to 50 years	47	384	431	-	2	2
	Over 50 years	14	151	165	-	2	2
Specialists	Under 30 years	23	104	127	1	5	6
	31 to 50 years	87	550	637	2	5	7
	Over 50 years	8	140	148	-	1	1
Employees	Under 30 years	44	83	127	1	4	5
	31 to 50 years	202	491	693	5	5	10
	Over 50 years	38	125	163	2	-	2
Operators	Under 30 years	15	228	243	-	33	33
	31 to 50 years	27	1,399	1,426	-	96	96
	Over 50 years	8	417	425	1	24	25
Total (people)	Under 30 years	83	428	511	2	43	45
	31 to 50 years	372	2,880	3,252	7	108	115
	Over 50 years	72	907	979	3	27	30
	Under 30 years	527	4,215	4,742	12	178	190

Staff by professional category, country and gender (2019)

Men Management positions Middle managers and specialists Employees and operators
Women Management positions Middle managers and specialists Employees and operators



	Management positions Men	Middle managers and specialists Men	Employees and operators Men	Management positions Women	Middle managers and specialists Women	Employees and operators Women
Spain	45	335	732	6	82	96
Argentina	32	244	466	3	39	14
Mexico	13	44	865	0	11	145
Uruguay	4	86	98	0	11	5
Bangladesh	8	362	343	0	21	1
Tunisia	17	254	146	3	13	8
Bolivia	7	24	144	0	4	34
Colombia	4	9	111	1	2	40
TOTAL	130	1,358	2,905	13	183	343

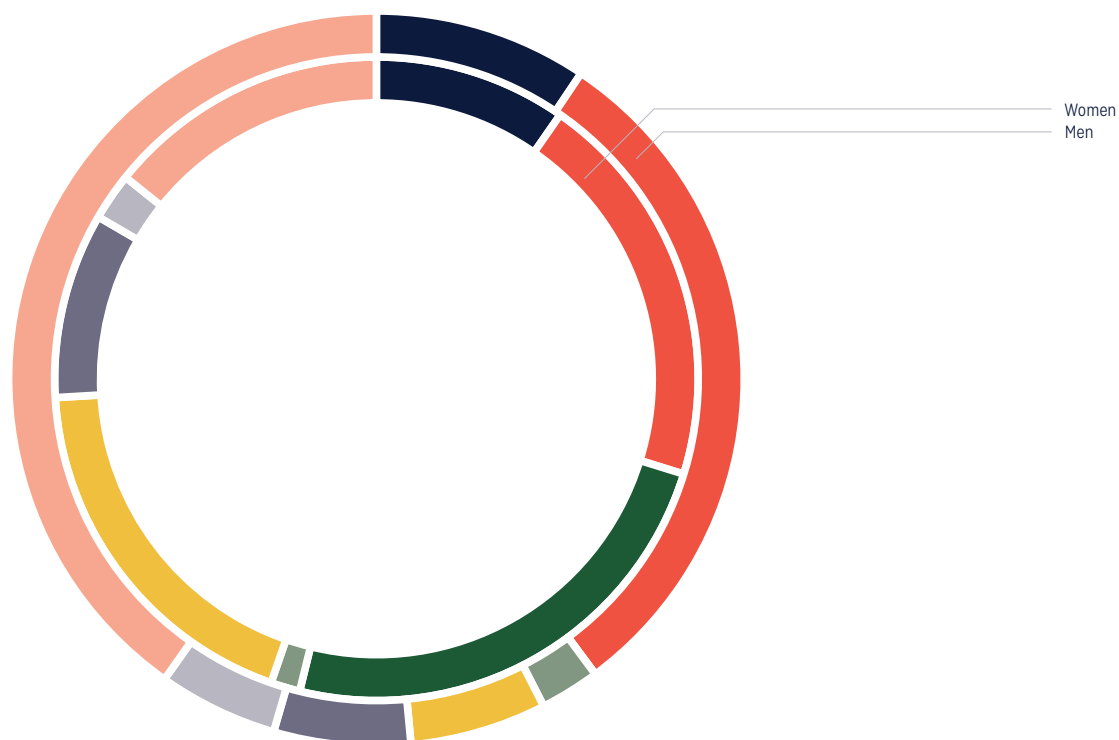
Staff by contract, country and gender (2019)

	Permanent Contract			Temporary Contract		
	Women	Men	TOTAL	Women	Men	TOTAL
Spain	174	969	1,143	10	143	153
Argentina	55	719	774	1	23	24
Mexico	156	922	1,078	-	-	-
Uruguay	16	188	204	-	-	-
Bangladesh	22	707	729	-	6	6
Tunisia	24	414	438	-	3	3
Bolivia	38	175	213	-	-	-
Colombia	42	121	163	1	3	4
TOTAL	527	4,215	4,742	12	178	190

Staff as of 31 December according to employment type, country and gender (2019)

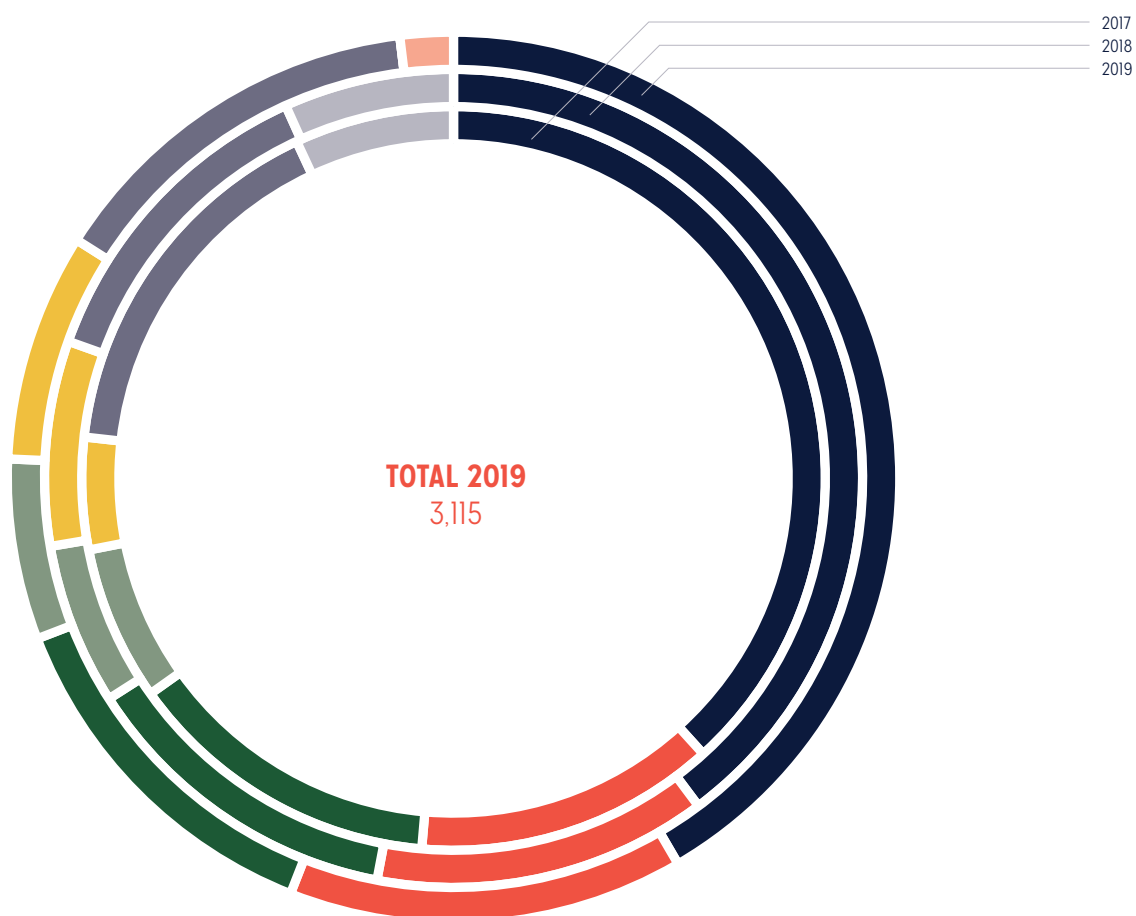
	Full-time contract			Part-time contract		
	Women	Men	TOTAL	Women	Men	TOTAL
Spain	137	1,093	1,230	47	19	66
Argentina	56	742	798	-	-	-
Mexico	156	922	1,078	-	-	-
Uruguay	16	188	204	-	-	-
Bangladesh	22	713	735	-	-	-
Tunisia	24	417	441	-	-	-
Bolivia	36	174	210	2	1	3
Colombia	43	124	167	-	-	-
TOTAL	490	4,373	4,863	49	20	69

Indirect staff as of 31 December by country and gender (2019)



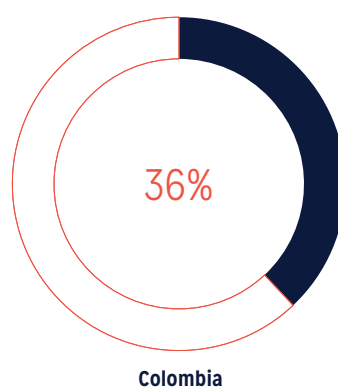
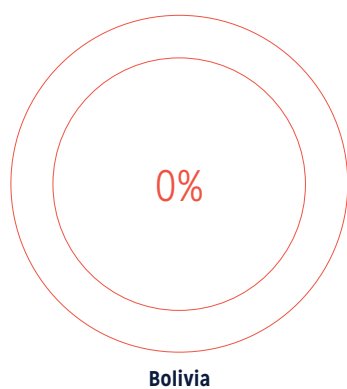
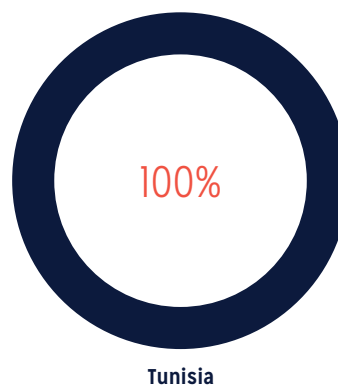
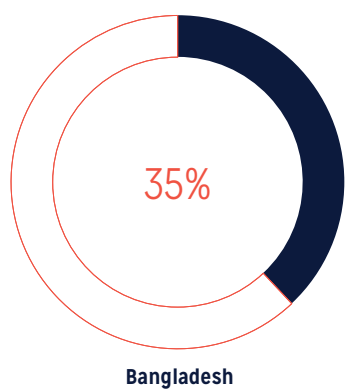
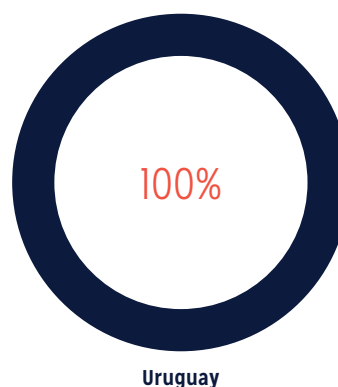
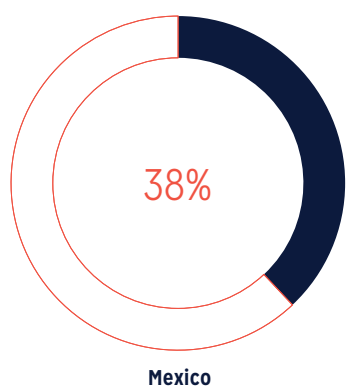
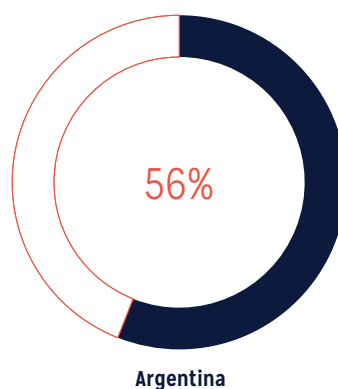
	Women	Men	TOTAL
Spain	26	545	571
Argentina	81	1,132	1,213
Mexico	-	1,354	1,354
Uruguay	7	83	90
Bangladesh	16	1,056	1,072
Tunisia	16	525	541
Bolivia	14	134	148
Colombia	107	801	908
TOTAL	267	5,630	5,897

People covered under a collective bargaining agreement by country (2019)



	2017	2018	2019
Spain	1,220	1,306	1,296
Argentina	417	434	447
Mexico	440	425	411
Uruguay	215	210	204
Bangladesh	155	266	258
Tunisia	519	421	439
Bolivia	221	221	0
Colombia	0	0	60
TOTAL	3,187	3,283	3,115

Percentage of workers covered under a collective bargaining agreement by country (2019)



Average remuneration by professional category, gender and country (2019)

	Management positions		Middle management		Specialists		Employees		Operators	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Spain	100,763.9	135,486.5	49,874.4	52,306.5	31,800.3	35,503.8	25,981.3	28,299.5	23,670.9	23,112.3
Argentina	81,145.8	113,656.9	37,122.1	37,122.1	24,983.0	27,256.4	22,452.0	19,710.5	-	18,369.1
Mexico	-	125,676.3	51,565.9	53,668.0	-	-	16,481.5	16,956.1	4,007.4	5,408.9
Uruguay	-	172,951.2	78,709.0	70,127.0	42,956.9	49,650.3	35,482.8	35,401.2	-	35,770.7
Bangladesh	-	144,827.9	21,903.9	25,425.1	7,220.8	8,591.1	-	-	2,935.3	5,678.4
Tunisia	49,285.1	39,315.6	12,611.9	14,426.4	8,751.3	8,481.2	4,754.7	7,213.5	5,390.5	5,895.4
Bolivia	-	96,404.9	28,983.4	31,069.1	39,797.9	-	14,757.0	17,596.5	8,529.7	12,454.1
Colombia	108,295.1	130,571.6	63,454.2	74,575.1	-	-	16,198.8	21,176.5	5,987.0	8,321.3

Remuneration ratio of women compared to men (2019)

	Management positions		Middle management		Specialists		Employees		Operators	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Spain	74%		95%		90%		92%		102%	
Argentina	71%		100%		92%		114%		0%	
Mexico	0%		96%		0%		97%		74%	
Uruguay	0%		112%		87%		100%		0%	
Bangladesh	0%		86%		84%		0%		52%	
Tunisia	125%		87%		103%		66%		91%	
Bolivia	0%		93%		0%		84%		68%	
Colombia	83%		85%		0%		76%		72%	

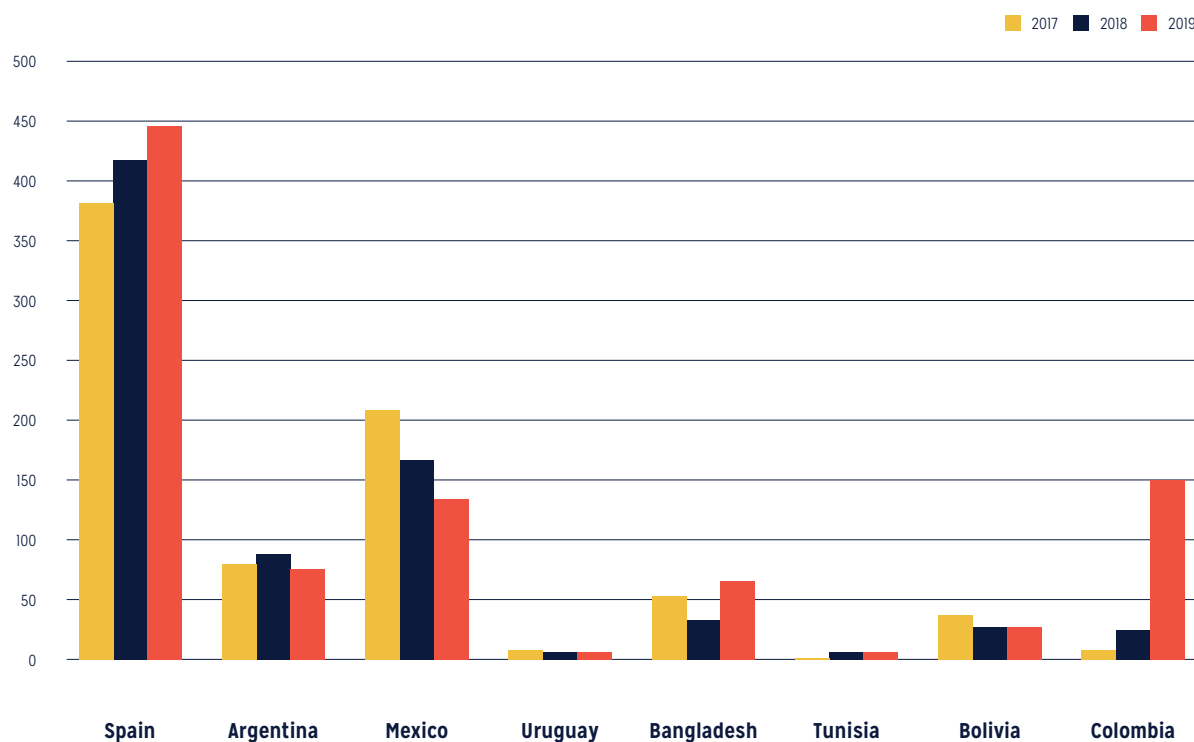
Minimum entry level wage compared to local minimum wage (2019)

	% Women	% Men
Spain	173%	146%
Argentina	306%	296%
Mexico	208%	208%
Uruguay	505%	416%
Bangladesh	289%	211%
Tunisia	435%	343%
Bolivia	139%	139%
Colombia	181%	181%

Turnover of staff by country, professional category and gender (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	-	4.4%	8.5%	6.1%	13.5%	48.9%	10.9%	34.4%
Argentina	-	9.4%	10.3%	11.1%	14.3%	3.4%	10.7%	6.2%
Mexico	-	38.5%	9.1%	11.4%	17.9%	13.2%	17.3%	13.4%
Uruguay	-	25.0%	9.1%	5.8%	-	3.1%	6.3%	4.8%
Bangladesh	-	-	33.3%	19.1%	-	3.2%	31.8%	11.2%
Tunisia	-	17.6%	23.1%	3.5%	-	-	12.5%	2.9%
Bolivia	-	42.9%	-	25.0%	14.7%	13.9%	13.2%	16.6%
Colombia	-	-	-	22.2%	35.0%	0.0%	37.2%	29.8%
TOTAL	-	13.1%	13.7%	10.6%	17.5%	19.2%	15.8%	16.3%

Total number of new contracts by country



Total number of new contracts by country, professional category and gender (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	-	1	11	34	16	385	27	420
Argentina	-	1	11	21	2	39	13	61
Mexico	-	3	1	2	17	109	18	114
Uruguay	-	-	2	3	1	-	3	3
Bangladesh	-	-	3	63	-	-	3	63
Tunisia	-	-	-	6	-	-	-	6
Bolivia	-	-	1	4	6	17	7	21
Colombia	-	1	3	4	39	104	42	109
TOTAL	-	6	32	137	81	654	113	797

Number of dismissals by country, professional category and gender (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	-	-	1	4	2	12	3	16
Argentina	-	1	-	5	-	-	-	6
Mexico	-	1	1	3	15	68	16	72
Uruguay	-	-	1	4	-	-	1	4
Bangladesh	-	-	-	16	-	5	-	21
Tunisia	-	-	-	-	-	-	-	-
Bolivia	-	1	-	-	-	1	-	2
Colombia	-	-	1	1	3	10	4	11
TOTAL	-	3	4	33	20	96	24	132

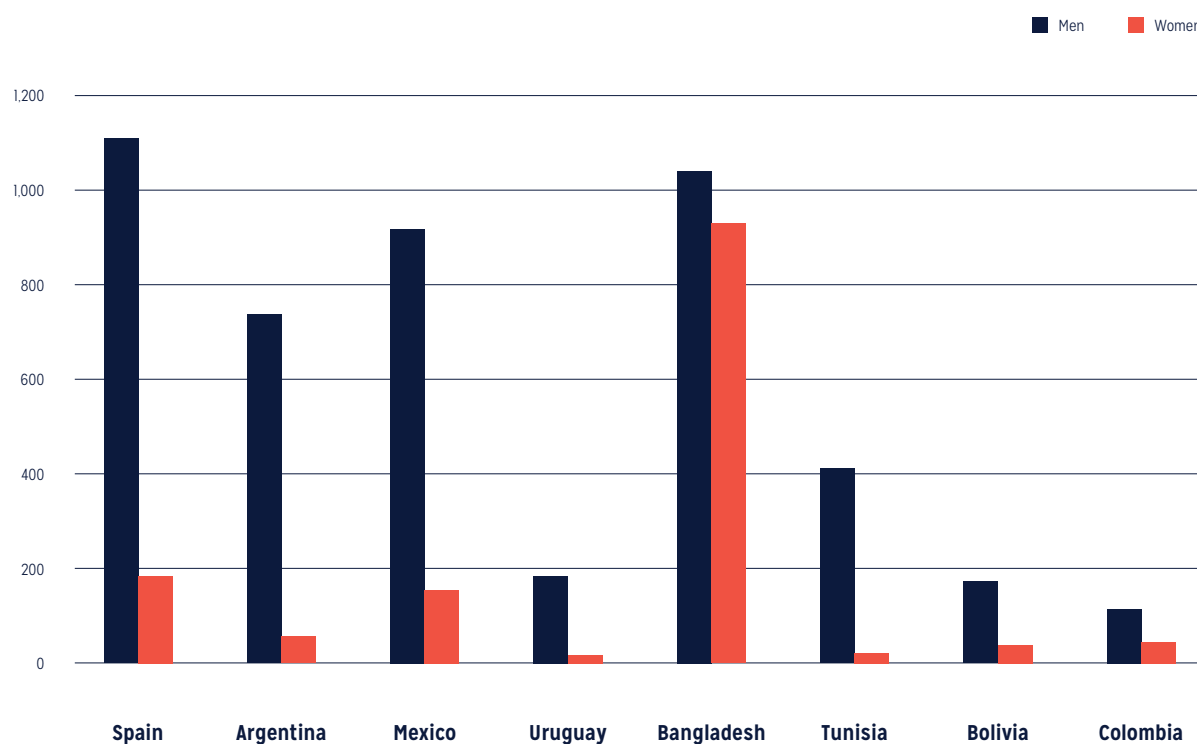
Number of dismissals by country and age group (2019)

	Under 30 years	31 to 50 years	Over 50 years	TOTAL
Spain	2	9	8	19
Argentina	-	5	1	6
Mexico	17	59	12	88
Uruguay	-	4	1	5
Bangladesh	3	17	1	21
Tunisia	-	-	-	-
Bolivia	-	-	2	2
Colombia	3	9	3	15
TOTAL	25	103	28	156

Persons

Work-life balance and cohesion

Social benefit recipients by country (2019)



Disabled employees by country

	2017	2018	2019
Spain	13	15	14
Argentina	-	-	-
Mexico	-	-	-
Uruguay	-	-	-
Bangladesh	1	1	-
Tunisia	1	1	1
Bolivia	-	-	-
Colombia	-	-	-
TOTAL	15	17	15

Disabled employees in Spain according to the General Law on Disability (LGD) (2019)

	Required	Direct	Alternatives	TOTAL
CMI	4	2	4	6
Promsa	5	4	3	7
Propamsa	3	1	2	3
Precon	14	6	8	14
CMSA	-	-	1	1
CSC	-	1	-	1
TOTAL	26	14	18	32

Number of people who applied for parental leave by professional category and gender (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	-	-	1	8	1	21	2	29
Argentina	-	-	-	-	-	-	-	-
Mexico	-	1	2	-	5	7	7	8
Uruguay	-	-	-	3	-	2	-	5
Bangladesh	-	-	2	6	-	3	2	9
Tunisia	-	-	-	-	2	-	2	-
Bolivia	-	-	-	-	2	-	2	-
Colombia	-	-	-	-	-	5	-	5
TOTAL	-	1	5	17	10	38	15	56

Return-to-work rate after one year of those who applied for parental leave (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	0%	0%	100%	100%	0%	100%	100%	100%
Argentina	0%	0%	0%	0%	0%	0%	0%	0%
Mexico	0%	100%	100%	0%	100%	100%	100%	100%
Uruguay	0%	0%	0%	100%	0%	100%	0%	100%
Bangladesh	0%	0%	100%	100%	0%	100%	100%	100%
Tunisia	0%	0%	0%	0%	100%	0%	100%	0%
Bolivia	0%	0%	0%	100%	100%	100%	100%	100%
Colombia	0%	0%	0%	0%	0%	80%	0%	80%
TOTAL	0%	100%	100%	100%	100%	97%	100%	98%

Number of people subject to a performance assessment (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	6	43	53	195	21	8	80	246
Argentina	3	32	39	244	14	466	56	742
Mexico	-	15	11	41	127	473	138	529
Uruguay	-	4	11	86	5	98	16	188
Bangladesh	-	7	18	309	1	339	19	655
Tunisia	-	-	-	-	-	-	-	-
Bolivia	-	7	32	41	6	127	38	175
Colombia	1	4	2	9	20	48	23	61
TOTAL	10	112	166	925	194	1,559	370	2,596

Persons

Training and development at work

Average training hours by country, professional category and gender (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	100	94	57	51	23	21	42	36
Argentina	15	26	21	30	9	21	18	25
Mexico	-	6	6	17	29	27	28	27
Uruguay	-	47	120	46	37	21	92	33
Bangladesh	-	12	18	28	-	14	19	22
Tunisia	31	35	21	14	48	12	24	14
Bolivia	-	13	18	38	29	26	29	27
Colombia	-	35	-	100	60	175	80	170
TOTAL	62	51	44	32	28	28	35	30

Number of people who received training by professional category and gender (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	5	39	49	276	54	434	108	749
Argentina	2	30	46	277	17	473	65	780
Mexico	-	2	1	30	84	787	85	819
Uruguay	-	4	12	91	6	98	18	193
Bangladesh	-	7	12	305	1	232	13	544
Tunisia	3	13	19	237	2	103	24	353
Bolivia	-	9	3	28	35	161	38	198
Colombia	-	2	1	3	15	85	16	90
TOTAL	10	106	143	1,247	214	2,373	367	3,726

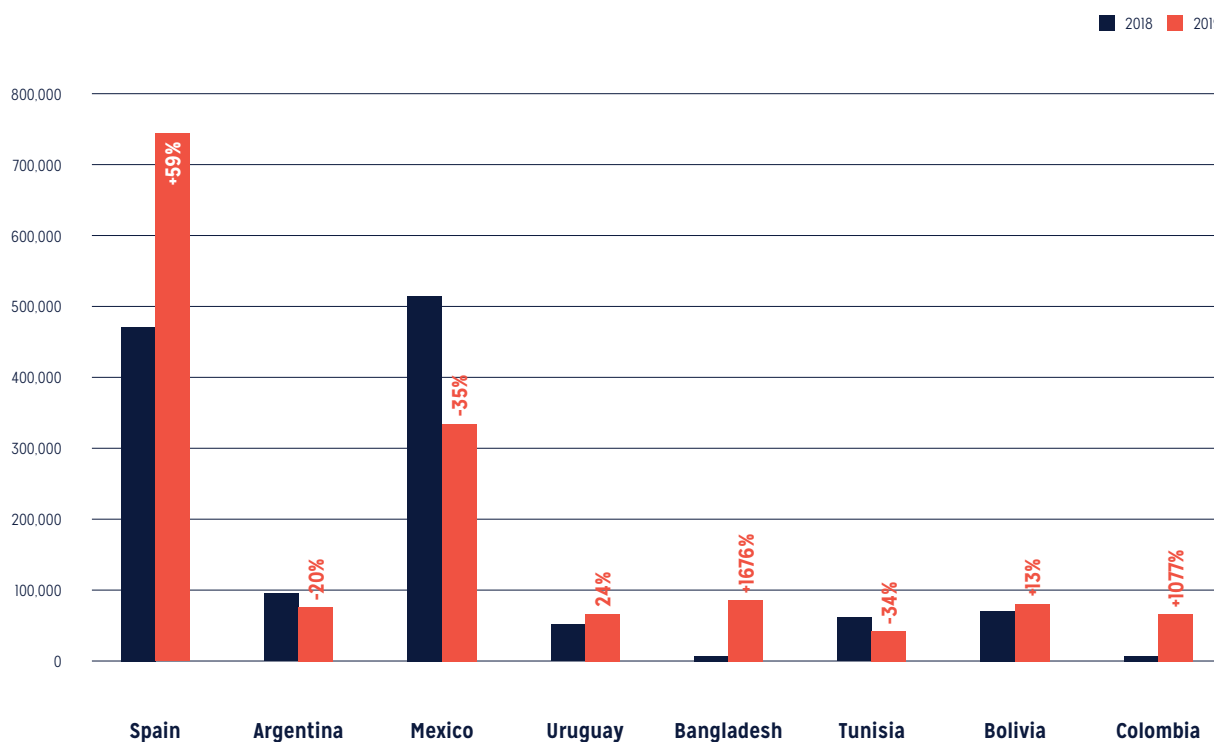
Total number of training hours by professional category and gender (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	500	3,675	2,785	13,991	1,226	9,216	4,510	26,882
Argentina	31	771	978	8,440	160	10,073	1,169	19,283
Mexico	-	12	6	523	2,403	21,225	2,409	21,760
Uruguay	-	187	1,438	4,169	223	2,071	1,661	6,427
Bangladesh	-	83	221	8,509	24	3,360	245	11,953
Tunisia	92	450	396	3,400	96	1,257	584	5,107
Bolivia	-	121	55	1,066	1,032	4,210	1,087	5,397
Colombia	-	69	367	300	905	14,904	1,272	15,273
TOTAL	622	5,368	6,246	40,398	6,068	66,315	12,937	112,082

Hours of training on ethics and prevention of corruption (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	-	14	17	38	17	5	33	56
Argentina	-	-	-	14	-	166	-	180
Mexico	-	-	1	26	66	581	67	607
Uruguay	-	5	5	71	15	41	20	116
Bangladesh	-	-	5	150	-	-	5	150
Tunisia	-	-	-	-	-	-	-	-
Bolivia	-	20	8	73	104	439	112	532
Colombia	3	10	5	23	55	120	63	153
TOTAL	3	48	40	393	257	1,351	299	1,792

Total investment in training (euros)



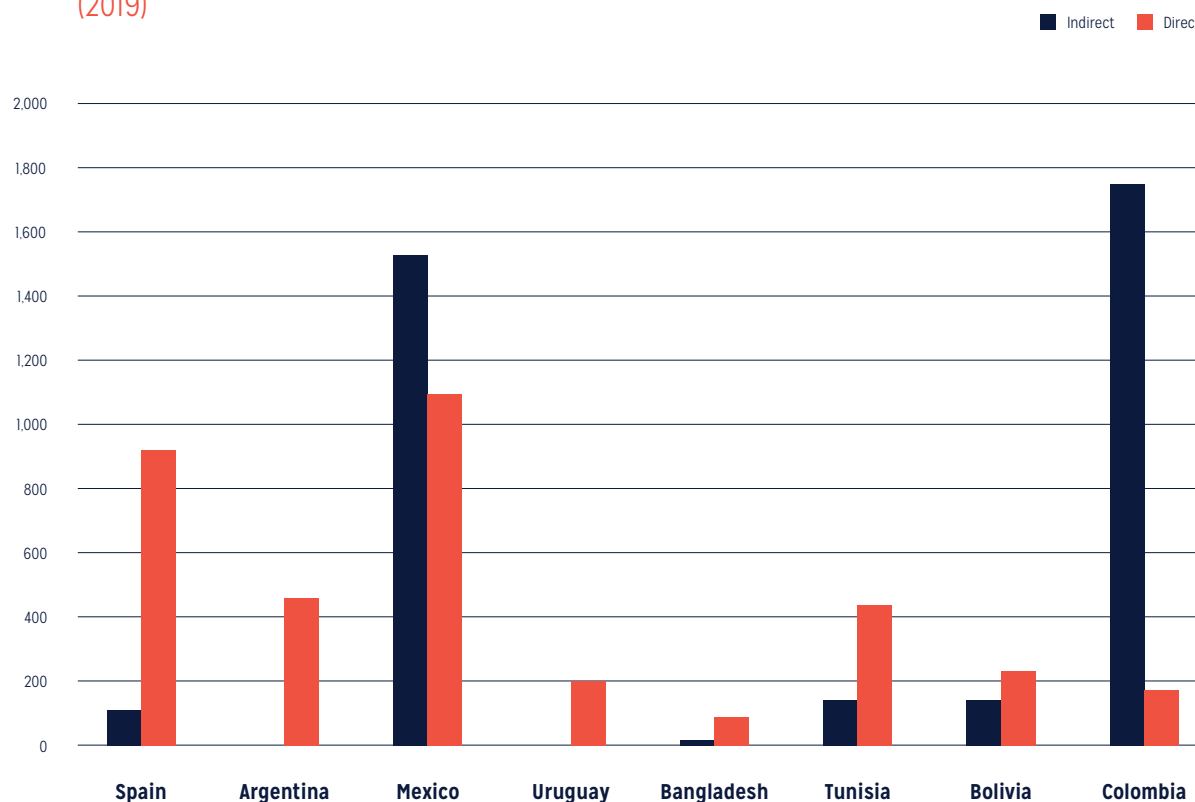
Hours of training on health and safety (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	-	31	479	1,994	457	3,653	936	5,678
Argentina	6	209	340	2,730	51	5,689	397	8,628
Mexico	-	12	124	410	1,076	11,834	1,200	12,256
Uruguay	-	143	277	1,697	135	1,324	412	3,164
Bangladesh	-	57	149	2,563	7	2,428	156	5,048
Tunisia	-	60	-	120	-	-	-	180
Bolivia	-	47	32	56	61	188	93	291
Colombia	-	-	-	-	-	-	-	-
TOTAL	6	558	1,401	9,570	1,787	25,115	3,194	35,244

Persons

Occupational health and safety

Number of workers under a health and safety committee by country (2019)



	Indirect	Direct
Spain	105	916
Argentina	-	452
Mexico	1,354	1,090
Uruguay	-	206
Bangladesh	5	85
Tunisia	135	439
Bolivia	135	229
Colombia	1,748	169

Total number of recordable work accidents involving direct employees by country and gender (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	-	-	4	1	-	146	4	147
Argentina	-	-	-	-	-	33	-	33
Mexico	-	-	-	1	2	15	2	16
Uruguay	-	-	-	-	-	-	-	-
Bangladesh	-	-	-	-	-	1	-	1
Tunisia	-	-	-	1	-	4	-	5
Bolivia	-	-	-	-	-	3	-	3
Colombia	-	-	-	-	-	2	-	2
TOTAL	-	-	4	3	2	204	6	207

Total number of recordable work accidents involving indirect employees by country and gender (2019)

	Management positions		Managers and Specialists		Employees and Operators		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	-	-	-	-	-	24	-	24
Argentina	-	-	-	-	-	32	-	32
Mexico	-	-	-	-	1	19	1	19
Uruguay	-	-	-	-	-	1	-	1
Bangladesh	-	-	-	-	1	4	1	4
Tunisia	-	-	-	-	-	1	-	1
Bolivia	-	-	-	-	-	6	-	6
Colombia	-	-	-	-	-	143	-	143
TOTAL	-	-	-	-	2	230	2	230

Total number of recordable work accidents involving direct employees by country

	2018	2019
Spain	24	126
Argentina	4	28
Mexico	13	12
Uruguay	4	0
Bangladesh	0	1
Tunisia	4	3
Bolivia	0	3
Colombia	0	1

Accident rates - direct employees

	2018 Incidence rate	2018 Lost Time injury rate	2018 Severity rate	2019 Incidence rate	2019 Lost Time injury rate	2019 Severity rate
Spain	18.3	11.5	0.6	34.7	17.9	3.3
Argentina	5.1	2.7	0.1	5.0	2.2	0.2
Mexico	11.9	4.6	0.2	8.3	3.2	-
Uruguay	19.0	8.0	1.0	9.8	4.1	0.4
Bangladesh	-	-	-	-	-	-
Tunisia	8.9	4.0	0.3	6.8	5.0	0.2
Bolivia	-	-	-	-	-	-
Colombia	-	-	-	12.0	7.8	-
TOTAL	10.1	4.7	0.3	13.2	6.1	0.8

Ratio of recordable accidents, deaths and serious accidents-direct and indirect employees (2019)

	Ratio of recordable accidents 2019		Ratio of deaths 2019		Ratio of serious accidents 2019	
	Directs	Indirects	Directs	Indirects	Directs	Indirects
Spain	60.0	19.9	0.4	-	-	-
Argentina	18.5	10.6	-	-	0.6	-
Mexico	6.5	5.5	-	-	-	0.5
Uruguay	-	3.8	-	-	-	-
Bangladesh	0.6	0.9	-	-	-	-
Tunisia	8.4	2.2	-	-	-	-
Bolivia	5.2	12.8	-	-	-	-
Colombia	7.8	30.2	-	0.2	-	0.6
TOTAL	19.9	11.9	0.1	0.1	0.1	0.3

Total number of recordable work accidents involving indirect employees by country

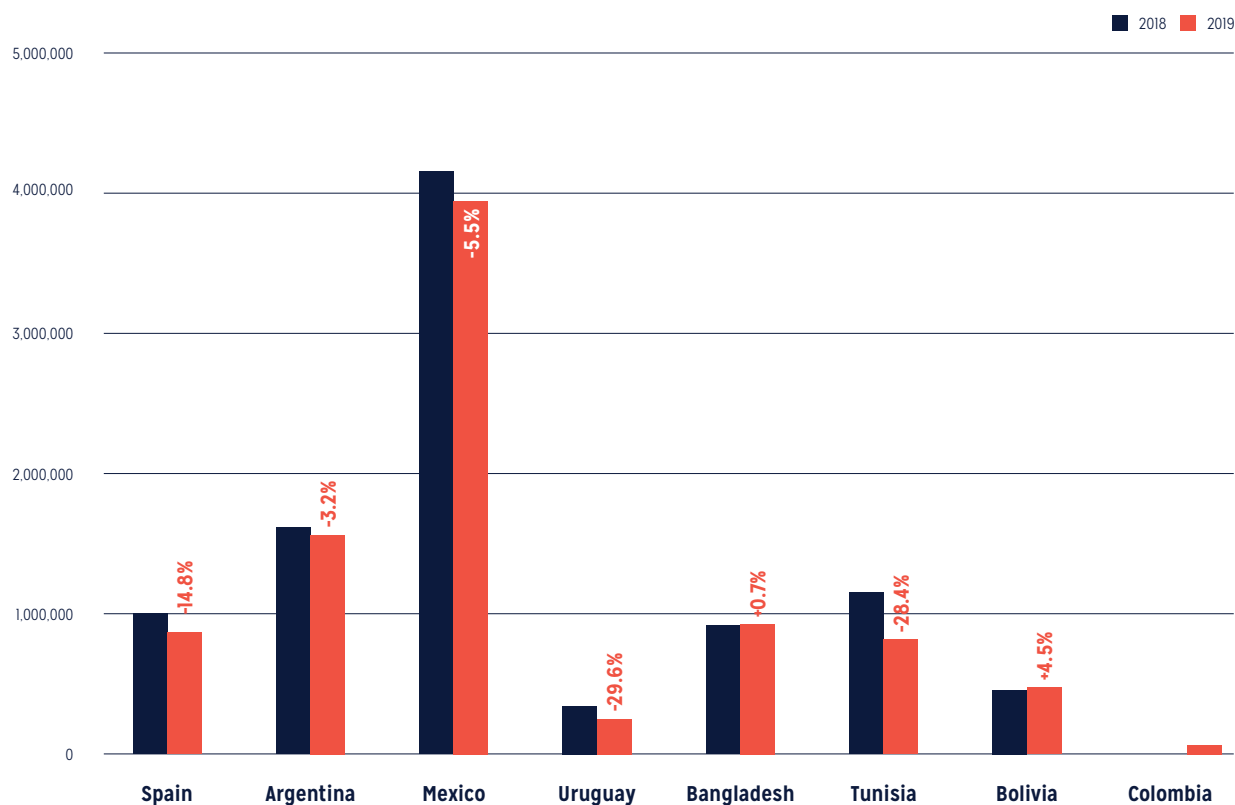
	2017	2018
Spain	12	8
Argentina	10	5
Mexico	5	11
Uruguay	1	1
Bangladesh	5	0
Tunisia	2	1
Bolivia	0	0
Colombia	15	31

Total number of serious accidents - direct and indirect employees (2019)

	Directs	Indirects
Spain	-	-
Argentina	1	-
Mexico	-	2
Uruguay	-	-
Bangladesh	-	-
Tunisia	-	-
Bolivia	-	-
Colombia	-	3
TOTAL	1	5

Climate change and energy

Total CO₂ emissions (scopes 1 and 2) of cement production activity by country (tonnes)

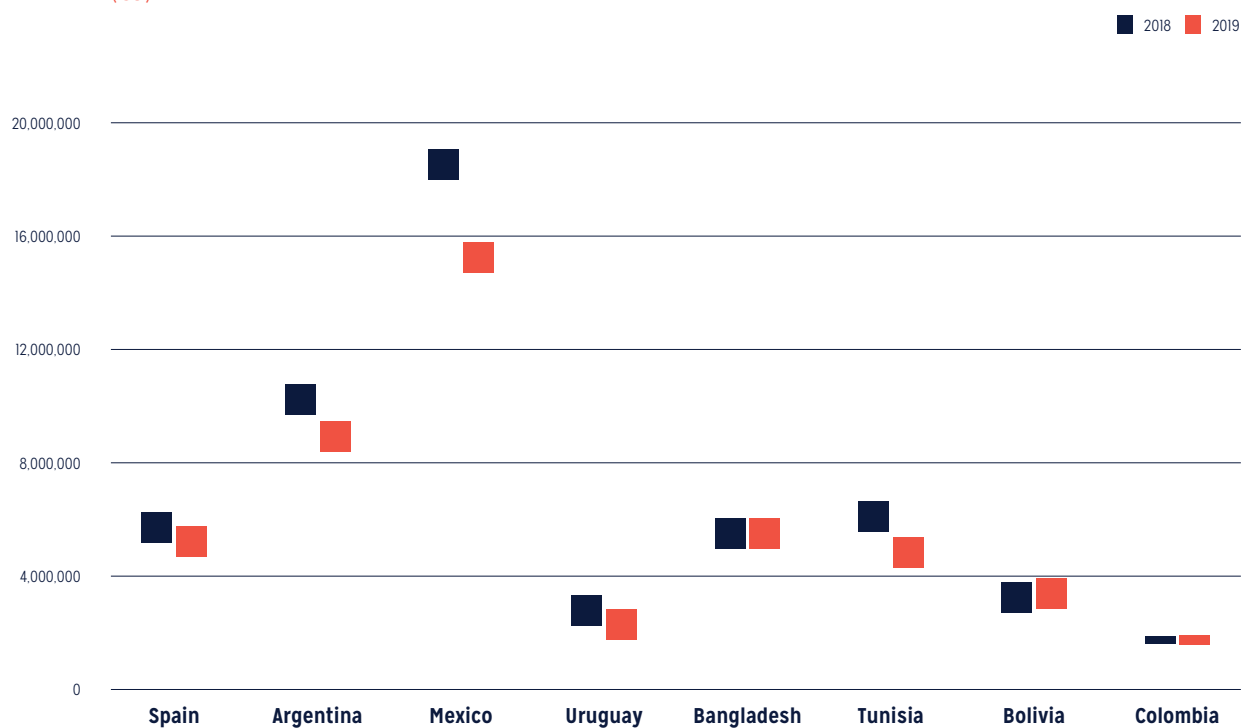


	2017	2018	2019	Variation 19
Spain	1,056,035.3	1,047,477.0	892,276.5	-14.8%
Argentina	1,664,809.8	1,621,082.0	1,568,701.7	-3.2%
Mexico	4,582,404.4	4,145,115.0	3,915,740.6	-5.5%
Uruguay	348,860.1	386,634.0	272,306.9	-29.6%
Bangladesh	1,015,711.1	915,632.0	921,593.7	0.7%
Tunisia	1,245,746.3	1,168,213.0	836,557.6	-28.4%
Bolivia	345,205.7	446,931.0	466,885.8	4.5%
Colombia	-	-	97,680.4	-
Total	10,258,772.7	9,731,084.0	8,971,743.1	-7.8%

Indirect emissions (scope 2) from electricity

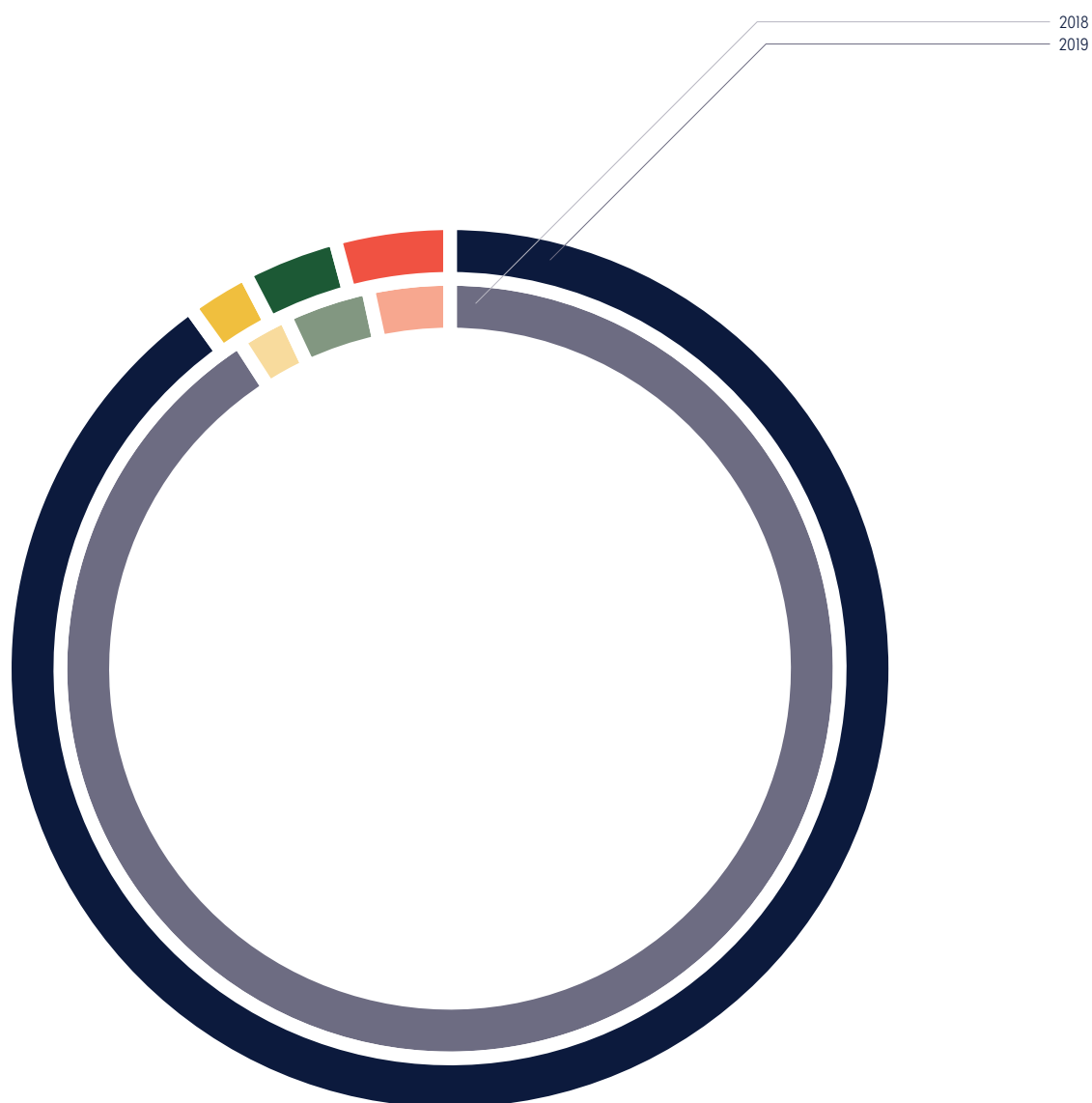
	2018	2019	Variation 2019
Spain	3,508,184	3,510,854	0.1%
Argentina	2,018	2,019	0.0%
Mexico	317,501	265,477	-16.4%
Uruguay	8,859	6,855	-22.6%
Bangladesh	-	-	-
Tunisia	82,823	66,617	-19.6%
Bolivia	-	-	-
Colombia	-	90,0	-
Total	3,919,385	3,851,913	-1.7%

Fuel consumption by country (GJ)⁴



⁴ 2018 data have been restated due to changes made after the completion of the report.

Fuel consumption by source (GJ)⁵



- Non-renewable sources
- Non-renewable sources (transport)
- Renewable sources
- Alternative sources

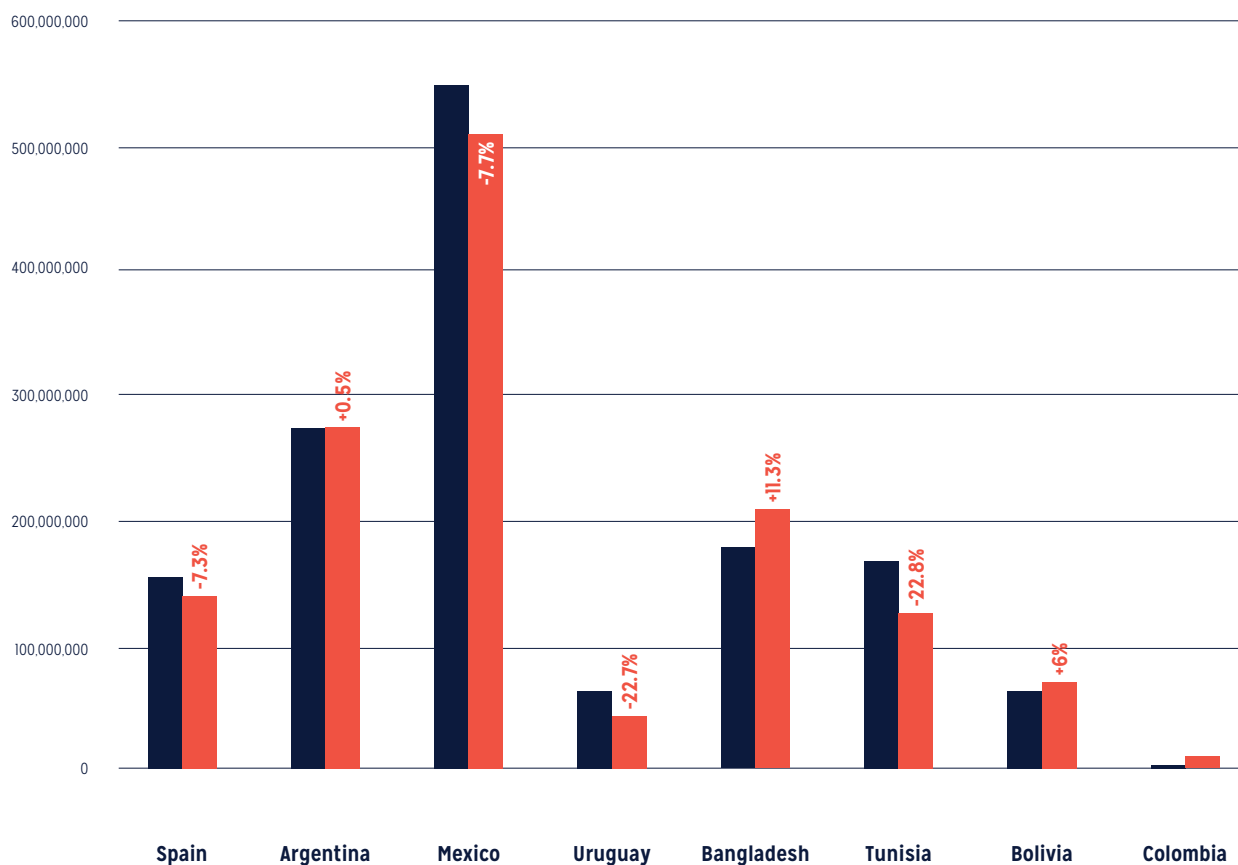
2018
42,296,837
1,001,514
1,667,319
1,577,023

2019
35,802,080
919,829
1,372,003
1,658,079

⁵ 2018 data have been restated due to changes made after the completion of the report.

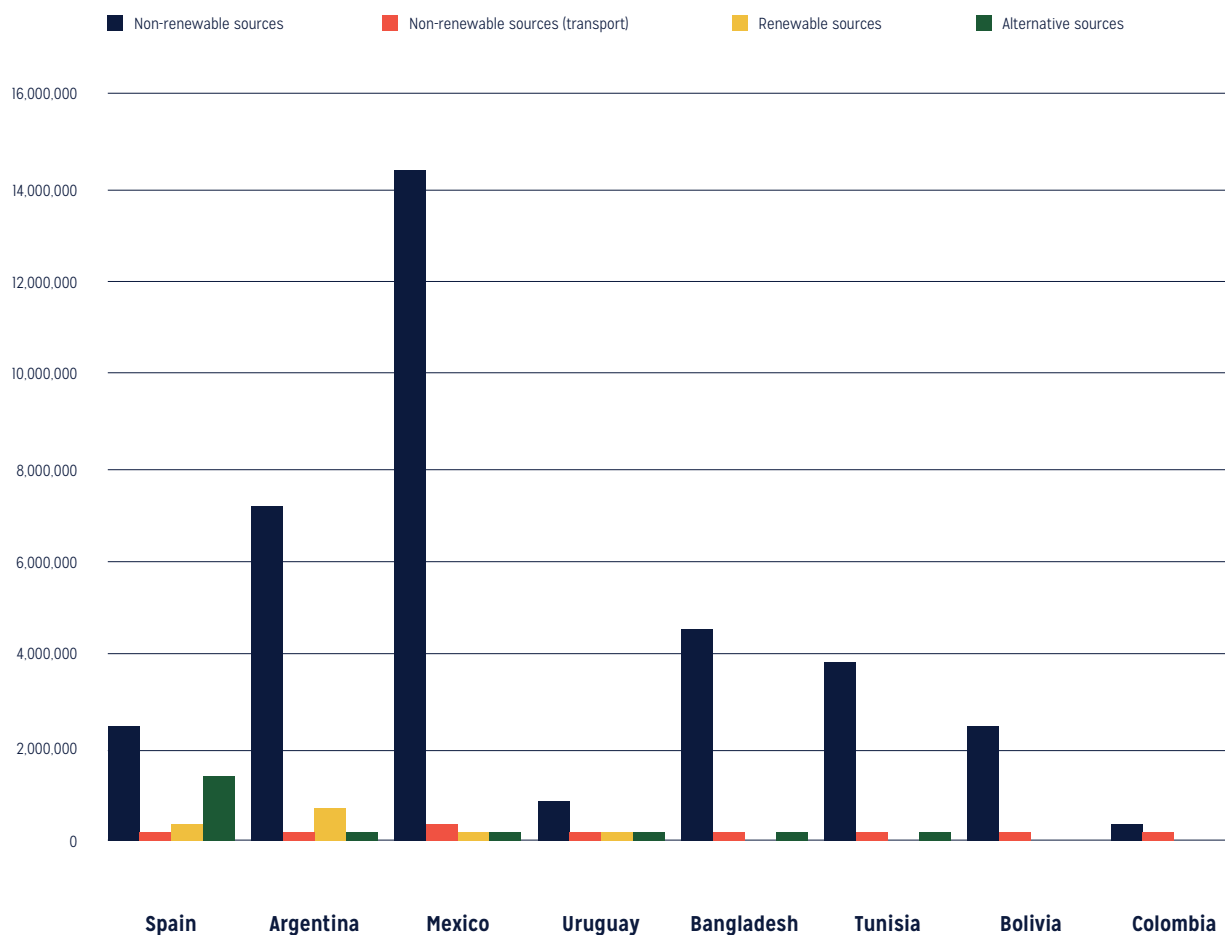
Electricity consumption by country (kWh)

■ 2018 ■ 2019



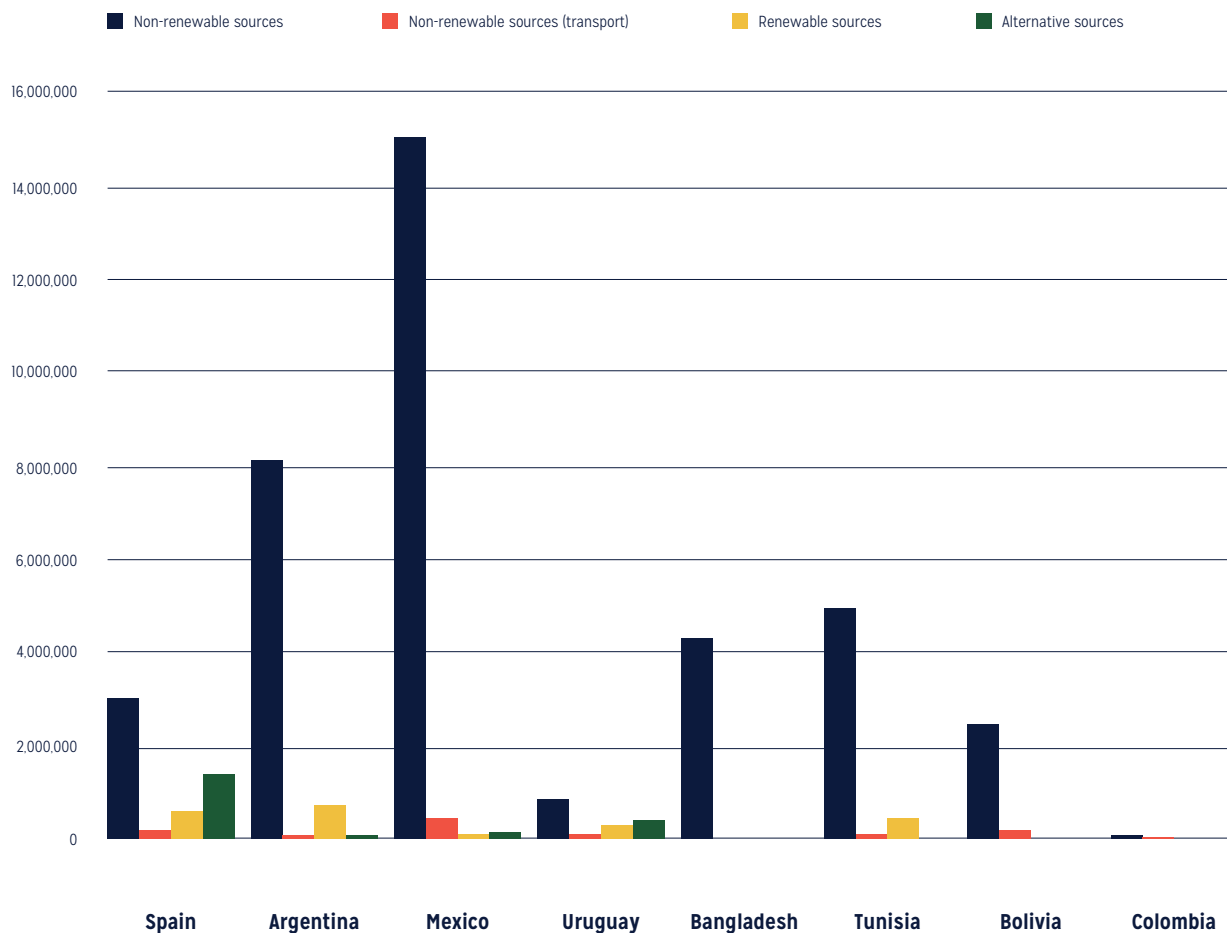
	2017	2018	2019
Spain	143,715,280.0	150,808,529.5	139,793,342.0
Argentina	270,892,169.0	276,021,124.4	277,459,712.3
Mexico	595,756,751.9	546,157,986.4	504,142,039.4
Uruguay	52,364,013.4	58,220,616.9	45,003,902.2
Bangladesh	147,687,809.0	179,906,046.0	200,209,584.6
Tunisia	168,166,689.0	160,419,380.0	123,874,992.0
Bolivia	49,032,427.6	65,495,993.2	69,451,813.2
Colombia	53,680.0	497,410.0	11,627,112.0
Total	1,427,668,819.9	1,437,527,086.3	1,371,562,497.8

Fuel consumption by source and country (2019) (GJ)



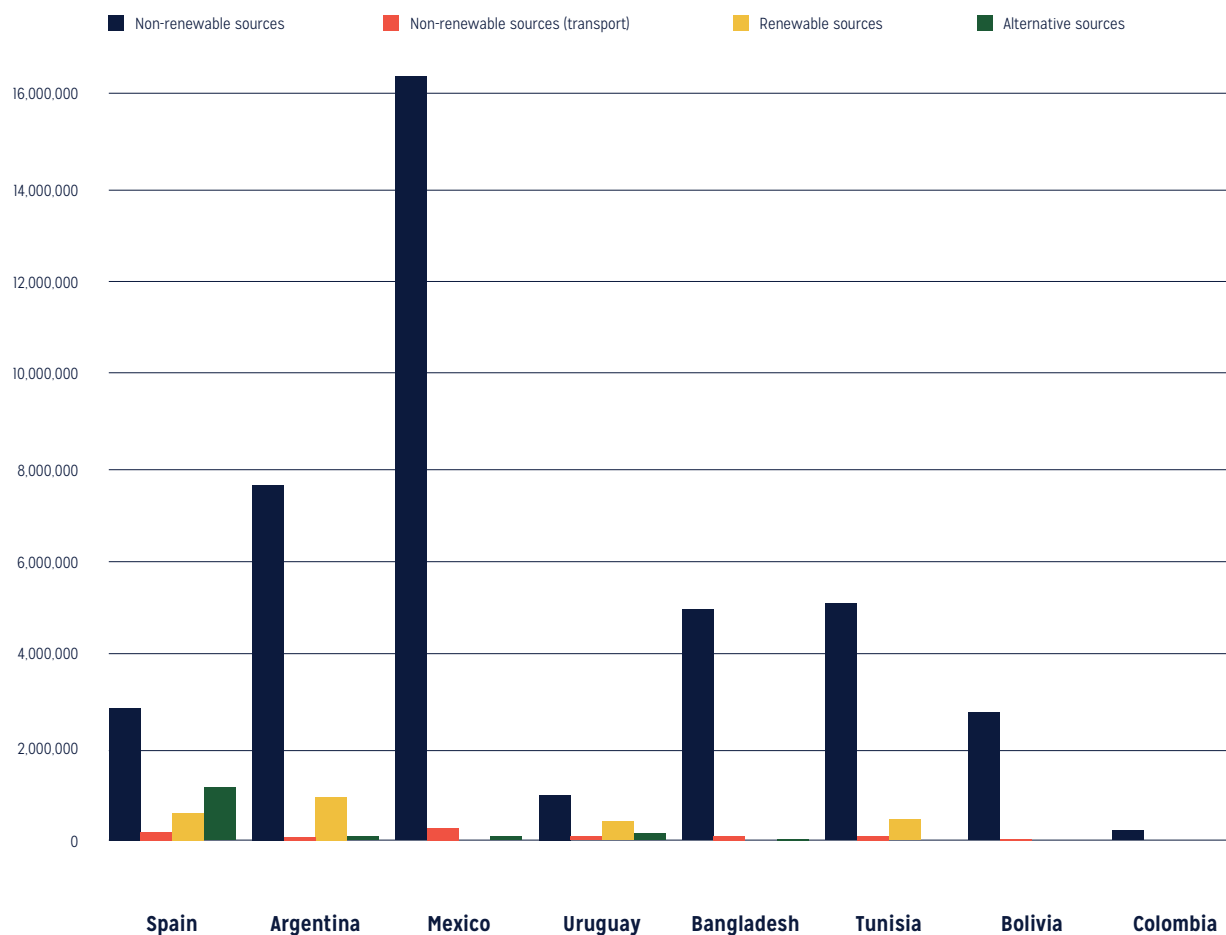
	Non-renewable sources	Non-renewable sources (transport)	Renewable sources	Alternative sources
Spain	2,453,081.6	192,526.5	272,544.4	1,364,851.4
Argentina	7,147,741.0	208,292.5	807,108.1	102,091.1
Mexico	14,347,775.9	306,590.4	286.1	3,264.8
Uruguay	817,637.8	130,647.1	135,592.6	183,285.3
Bangladesh	4,542,21.3	42,488.4	-	4,587.3
Tunisia	3,737,527.7	36,618.2	156,472.2	-
Bolivia	2,383,013.6	970.9	-	-
Colombia	373,085.0	1,695.6	-	-

Fuel consumption by source and country (2018) (GJ)



	Non-renewable sources	Non-renewable sources (transport)	Renewable sources	Alternative sources
Spain	2,905,747	195,296	355,343	1,356,530
Argentina	8,419,962	101,656	609,200	1,568
Mexico	15,545,996	338,931	2,281	12,591
Uruguay	1,253,130	62,958	169,174	201,309
Bangladesh	4,179,550	-	-	-
Tunisia	4,975,372	59,605	273,504	-
Bolivia	2,262,705	919	-	-
Colombia	35,786	469	-	-

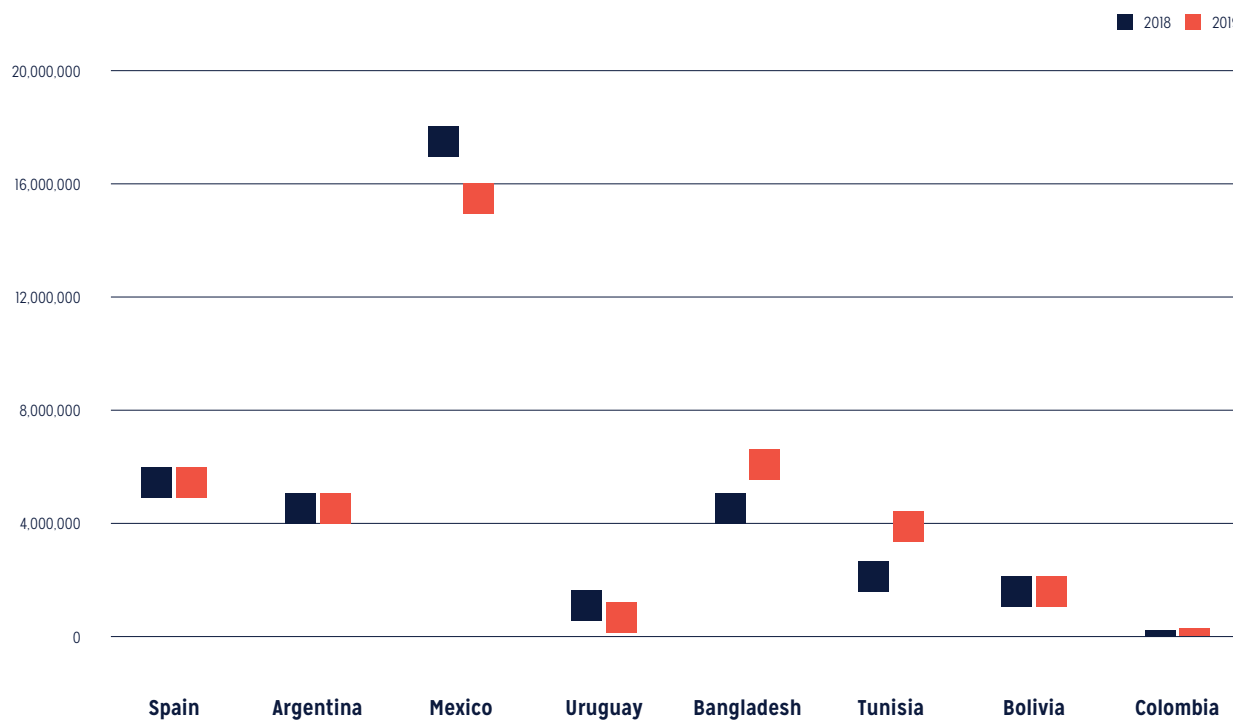
Fuel consumption by source and country (2017) (GJ)



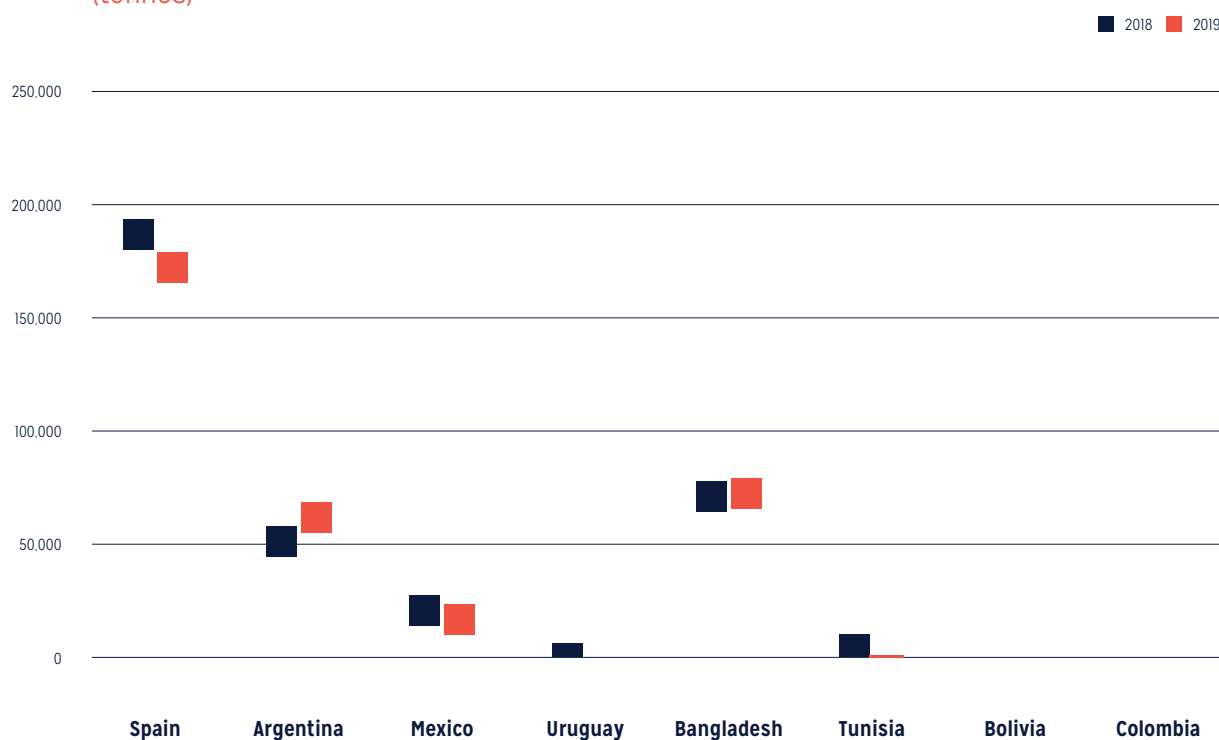
	Non-renewable sources	Non-renewable sources (transport)	Renewable sources	Alternative sources
Spain	3,027,010	189,206	356,904	1,167,188
Argentina	7,818,040	95,172	517,992	7,190
Mexico	17,207,222	282,789	-	32,755
Uruguay	1,037,210	26,151	359,838	43,069
Bangladesh	5,051,605	26,357	-	4,688
Tunisia	5,423,804	44,431	154,614	-
Bolivia	2,421,461	1,259	-	-
Colombia	94,056	-	-	-

Circular economy

Material consumption by country (tonnes)



Consumption of recycled materials by country (tonnes)

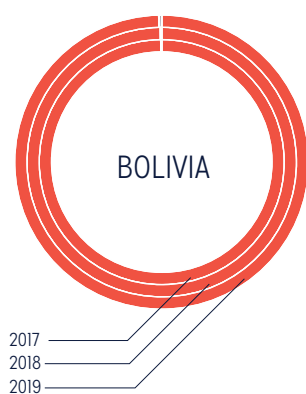
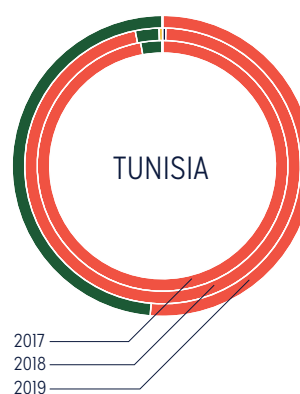


Material consumption by country and type of material (tonnes)



	Non-natural raw materials			Natural raw materials			
	2017	2018	2019	2017	2018	2019	2017
Spain	522,169	578,316	687,035	5,739,995	5,332,236	5,201,430	1,452
Argentina	125,258	123,477	135,961	4,887,374	4,865,652	4,821,480	-
Mexico	581,053	426,059	371,292	13,491,502	17,397,120	15,623,508	62,297
Uruguay	82,667	71,289	68,260	1,002,928	1,172,550	927,934	2,948
Bangladesh	90,270	265,339	286,323	4,954,290	5,701,439	6,110,740	2,446
Tunisia	1,416	10,815	1,346	2,827,538	2,670,927	2,153,413	80,160
Bolivia	-	-	-	1,183,852	1,697,845	1,770,512	1,140
Colombia	24,643	101,682	3,586	60,956	178,606	24,868	-

■ Non-natural raw materials
 ■ Natural raw materials
 ■ Packaging
 ■ Renewable materials
 ■ Recycled materials



Packaging			Renewable materials			Recycled materials		
2018	2019	2017	2018	2019	2017	2018	2019	
1,469	1,483	2,486	2,723	2,801	173,711	192,805	178,377	
5,304	5,203	11,511	12,742	10,892	62,923	57,824	68,790	
14,015	10,663	-	-	-	58,154	27,630	23,387	
2,930	1,225	-	-	-	14	5,988	-	
8,415	6,187	-	-	0	90,270	78,629	79,548	
77,428	2,042,344	14	-	0	1,416	10,815	1,346	
1,739	1,912	623	1,371	4,196	-	-	-	
-	-	-	-	-	-	-	-	

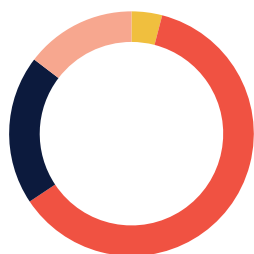
Water consumption by country and source (2019)

Water from surface sources

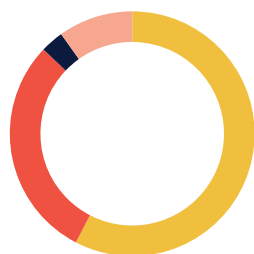
Water from underground sources

Water from the supply company

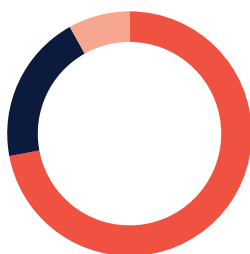
Reused water



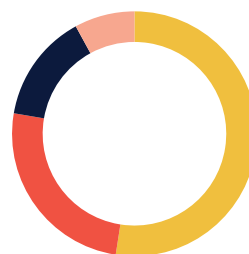
Spain



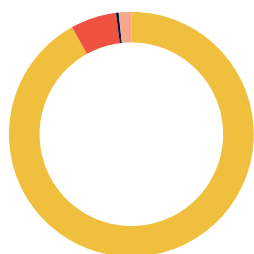
Argentina



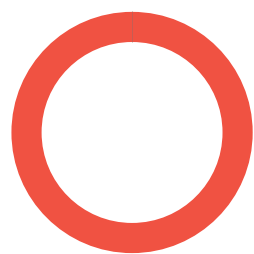
Mexico



Uruguay



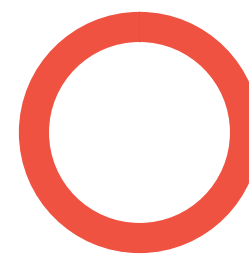
Bangladesh



Tunisia

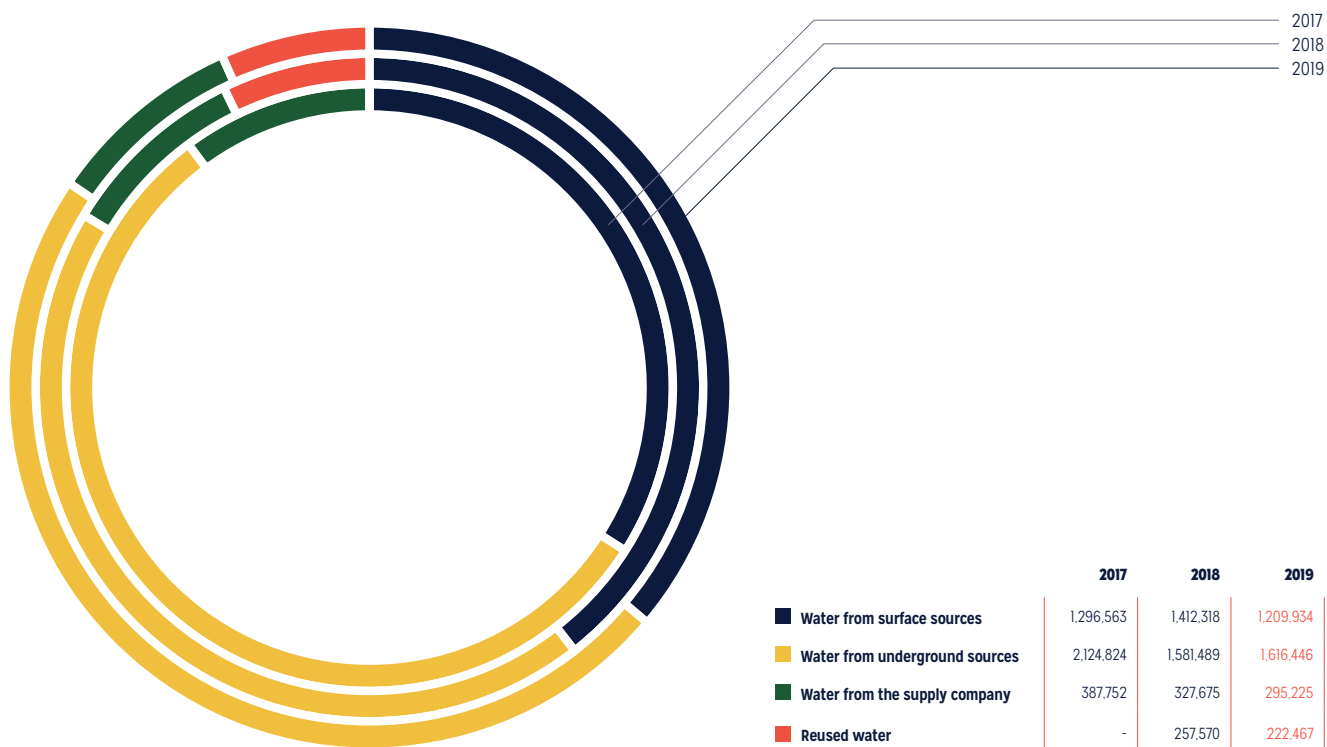


Bolivia



Colombia

Water consumption by sources (cubic metres)



Fresh water consumption

2019 (cubic metres)

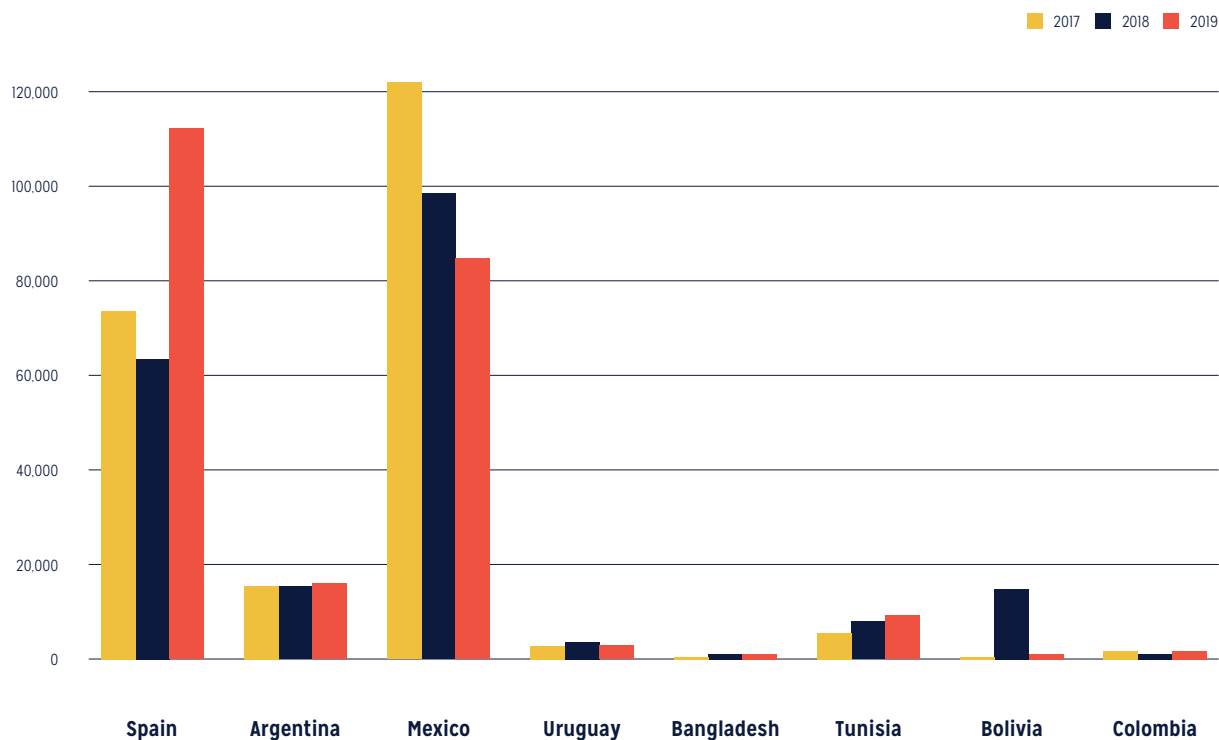
	Water from surface sources	Water from underground sources	Water from the supply company	Other sources	TOTAL
Spain	11,471	174,581	55,911	-	241,962
Argentina	-	45,691	25,189	-	70,880
Mexico	-	739,561	-	-	739,561
Uruguay	30,096	14,478	8,239	-	52,813
Bangladesh	37,958	41,962	-	-	79,920
Tunisia	-	394,775	-	-	394,775
Bolivia	-	-	-	-	-
Colombia	-	-	-	-	-
TOTAL	79,525	1,411,048	89,339	-	1,579,911

Consumption of other types of water

2019 (cubic metres)

	Water from surface sources	Water from underground sources	Water from the supply company	Other sources	TOTAL
Spain	-	-	-	-	-
Argentina	476,664	198,173	-	-	674,837
Mexico	-	-	203,389	-	203,389 -
Uruguay	-	-	-	-	-
Bangladesh	601,432	-	2,498	-	603,930
Tunisia	-	-	-	-	-
Bolivia	4,697	7,226	-	-	11,923
Colombia	47,616	-	-	-	47,616
TOTAL	1,130,409	205,399	205,887	-	1,541,695

Waste generated by country (tonnes)



Hazardous waste generated (tonnes)



2017 - 467 tonnes
2018 - 589 tonnes
2019 - 636 tonnes

Non-hazardous waste generated (tonnes)



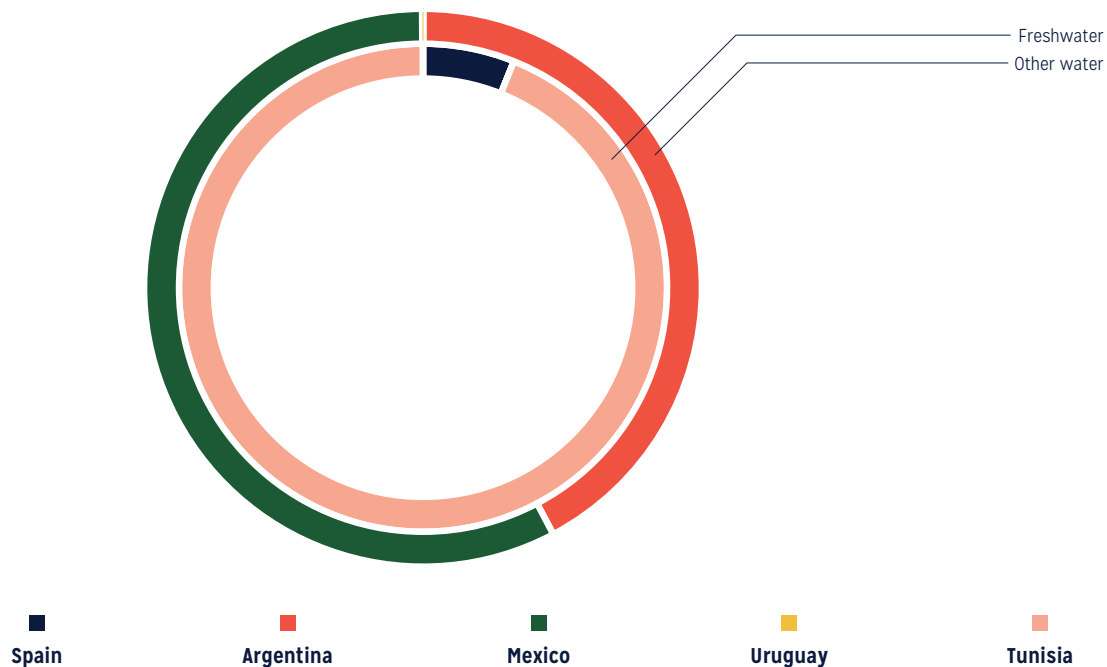
2017 - 223,369 tonnes
2018 - 203,184 tonnes
2019 - 225,455 tonnes

Waste treatment in 2019 by country and treatment method (tonnes)



	Reuse	Recycling	Recovery (including energy recovery)	Incineration (massive combustion)	Injection in deep wells	Landfills	In situ storage	Destroyed by third parties	Composting	Others	Treatment through evaporation, physio-chemical and biological elements
Spain	9,851.2	53,815.3	236.4	0.3	-	47,642.1	-	-	60.4	11.3	2.9
Argentina	14,310.8	657.9	99.6	11.4	-	463.4	-	-	8.9	38.5	-
Mexico	195.1	83,952.3	14.9	7.8	-	215.5	-	0.7	99.7	19.6	-
Uruguay	84.5	102.5	27.7	7.4	-	2,503.5	-	-	-	0.2	-
Bangladesh	-	970.7	-	-	-	-	-	-	-	-	-
Tunisia	-	26.4	-	-	-	-	8,903.1	-	-	-	-
Bolivia	24.8	113.0	-	74.6	-	-	-	-	6.1	-	-
Colombia	-	555.6	-	35.6	-	11.0	-	-	-	-	-
Total	24,466.4	140,193.7	378.6	137.1	-	50,835.5	8,903.1	0.7	175.1	69.6	2.9

Wastewater generation by type of water (2019)



	Freshwater	Other water	Total
Spain	20,951	-	20,951
Argentina	-	53,220	53,220
Mexico	-	72,639	72,639
Uruguay	-	65	65
Bangladesh	-	-	-
Tunisia	323,840	-	323,840
Bolivia	-	-	-
Colombia	-	-	-
TOTAL	344,791	125,924	470,715

Wastewater generation by country (cubic metres)

	2017	2018	2019
Spain	5,160.0	5,952.0	23,958.7
Argentina	149,910.0	1,677,515.0	1,657,176.4
Mexico	100,194.0	82,902.4	72,639.4
Uruguay	-	-	64.6
Bangladesh	291.2	280.3	274.6
Tunisia	330,781.0	263,975.0	323,840.0
Bolivia	127,500.0	184,800.0	189,112.0
Colombia	48.1	392.6	700.0

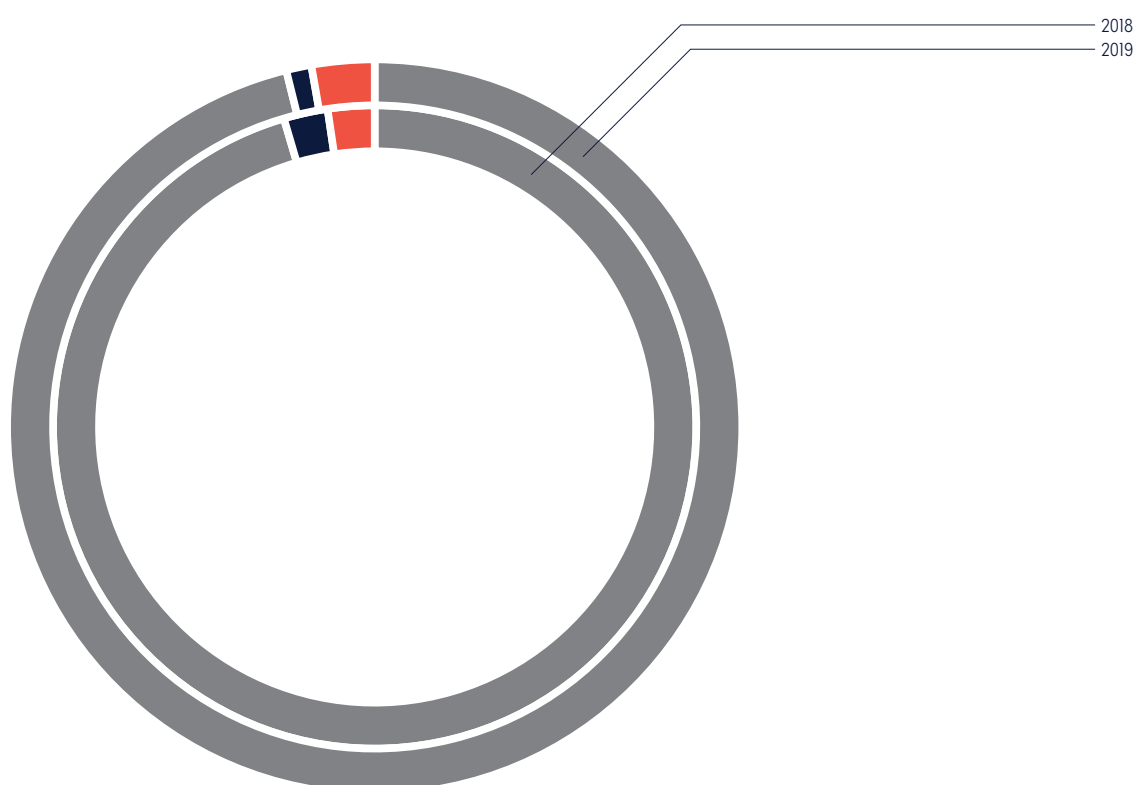
Wastewater - Freshwater (2019) (cubic metres)

	Water from surface sources	Water from underground sources	Sea water	Water from the supply company	Total
Spain	1,307	-	-	-	1,307
Argentina	-	-	-	-	-
Mexico	-	-	-	-	-
Uruguay	-	-	-	-	-
Bangladesh	-	-	-	-	-
Tunisia	-	2,880	-	-	2,880
Bolivia	-	-	-	-	-
Colombia	-	-	-	-	-
Total	1,307	2,880	-	-	4,187

Environment and nature

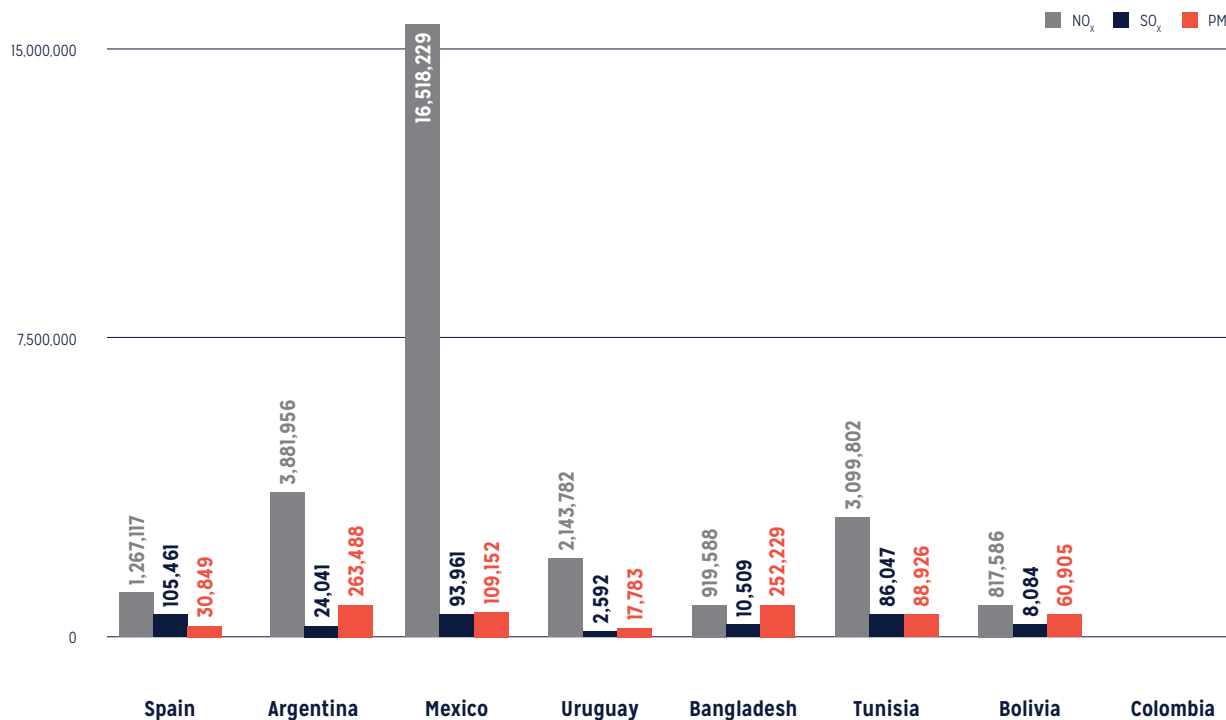
Air quality

Total atmospheric emissions (kg)

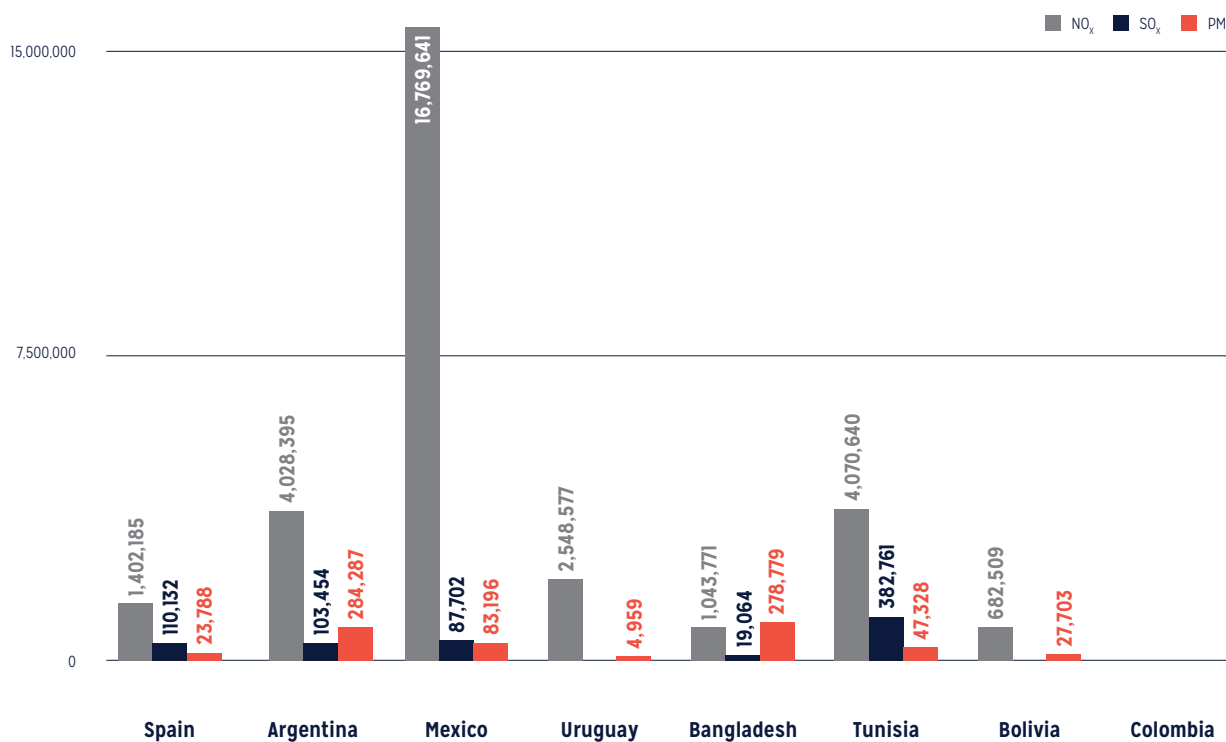


	2018	2019
■ NO _x	30,545,719	28,648,061
■ SO _x	708,745	330,698,0
■ PM	750,000	823,156

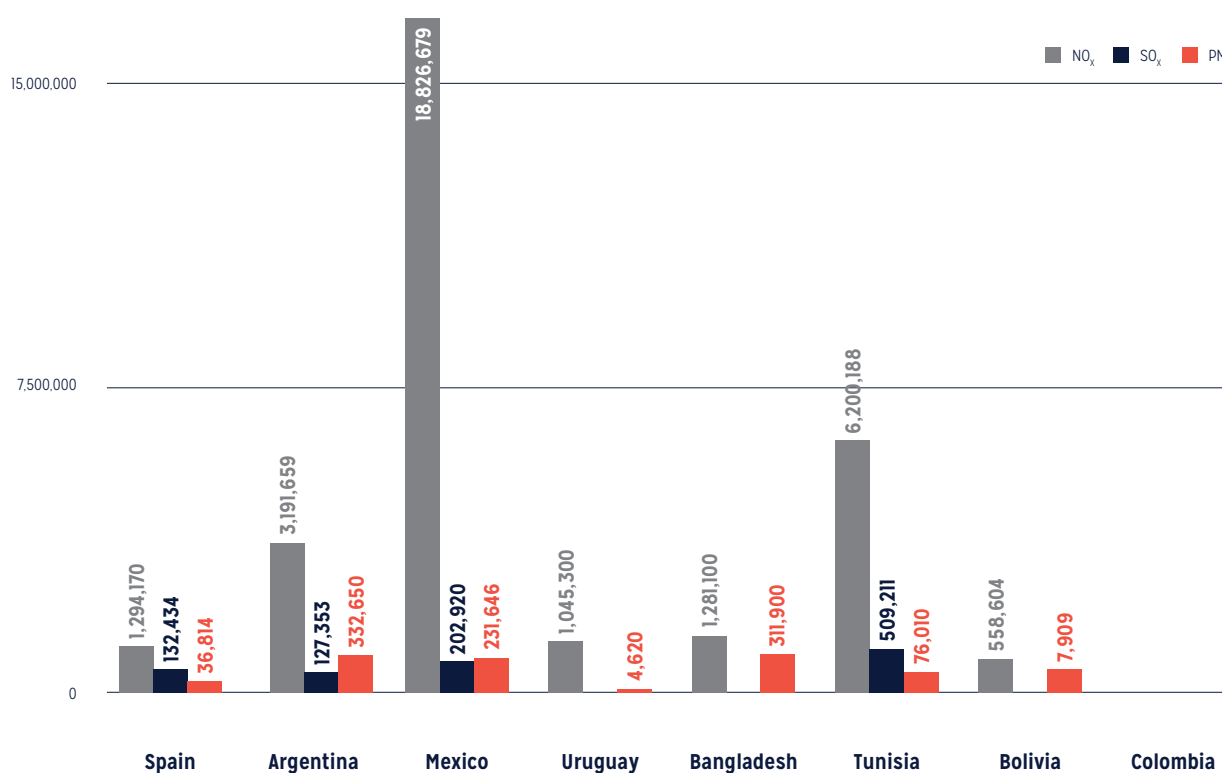
Emissions of NO_x, SO_x and PMs by country 2019 (kg)



Emissions of NO_x, SO_x and PMs by country 2018 (kg)



Emissions of NO_x, SO_x and PMs by country 2017 (kg)



	2017			2018			2019		
	NO _x	SO _x	PMs	NO _x	SO _x	PMs	NO _x	SO _x	PMs
Spain	1,294,170	132,434	36,814	1,402,185	110,132	23,788	1,267,117	105,461	30,849
Argentina	3,191,659	127,353	332,650	4,028,395	103,454	284,287	3,881,956	24,041	263,488
Mexico	18,826,679	202,920	231,646	16,769,641	87,702	83,196	16,518,229	93,961	109,152
Uruguay	1,045,300	-	4,620	2,548,577	-	4,959	2,143,782	2,592	17,783
Bangladesh	1,281,100	-	311,900	1,043,771	19,064	278,779	919,588	10,509	252,229
Tunisia	6,200,188	509,211	76,010	4,070,640	382,761	47,328	3,099,802	86,047	88,926
Bolivia	558,604	-	7,909	682,509	-	27,703	817,586	8,084	60,905
Colombia	-	-	-	-	-	-	-	-	-

Environment and nature

Environmental expenditure by country (in thousands of euros)

2019



2018

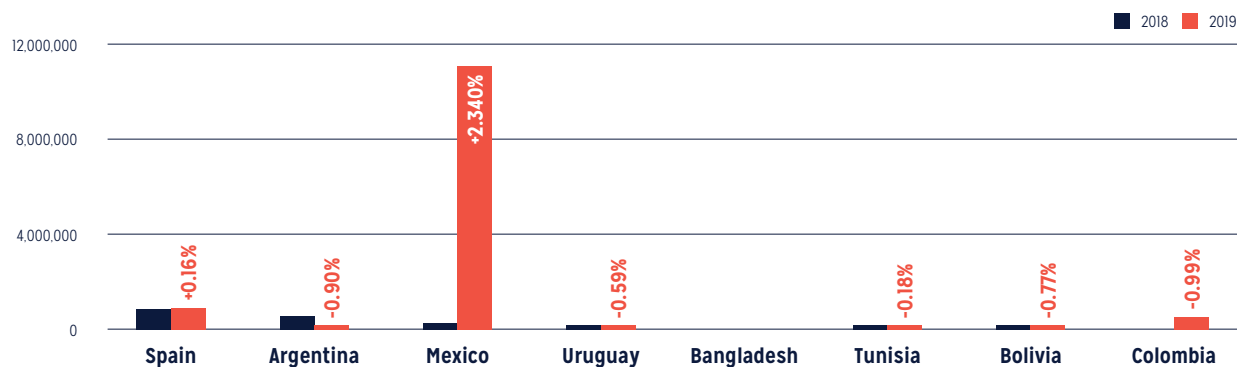


2017



	2017	2018	2019
■ Spain	1,826	2,242	2,902
■ Argentina	633	669	433
■ Mexico	245	233	431
■ Uruguay	237	242	229
■ Bangladesh	215	276	290
■ Tunisia	264	59	73
■ Bolivia	173	571	294
■ Colombia	42	108	105

Environmental investments by country (euros)



Euros	2018	2019	Variation
Spain	813,464.00	947,137.13	0.16
Argentina	625,584.78	60,364.14	-0.90
Mexico	463,317.34	11,306,001.29	23.40
Uruguay	45,492.64	18,525.36	-0.59
Bangladesh	-	-	-
Tunisia	96,722.20	79,174.83	-0.18
Bolivia	75,364.40	16,806.72	-0.77
Colombia	-	375,690.68	-0.99
TOTAL	62.5%	34%	-12.8%

Facilities certified according to ISO 14001⁶

	2017	2018	Variation 18	2019	Variation 19
Spain	8	13	62.5%	9	-30.8%
Argentina	8	13	62.5%	13	0.0%
Mexico	3	3	0.0%	3	0.0%
Uruguay	4	4	0.0%	4	0.0%
Bangladesh	1	6	500.0%	5	-16.7%
Tunisia	-	-	0.0%	-	0.0%
Bolivia	-	-	0.0%	-	0.0%
Colombia	-	-	0.0%	-	0.0%
TOTAL	24	39	62.5%	34	-12.8%

⁶ 2018 data have been restated due to changes made after the completion of the report.

Size of the protected and/or restored habitats (Ha)

	2017	2018	Variation 18	2019	Variation 19
Spain	4	7	86%	7	0%
Argentina	1	11	1,353%	2	-84%
Mexico	-	-	0%	-	0%
Uruguay	1	1	59%	1	0%
Bangladesh	23	23	0%	23	0%
Tunisia	-	-	0%	-	0%
Bolivia	-	-	0%	-	0%
Colombia	1,400	1,400	0%	1,400	0%
TOTAL	1,428	1,442	1%	1,433	-1%

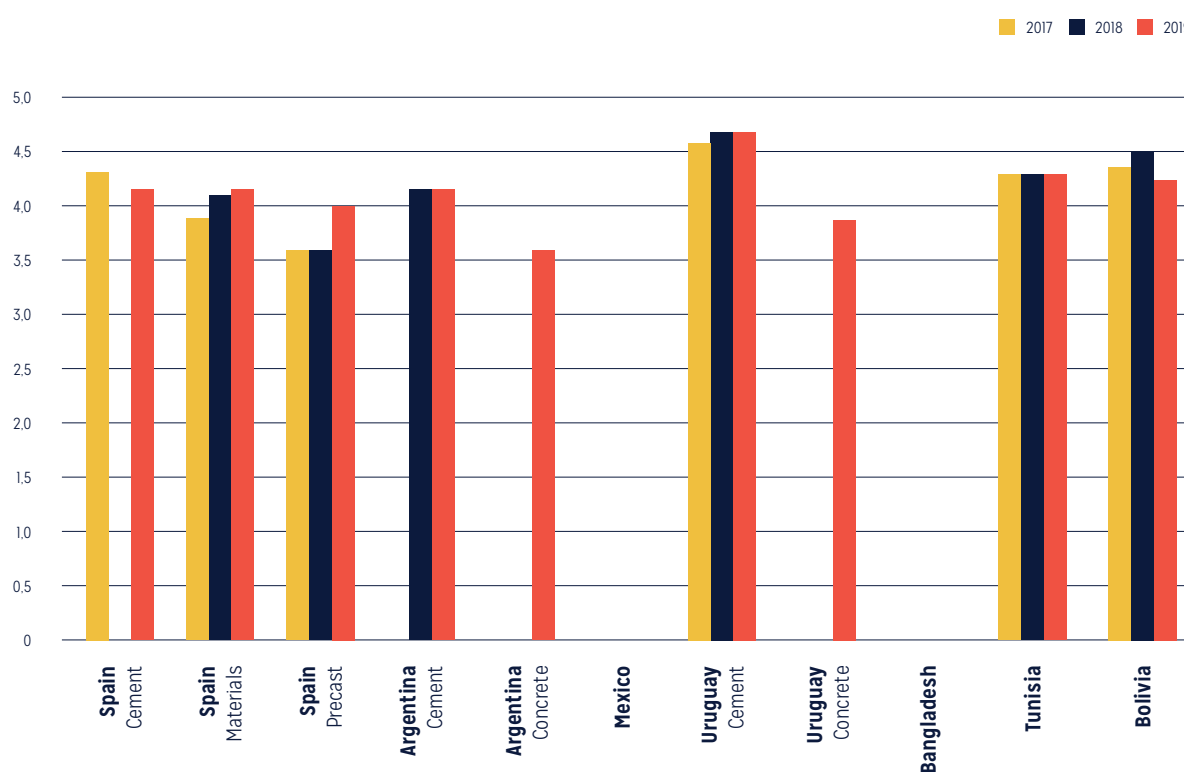
Number of noise measurements made

	2017	2018	2019
Spain	-	1	1
Argentina	-	8	10
Mexico	-	-	33
Uruguay	3	4	32
Bangladesh	-	-	-
Tunisia	-	-	-
Bolivia	-	-	-
Colombia	-	-	2
TOTAL	3	13	78

Social impact (value chain)

Quality of service and relationship with clients

Overall degree of customer satisfaction by country and activity



Facilities with a certified Quality Management System (ISO 9001)

	2017	2018	2019	Variation
Spain	21	23	22	-4%
Argentina	5	15	17	13%
Mexico	13	19	19	0%
Uruguay	5	4	4	0%
Bangladesh	1	6	6	0%
Tunisia	-	1	1	0%
Bolivia	1	1	1	0%
Colombia	-	-	-	0%
TOTAL	46	69	70	1%

Number of products certified with other product quality and safety standards⁷

	2017	2018	2019	Variation
Spain	33	125	194	55%
Argentina	-	3	4	33%
Mexico	-	-	-	0%
Uruguay	1	2	2	0%
Bangladesh	1	7	6	-14%
Tunisia	-	-	-	0%
Bolivia	2	2	2	0%
Colombia	-	-	-	0%
TOTAL	37	139	208	50%

⁷ 2017 and 2018 data for Mexico have been restated due to changes made after the completion of the report.

Products with specific labelling and information requirements

	2017	2018	2019	Variation
Spain	1,201	334	307	-8%
Argentina	-	2	8	300%
Mexico	-	-	-	0%
Uruguay	6	6	7	17%
Bangladesh	1	6	6	0%
Tunisia	5	5	5	0%
Bolivia	3	2	2	0%
Colombia	-	-	2	0%
TOTAL	1,216	355	337	-5%

Number of claims answered related to product quality

	2017	2018	2019	Variation
Spain	-	-	265	0%
Argentina	16	24	25	4%
Mexico	33	20	30	50%
Uruguay	-	-	92	0%
Bangladesh	-	-	4	0%
Tunisia	-	-	2	0%
Bolivia	-	-	4	0%
Colombia	-	-	-	0%
TOTAL	49	44	422	859%

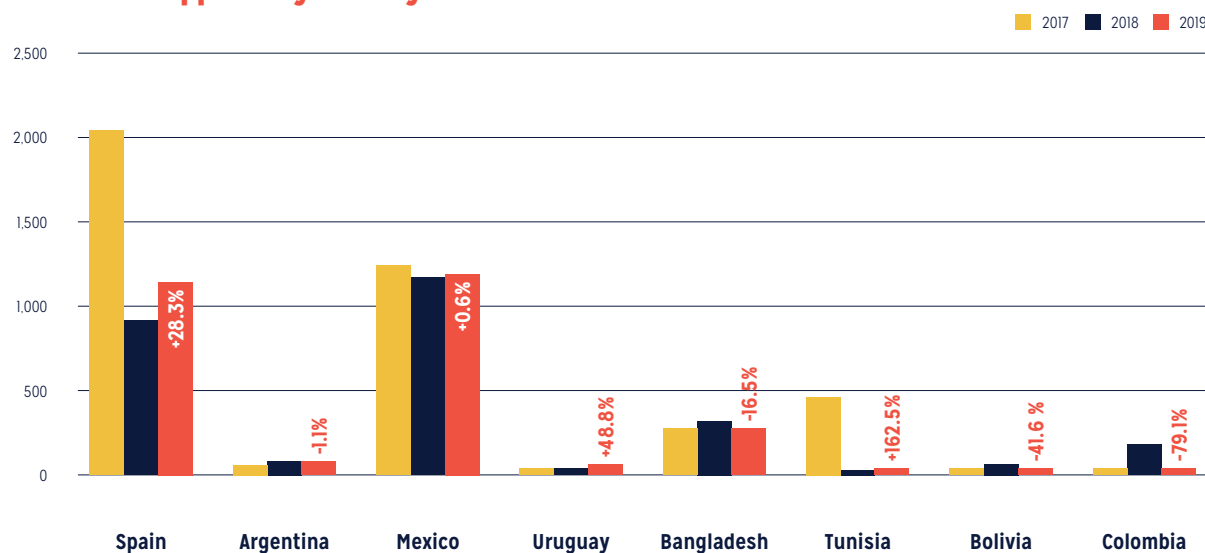
Number of claims received related to product quality

	2017	2018	2019	Variation
Spain	-	-	428	0%
Argentina	16	25	26	4%
Mexico	78	249	68	-73%
Uruguay	-	-	92	0%
Bangladesh	-	-	12	0%
Tunisia	-	-	2	0%
Bolivia	-	-	5	0%
Colombia	-	-	-	0%
Total	94	274	633	131%

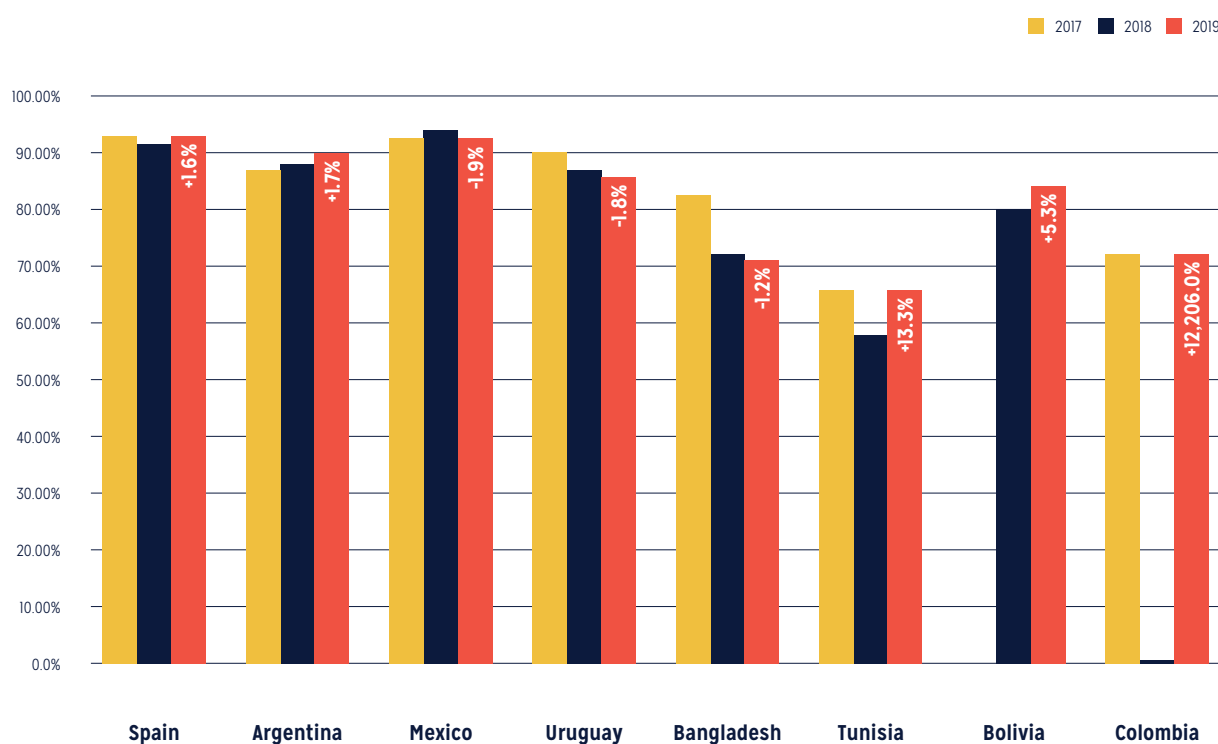
Social impact (value chain)

Relationship with suppliers and supply chain

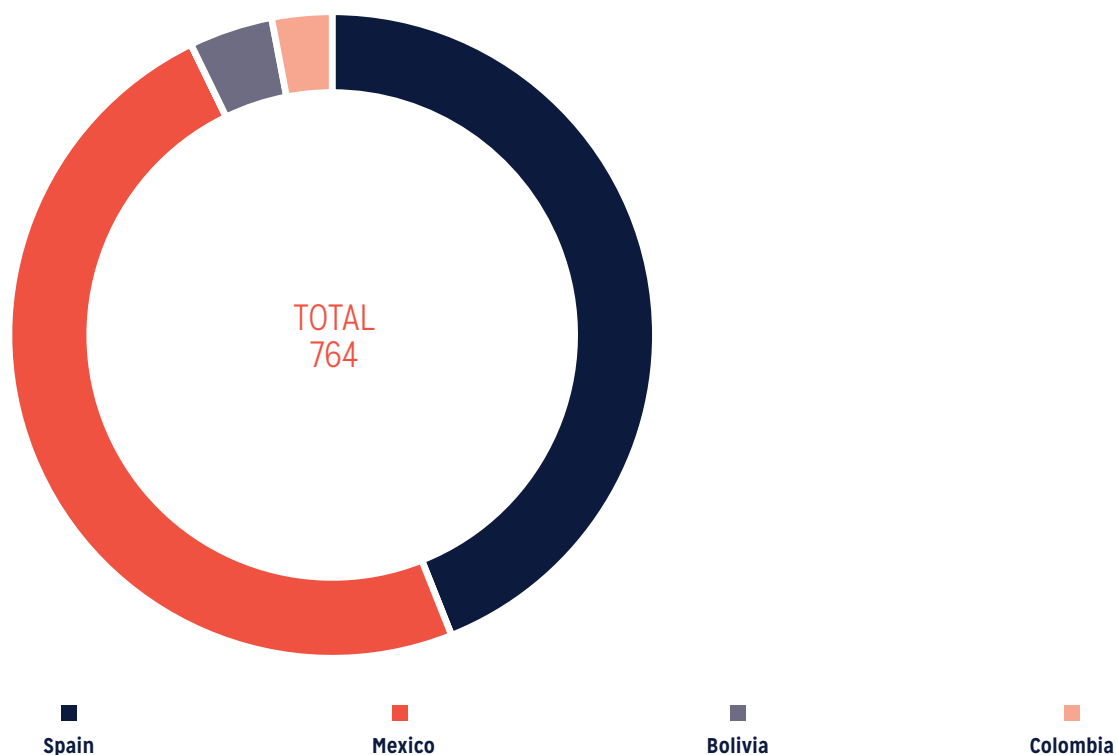
Main suppliers by country



Percentage of local purchases by country

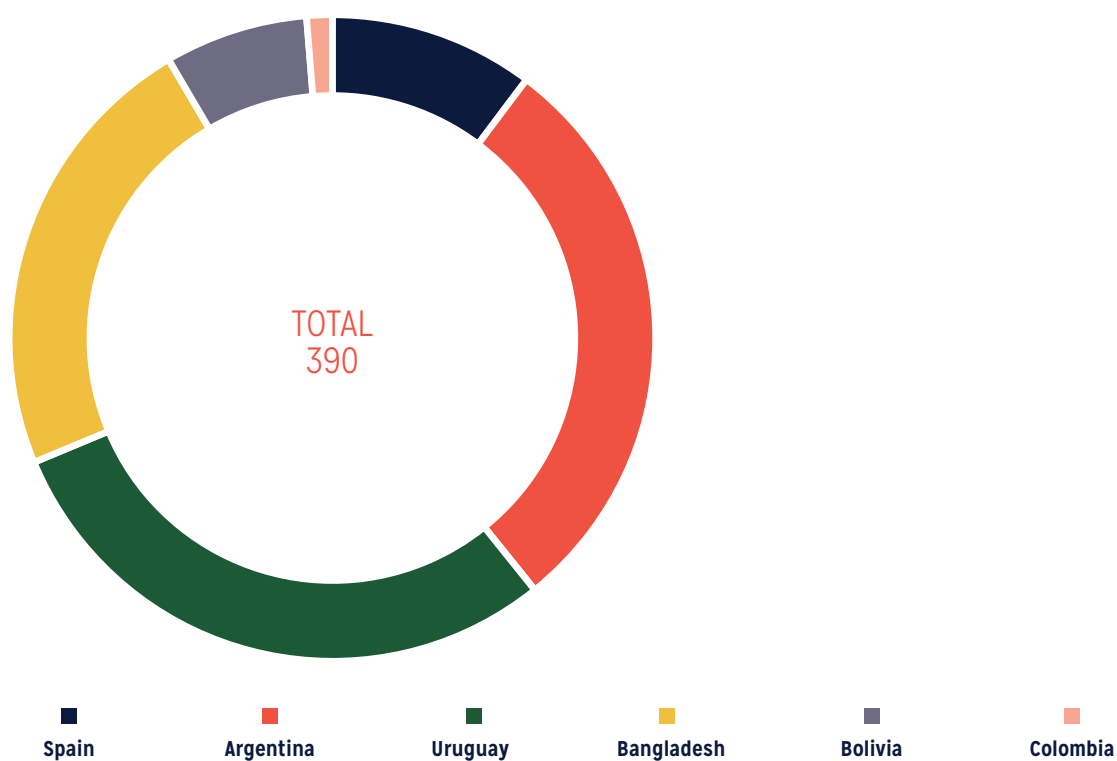


Number of suppliers who have signed the company's ethical code (2019)



	2019
Spain	336
Argentina	-
Mexico	373
Uruguay	-
Bangladesh	-
Tunisia	-
Bolivia	32
Colombia	23
Total	764

Number of suppliers assessed according to environmental, social and governance aspects (2019)

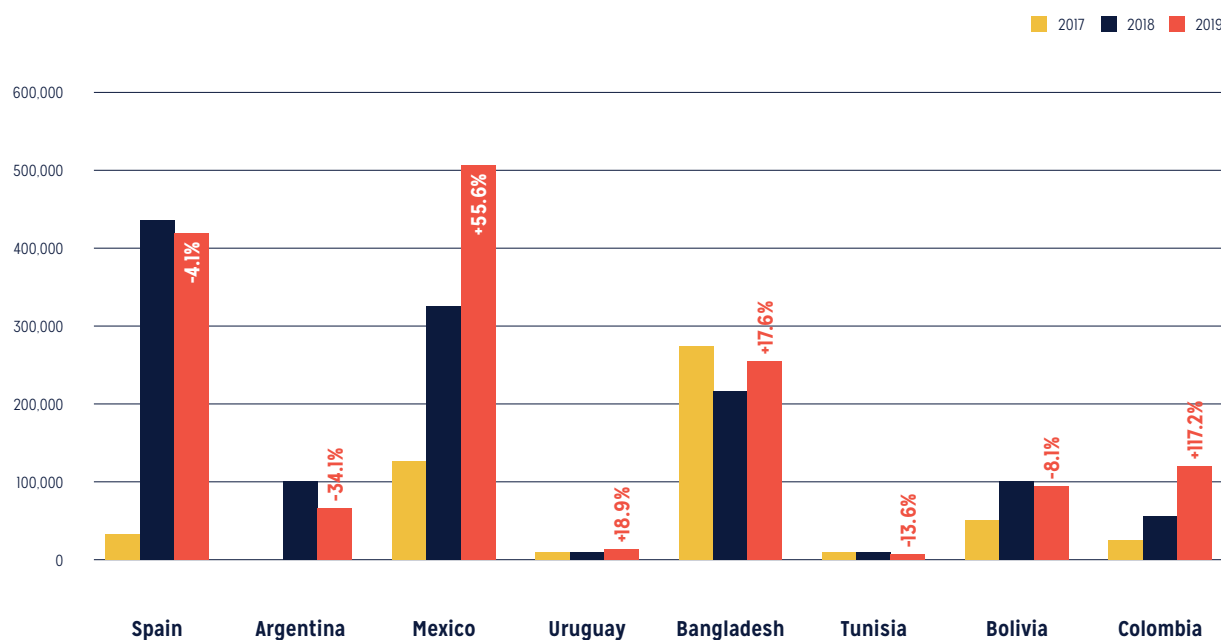


	2019
Spain	40
Argentina	113
Mexico	-
Uruguay	115
Bangladesh	89
Tunisia	-
Bolivia	28
Colombia	5
Total	390

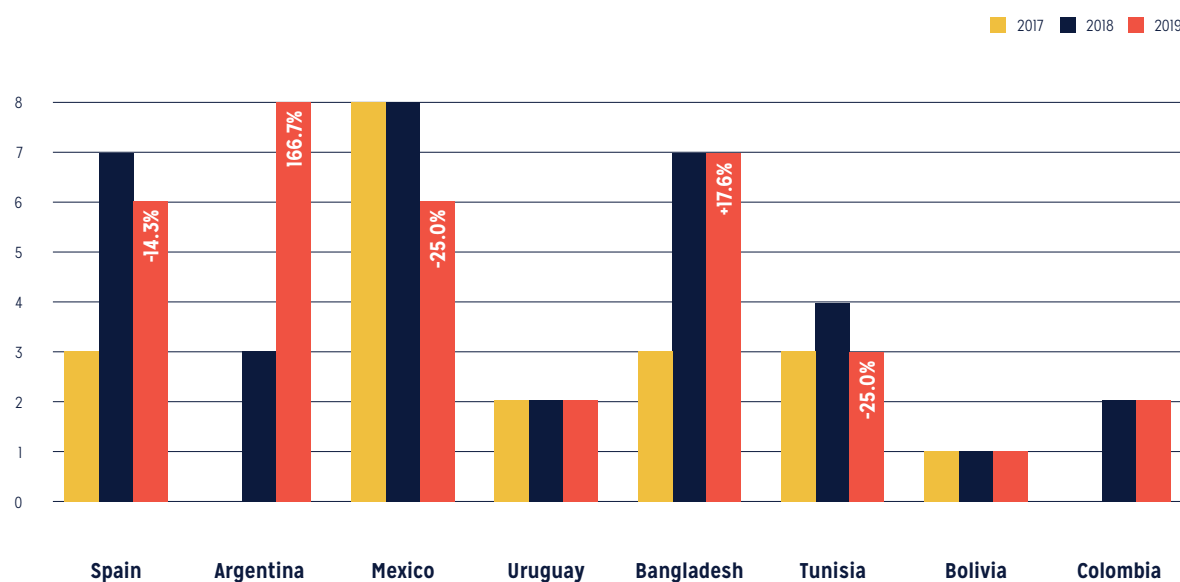
Social impact (value chain)

Commitment to local communities and human rights

Distribution of contributions made by country
(euros)



Number of centres where formal plans of actions with the local community were developed



Technical characteristics of the report

The 2019 Annual Report, following the trend which started in the previous year, presents in an integrated way information about the economic, environmental, social and good governance performance of Cementos Molins in accordance with the current international standards and the applicable existing legal requirements. This report is published with the Consolidated Annual Accounts for the first time, timely and in due form, in addition to the Management Report included therein.

The Individual and Consolidated Annual Accounts (CCAA) and the Management Report (IDG) included, the Annual Corporate Governance Report (IAGC), the corporate procedures and policies, as well as the documents of the General Meeting of Shareholders, among others, complement this report and are available on the website of Cementos Molins.

Preparation methodology

The reference standard to prepare the contents of this document has combined the standards promoted by the organisation Global Reporting Initiative (GRI SRS), for an essential level of compliance, together with the requirements of the United Nations Global Compact to prepare progress reports, as well as the recommendations issued by the GCCA for the accountability process related with the commitments of the Charter.

The principles to define contents and guarantee the quality of the GRI report seek to focus on the process of preparation of non-financial statements from the initial stages to the most specific procedures (GRI SRS 101).

Definition of contents

- Integration of stakeholders
- Sustainability context
- Materiality
- Thoroughness

Quality of the report

- Accuracy
- Balance
- Clarity
- Comparability
- Reliability
- Punctuality



The 2019 report includes two new GRI standards regarding water and occupational health and safety.

Updated GRI standards (2018)

- GRI 303: Water and effluents (2018)
- GRI 403: Occupational Health and Safety (2018)

Impact on reporting

- Publication of information regarding water withdrawal, water consumption, water discharge, impacts on areas with water stress and impacts on the supply chain
- Present occupational health and safety management systems, risk prevention systems and systems for the promotion of health at work

In addition to following the recommendations of the GRI (SRS) standards, this report was prepared following the technical reporting recommendations of the Cement Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD) adopted by the Global Cement and Concrete Association (GCCA) in the GCCA Sustainability Charter (October 2019). These recommendations propose 5 working areas for the cement industry.

Similarly and in accordance with the legal requirements, non-financial information was reviewed externally by the same organisation responsible for reviewing the financial information and the historical records were included for the two years preceding the year for which the accounts are submitted.

Similarly, the organisation's priority United Nations Sustainable Development Goals linked to the different stages of the value chain were identified. The goal is to transversally include SDGs as a relevant

standard to define the organisation's ESG management and accountability. On the other hand, the updating of the materiality analysis was started by performing a geographical benchmark adjusted to the cement industry sector and there have been no material changes so far.

The Annual Report was coordinated and prepared jointly by the Strategy and Sustainability Department together with Corporate General Management, and a large number of people responsible for financial and non-financial information participated in the development of the content in each one of the countries encompassed by the report. In the same way, this content has been reviewed and approved by the Board of Directors, the highest governing body of the organization.

This year, the legal criterion to calculate the turnover has been replaced with the proportionality criterion by integrating the investees of Cementos Molins.

Scope of the financial information

The consolidated financial information has been prepared in accordance with the provisions of the International Financial Reporting Standards, as approved by the European Union (IFRS-EU), taking into account all the accounting principles and standards, and the criteria for mandatory appraisal.

Notwithstanding the above, and in order to adequately reflect the management of the businesses and the way in which the results are analysed internally for decision-making, Cementos Molins uses indicators and alternative measures of performance.

Following the guidelines and recommendations of the European Securities and Markets Authority (ESMA), whose objective is to promote the usefulness and transparency of the Alternative Performance Measures that are included in the regulated information or in any other information submitted by listed companies, we wish to state that the information that is included in some of the sections of this report (and which is indicated) is based on the application of the proportionality principle in the consolidation method of its investees, applying the final shareholding percentage held in each one of them.

Scope of the non-financial information

The scope of the non-financial information included in the activity report includes practically all of the main activities and international subsidiaries that make up the organization, and accounts for almost 100% of turnover, more specifically:

Main activity	Companies included
Cement	Spain: Cementos Molins Industrial SAU (CMI) Argentina: Cementos Avellaneda, SA Mexico: Corporación Moctezuma SAB de CV, Cementos Moctezuma, SA de CV Uruguay: Cementos Artigas, SA Bangladesh: LafargeHolcim Bangladesh LTD, Holcim Cement (Bangladesh) LTD Tunisia: Société Tuniso-Andalouse de Ciment Blanc, SA (SOTACIB), Sotacib Kairouan, SA Bolivia: Itacamba Cemento, SA Colombia: Empresa Colombiana de Cementos SAS
Concrete and aggregate	Spain: Promotora Mediterránea-2, SA (PROMSA), Promsa del Berguedà, SL, Monso-Boneta, SL, Promotora de formigons, SA, Montaspre Serveis Ambientals, SL, Tècniques ambientals de muntanya, SL, Granulated Rubber Project, SL Argentina: Cementos Avellaneda, SA Mexico: Maquinaria y Canteras del Centro, SA de CV, CYM Infraestructura, SAPI de CV Uruguay: Cementos Artigas, SA Bangladesh: Lafarge Umiam Mining Private LTD (India) Bolivia: GB Minerales y Agregados, SA Colombia: Insumos y Agregados de Colombia SAS
Prefabricated	Spain: Prefabricaciones y Contratas, SAU (PRECON), Catprecon, SL
Mortars and other materials	Spain: Propamsa SAU, Promotora Mediterránea-2 SA (PROMSA) Montaspre Serveis Ambientals, SL, Tècniques ambientals de muntanya, SL, Granulated Rubber Project, SL Argentina: Cementos Avellaneda, SA Uruguay: Cementos Artigas, SA
Corporation	Spain: Cementos Molins, SA, Cemolins Internacional, SLU, Cemolins Servicios Compartidos, SLU

The rest is formed by the following companies, which have been excluded from the scope of this report: Cemol Corporation, BV, Minus Inversora, SA, Santa Pamela SAU, Fresit BV, Presa International, BV, Colina Justa, SA, Cementos Artigas Zona Franca, SA, Eromar, SA, Mondello SA, Inmobiliaria Lacosa SA de CV, Latinoamericana de Comercio, SA de CV, Lacosa Concretos, SA de CV, Escofet 1886, SA, Escofet Paviment, SLU, Escofet Pretecno, SA de CV, Portce-

men, SA, Vescem-LID, SL, Surma Holding, BV, Lum Mawshun Minerals Private LTD, Société Tunisienne de Transport en Vrac-STTV, Yacuces SL.

The aggregation of the environmental and social performance data has been done without applying the proportionality criterion that is used for the turnover figure, except in those cases where indicated otherwise.

GRI content index

Foundation and general contents

General content	Page/Direct answer	Omissions	External verification
GRI 101 Foundation 2016			
101 Principles	155		
GRI 102 General Disclosures 2016 Organizational profile			
102-1 Name of the organization	Cementos Molins S.A.		✓
102-2 Activities, brands, products, and services	16-21		✓
102-3 Location of headquarters	Sant Vicenç dels Horts, Carretera Nacional 340, 2 al 38 (Barcelona)		✓
102-4 Location of operations	20-21		✓
102-5 Ownership and legal form	Quoted Limited Company IAGC I-2		✓
102-6 Markets served	16-17, 48		
102-7 Scale of the organization	11, 46-49		
102-8 Information on employees and other workers	74-75, 93-99		✓
102-9 Supply chain	32-35, 88-90, 149-151		✓
102-10 Significant changes to the organization and its supply chain	155-156, 88, 149-151		✓
102-11 Precautionary Principle or approach	39-43		✓

General content	Page/Direct answer	Omissions	External verification
102-12 External initiatives	39-43		✓
102-13 Membership of associations	Content note (a)		
Strategy			
102-14 Statement from senior decision-maker	8-9		
102-15 Key impacts, risks, and opportunities	28-31		✓
Ethics and integrity			
102-16 Values, principles, standards, and norms of behavior	19, 23-27		✓
Governance			
102-18 Governance structure	23-27, 156; IAGC 31-35		✓
102-29 Identifying and managing economic, environmental, and social impacts	28-31, 32-43		✓
102-30 Effectiveness of risk management processes	41-43		✓
102-31 Review of economic, environmental, and social topics	41-43, 155-156		✓
102-35 Remuneration policies	IAGC 29-34		✓
102-36 Process for determining remuneration	IAGC 29-34		✓
102-38 Annual total compensation ratio	The salary range is 47.40. The calculation has been made for Spain and we have considered all salary items of the managing Director, including the long-term variable wages.		✓
Stakeholder engagement			
102-40 List of stakeholder groups	38		

General content	Page/Direct answer	Omissions	External verification
102-41 Collective bargaining agreements	75, 98		✓
102-42 Identifying and selecting stakeholders	38		
102-43 Approach to stakeholder engagement	38		
102-44 Key topics and concerns raised	39-40		
Practices for the preparation of reports			
102-45 Entities included in the consolidated financial statements	CCAA 70-76		
102-46 Defining report contents and topic boundaries	32-35		✓
102-47 List of material topics	39-40		✓
102-48 Restatements of information	155-156		
102-49 Changes in reporting	155-156		
102-50 Reporting period	1 January to 31 December 2019		✓
102-51 Date of most recent report	Year 2018, published in 2019		✓
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	155		
102-55 GRI content index	158-169		
102-56 External assurance	156		✓

Economic material topics

Standard	Page/Direct answer	Omissions	External verification
GRI 103 Management approach 2016 Linked to Economic Performance (201), Market Presence (202), Indirect Economic Impacts (203), Procurement Practices (204) and Anti-corruption (205)			
103-1 Explanation of the material topic and its Boundary	32-35		✓
103-2 The management approach and its components	41-43, 46-49, 51-57, 73, 87-88, 145-149		✓
103-3 Evaluation of the management approach	46-49, 73, 88		✓
GRI 201 Economic performance 2016			
201-1 Direct economic value generated and distributed	73		✓
201-2 Financial implications and other risks and opportunities due to climate change	A financial assessment is not available of the risks and opportunities derived from climate change. In 2018, a specific study has been conducted related with the financial impact of the emission rights in the European market.		✓
201-3 Defined benefit plan obligations and other retirement plans	CCAA 23-24,84-85, 90-93; IAGC 63		✓
GRI 202 Market Presence 2016			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	101		✓
GRI 203 Indirect Economic Impacts 2016			
203-1 Infrastructure investments and services supported	46-49, 89-90, 153		✓
203-2 Significant indirect economic impacts	73		✓

Standard	Page/Direct answer	Omissions	External verification
GRI 204 Procurement Practices 2016			
204-1 Proportion of spending on local suppliers	89, 149-151		✓
GRI 205 Anticorrupción 2016			
205-1 Operations assessed for risks related to corruption	23-27, 28-31		✓
205-2 Communication and training about anti-corruption policies and procedures	23-27, 28-31		✓

Environmental material topics

Standard	Page/Direct answer	Omissions	External verification
GRI 103 Management approach 2016 Related to: Materials (301), Energy (302), Water (303), Biodiversity (304), Emissions (305), Effluents and waste (306), Environmental compliance (307) and Environmental assessment of suppliers (308)			
103-1 Explanation of the material topic and its Boundary	32-37		✓
103-2 The management approach and its components	38-43, 79-85		✓
103-3 Evaluation of the management approach	43, 79-85		✓
GRI 301 Materials 2016			
301-1 Materials used by weight or volume	81-82, 127-129		✓
301-2 Recycled input materials used	81-82, 127-129		✓

Standard	Page/Direct answer	Omissions	External verification
GRI 302 Energy 2016			
302-1 Energy consumption within the organization	79-80, 120-125		✓
302-2 Energy consumption outside of the organization	The energy consumption outside the organization includes upstream operations related with the extraction phase (since some of the quarries are managed by external companies) No information is available on downstream energy consumption.		✓
302-4 Reduction of energy consumption	79-80, 120-125		✓
302-5 Reductions in energy requirements of products and services	79-80		✓
GRI 303 Water 2018			
303-1 Interactions with water as a shared resource	81-82, 130-131		✓
303-2 Management of water discharge related impacts	81-82		✓
303-3 Water withdrawal	81-82, 130-131		✓
303-4 Water discharge	134-135		
303-5 Water consumption	81-82, 130-131		
GRI 304 Biodiversity 2016			
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	84-85, 143		✓
304-2 Significant impacts of activities, products, and services on biodiversity	84-85, 143		✓
304-3 Habitats protected or restored	84-85		✓

Standard	Page/Direct answer	Omissions	External verification
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	84-85		✓
GRI 305 Emissions 2016			
305-1 Direct (Scope 1) GHG emissions	79-80, 119-120		✓
305-2 Energy indirect (Scope 2) GHG emissions	79-80, 119-120		✓
305-4 GHG emissions intensity	79-80, 119-120		✓
305-5 Reduction of GHG emissions	79-80, 119-120		✓
305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	83-84, 137-139		✓
GRI 306 Effluents and Waste 2016			
306-2 Total weight of the waste from the production process, according to type and processing method	81-82, 132, 133		✓
GRI 307 Cumplimiento regulatorio 2016			
307-1 Monetary value of the significant fines and number of non-monetary sanctions for not complying with environmental law and standards	Content note (b)		✓
GRI 308 Supplier Environmental Assessment 2016			
308-1 New suppliers that have passed evaluation and selection filters according to environmental criteria	88, 149-151		✓
308-2 Negative environmental impacts in the supply chain and actions taken	32-35, 88-90		✓

Social material topics

Standard	Page/Direct answer	Omissions	External verification
GRI 103 Management approach 2016 Related to: Employment (401), Labour relations (402), Occupational health and safety (403), Training and education (404), Diversity and equal opportunities (405), Non-discrimination (406), Freedom of association and collective bargaining (407), Security practices (410), Indigenous peoples Rights (411), Human rights assessment (412), Local communities (413), Social provider evaluation (414), Public policy (415), Health and safety of clients (416), Marketing and labelling (417), Customer privacy (418) and Socio-economic compliance (419)			
103-1 Explanation of the material topic and its Boundary	32-35		✓
103-2 The management approach and its components	39-43, 74-78, 88-90		✓
103-3 Evaluation of the management approach	39-43, 74-78, 88-90		✓
GRI 401 Employment 2016			
401-1 New employee hires and employee turnover	74-76, 101-102		✓
401-3 Parental leave	76, 106-107		✓ (parcial)
GRI 402 Labour/Management Relations 2016			
402-1 Minimum notice periods regarding operational changes	Content note (c)		
MM-4 Number of strikes and forced stops lasting more than one week, according to country	Content note (d)		
GRI 403 Occupational Health and Safety 2018			
403-1 Occupational health and safety management system	77-78, 113-117		✓
403-2 Hazard identification, risk assessment, and incident investigation	77-78, 113-117	The absenteeism index has not been published since the data is not available. Actions are being carried out to publish this information in reports as of 2021.	✓

Standard	Page/Direct answer	Omissions	External verification
403-3 Occupational health services	77-78, 113-117		✓
403-4 Staff participation, consultation, and communication on occupational health and safety	The Management Report includes information related to occupational health and safety issues addressed in formal agreements with the legal representation of the workforce in Spain.		✓
403-5 Training on occupational health and safety	77, 111		
403-6 Promotion of health of those working in the Group	77-78		
403-7 Prevention and mitigation of health and safety impacts of those directly linked through business relationships	32-35, 77-78, 113-117		
GRI 404 Training and Education 2016			
404-1 Average hours of training per year per person	74, 109		✓
404-2 Programs for upgrading employee skills and transition assistance programs	77-78, 109-113 Content note (e)		✓
GRI 405 Diversity and Equal Opportunity 2016			
405-1 Diversity of governance bodies and employees	23-24, 93-100; IAGC 17-18 Content note (f)		✓
405-2 Ratio of basic salary and remuneration of women to men	100		✓
GRI 406 Non-discrimination 2016			
406-1 Incidents of discrimination and corrective actions taken	No cases of discrimination have been identified during the year. Content note (f)		✓

Standard	Page/Direct answer	Omissions	External verification
GRI 407 Freedom of Association and Collective Bargain 2016			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not identified.		√
GRI 409 Forced or Compulsory Labour 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Not identified.		√
GRI 410 Security Practices 2016			
410-1 Security personnel trained in human rights policies or procedures	Practically none of the security personnel have received training in human rights policies or procedures.		√√
GRI 411 Rights of Indigenous Peoples 2016			
411-1 Incidents of violations involving rights of indigenous peoples	Not identified.		√
MM-5 Number of operations run in areas or adjacent to territories with an indigenous population, and number and percentage of operations or places with formal agreements with the local indigenous communities	89-90 Content note (g)		
GRI 412 Human Rights Assessment 2016			
412-1 Operations that have been subject to human rights reviews or impact assessments	89-90		√ (partial)
412-2 Employee training on human rights policies or procedures	24-27		√
GRI 413 Local Communities 2016			
413-1 Operations with local community engagement, impact assessments, and development programs	89-90		√

Standard	Page/Direct answer	Omissions	External verification
413-2 Operations with significant actual and potential negative impacts on local communities	32-35, 89-90		✓
GRI 414 Supplier Social Assessment 2016			
414-1 New suppliers that have passed selection filters according to social criteria	86, 149		✓
414-2 Negative social impacts in the supply chain and actions taken	32-35, 88		✓
GRI 415 Public Policy 2016			
415-1 Political contributions	No political contributions have been made according to the current protocol on gifts and hospitality, which explicitly prohibit these.		✓
GRI 416 Customer Health and Safety 2016			
416-1 Assessment of the health and safety impacts of product and service categories	87-88, 146-147		✓
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No non-compliances have occurred related with the impact on health and safety of products and services.		✓
GRI 417 Marketing and Labelling 2016			
417-1 Requirements for product and service information and labelling	87-88, 146-147		✓
GRI 418 Customer Privacy 2016			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints have been received related with breaches of the privacy of clients or loss of their personal data.		✓
GRI 419 Socioeconomic Compliance 2016			
419-1 Non-compliance with laws and regulations in the social and economic area	This year, no sanctions have been received related with these issues.		✓

Standard	Page/Direct answer	Omissions	External verification
MM-10 Number of holdings with closure plans	There are 34 inactive holdings in total with closure plans in Spain.		

Content notes

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

- CEMENTS MOLINS INDUSTRIAL: OFICEMEN (grouping of cement manufacturers in Spain), IECA (Spanish Institute of Cement and its Applications), CIMENT CATALÀ (entity which brings together cement manufacturers from 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 External Thermal Insulation Systems) 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 External Thermal Insulation Systems), EMO (European Mortar Organisation), Green Building Council, ACE (Association of Structure Builders), ARFHO (Association for Repairing and Protecting Concrete).
- CEMENTOS AVELLANEDA SA: 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 SA: 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: UNAM Foundation and COPARMEX (Employer 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 total of four sanctions have been imposed on us related to environmental aspects: two in Mexico, one in Tunisia and one in Bangladesh for a total amount of 59,394 euros.

(c) The minimum notice period 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 period of notice.

There are no formal policies other than what is stipulated in the collective agreements.

(d) There was a strike of more than a week in one of the plants in Tunisia linked to the improvement of working and remuneration conditions. After dialogue, an agreement was reached whereby activity in the facilities was restored.

(e) There are no formal policies other than what is stipulated in the collective agreements.

(f) There are no formal policies other than what is stipulated in the current legislation.

(g) There are operations that take place in centres adjacent to indigenous territories in Colombia and Bolivia, countries in which collaborative projects with these communities are carried out.

Equivalences between GRI and the Global Compact

Principles of the Global Covenant	Equivalence with the GRI Content Index (G4)
Human Rights	
Principle 1 – Companies must uphold and respect the protection of fundamental human rights, recognized internationally, within their sphere of influence.	Subcategory human rights: all aspects. Subcategory Society: local communities.
Principle 2 – Companies must ensure that their businesses are not complicit in the violation of human rights.	Subcategory human rights: all aspects.
Labour Regulations	
Principle 3 – Companies should uphold freedom of affiliation and the effective recognition of the right to collective bargaining.	G4-11 Subcategory Labour practices and dignified work: relationships between the workforce and management. Subcategory human rights: freedom of association and collective bargaining.
Principle 4 – Companies should support the elimination of all forms of forced or coerced labour.	Subcategory human rights: forced labour.
Principle 5 – Companies should support the eradication of child labour.	Subcategory human rights: child labour.
Principle 6 – Companies should support the abolition of discriminatory practices in employment and work.	G4-10 Subcategory Labour practices and dignified work: all aspects. Subcategory human rights: non-discrimination.

Principles of the Global Covenant	Equivalence with the GRI Content Index (G4)
Environment	
Principle 7 – Companies must maintain a preventive approach that favours the environment.	Category Environment: all aspects.
Principle 8 – Companies should encourage initiatives that promote greater environmental responsibility.	Category Environment: all aspects.
Principle 9 – Companies should promote the development and diffusion of environmentally friendly technologies.	Category Environment: all aspects.
Anti-corruption	
Principle 10 – Companies should work against corruption in all its forms, including extortion and bribery.	Subcategory Society: Fight against corruption and Public Policy.

Equivalences between the SDG and the GRI

Linkages to the Sustainable Development Goals

Sustainable Development Goals	Topic	Equivalence with the GRI Content Index (SRS)
6. Ensure availability and sustainable management of water and sanitation for all	Water efficiency.	303-1, 303-2, 303-3, 304-4, 304-5
	Water quality.	306-1
	Participation of local communities.	413-1, 413-2
	Environmental investments.	103 (303, 307)
7. Ensure access to affordable, reliable, sustainable and modern energy for all	Energy efficiency.	302-1, 302-2, 302-3, 302-4, 302-5
	Environmental investments.	103 (305, 306, 307)
	Greenhouse gas emissions.	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7
	Risks and opportunities due to climate change.	201-2
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Modify the productivity of the organisations, the activity sectors or the entire economy.	203-2
	Diversity and equal opportunities.	405-1
	Earnings, wages and benefits.	202-1, 401-2
	Economic inclusion.	103-2
	Economic performance.	201-1

Sustainable Development Goals	Economic performance	Equivalence with the GRI Content Index (SRS)
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Elimination of forced labor.	409-1
	Training of the workforce.	404-1, 404-2, 404-3
	Employment.	102-8, 202-2, 401-1
	Energy efficiency.	302-1, 302-2, 302-3, 302-4, 302-5
	Equal remuneration for men and women.	405-2
	Freedom of collective association.	102-41, 407-1
	Indirect impacts on the job creation.	203-2
	Jobs supported by supply chains.	203-2
	Internship programs in the supply chain.	414-1, 414-2
	Relationship between company and employees.	402-1
	Material efficiency.	301-1, 301-2
	Non-discrimination.	406-1
	Occupational health and safety.	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7
	Parental leave.	401-3
	Resource efficiency of products and services.	301-3
	Water efficiency.	303-1, 303-2, 303-3, 303-4
	Youth employment.	401-1

Sustainable Development Goals	Topic	Equivalence with the GRI Content Index (SRS)
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Infrastructure investments.	201-1, 203-1
	Research and development.	201-1
11. Make cities and human settlements inclusive, safe, resilient and sustainable	Infrastructure investments.	203-1
	Sustainable transport.	203-1
12. Ensure sustainable consumption and production patterns	Air quality.	305-1, 305-2, 305-3, 305-6, 305-7
	Energy efficiency.	302-1, 302-2, 302-3, 302-4, 302-5
	Environmental investments.	103 (305, 306, 307)
	Materials efficiency and recycling.	301-1, 301-2
	Procurement practices.	204-1
	Product and service information and labeling.	417-1
	Resource efficiency of products and services.	301-3
	Spills.	306-3
	Transport.	302-1, 302-2, 305-1, 305-2, 305-3
	Waster.	306-2, 306-4
	Water efficiency.	303-1, 303-2, 303-3, 303-4
	Water quality.	306-1
13. Take urgent action to combat climate change and its impacts	Energy efficiency.	302-1, 302-2, 302-3, 302-4, 302-5
	Environmental investments.	103 (305, 306, 307)
	Greenhouse gas emissions.	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7

Sustainable Development Goals	Topic	Equivalence with the GRI Content Index (SRS)
13. Take urgent action to combat climate change and its impacts	Risks and opportunities due to climate change.	201-2
	Protection of biodiversity.	304-1, 304-2, 304-3, 304-4
	Environmental investments.	103 (301, 304, 307)
15. Sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss	Use of resources.	301-1, 301-2, 303-1, 303-2, 303-3, 304-4, 304-5
	Greenhouse gas emissions.	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7
	Risks and opportunities due to climate change.	201-2
17. Alliances to achieve the objectives	Foreign direct investment.	203-2

Equivalences between the GCCA and the GRI

Foundations	Topic	Equivalence with the GRI Content Index (SRS)
1. Health and safety	Health and safety management.	403-1, 403-2, 403-3, 403-4, 403-6, 403-7
	Training in health and safety.	403-5
	Customers health and safety.	416-1, 416-2, 417-1, 418-1, 419-1
2. Climate change and energy	Emissions.	305-1, 305-2, 305-3, 305-4, 305-5, 305-6
	Climate change risks.	201-2
	Energy.	302-1, 302-2, 302-3, 302-4, 302-5
3. Social Responsibility	Supply chain.	102-9, 204-1, 308-1, 308-2, 414-1, 414-2
	Ethics, anti-corruption, non-discrimination.	102-16, 205-1, 205-2, 406-1
	Human Rights.	409-1, 410-1, 411-1, 412-1, 412-2
	Key impacts, risks, and opportunities.	102-15, 102-29, 102-30, 102-31
	Remuneration and social benefits.	102-35, 102-36, 102-38, 201-3
	Diversity.	202-1, 405-1, 405-2
	Employment.	401-1, 401-3, 402-1
	Training.	404-1, 404-2
	Freedom of association.	407-1
	Commitment to the community.	413-1, 413-2

Foundations	Topic	Equivalence with the GRI Content Index (SRS)
3. Social Responsibility	Stakeholder engagement.	102-13, 102-40, 102-41, 102-42, 102-43, 102-44
	Infrastructure investments.	203-1
4. Environment and nature	Environmental impacts.	102-29, 102-30, 102-31
	Compliance.	307-1
	NO _x , SO _x emissions, etc.	305-7
	Water.	303-1, 303-2, 303-3, 303-4, 303-5
	Biodiversity.	304-1, 304-2, 304-3, 304-4
5. Circular economy	Materials.	301-1, 301-2
	Effluents and waste.	306-2

Equivalences with the INF Law

Contents of Law 11/2018 INF		Relevant GRI standards and contents
Description of the group's business model	Brief description of the group's business model, which will include its business environment, its organisation and structure, the markets where it operates, its objectives and strategies and the main factors and trends that may affect its future developments.	GRI 102-2 Activities, brands, products and services. GRI 102-4 Location of the activities. GRI 102-6 Markets served. GRI 102-15 Key impacts, risks, and opportunities. GRI 102-7 Size of the organisation.
Policies	Policies that apply to the group, including due diligence procedures applied to identification, assessment, prevention and mitigation of risks and significant impacts and verification and control procedures as well as the measures that have been adopted.	GRI 103-2 Management approach and its components (set out in GRI 300). GRI 103-3 Evaluation of the management approach.
Primary risks	Primary risks related with those issues linked with the operations of the group; among these, when pertinent and proportionate, its commercial relations, products or services that may have a negative effect on those sectors and the way in which the group manages these risks, explaining the procedures used for detecting and evaluating them according to national, European or international frameworks of reference for each issue. Information regarding the impacts that have been detected must be included, offering a breakdown of the information, in particular about the primary short, mid and long term risks.	GRI 102-15 Key impacts, risks, and opportunities. GRI 102-11 Precautionary principle or approach. GRI 102-30 Effectiveness of the risk management processes. GR 201-2 Financial implications and other risks and opportunities of climate change.
General	Current and expected effects of the company's operations on the environment and if applicable, on health and safety.	GRI 102-15 Key impacts, risks, and opportunities. GRI 102-29 Identifying and managing economic, environmental, and social impacts. GRI 102-31 Review of economic, environmental, and social topics.
	Environmental evaluation or certification procedures.	GRI 102-11 Precautionary principle or approach. GRI 102-29 Identifying and managing economic, environmental, and social impacts. GRI 102-30 Effectiveness of the risk management processes.

Contents of Law 11/2018 INF	Relevant GRI standards and contents
General	Resources dedicated to preventing environmental risks.
	GRI 102-29 Identifying and managing economic, environmental, and social impacts.
	Application of the precautionary principle.
Pollution	GRI 102-11 Precautionary principle or approach.
	Provisions and guarantees for environmental risks.
	GRI 307-1 Non-compliance with environmental laws and regulations.
Circular economy and waste prevention and management	Measures for preventing, reducing or repairing carbon emissions that gravely affect the environment, taking into account any form of air pollution specific to an operation, including noise and light pollution.
	GRI 103-2 Management approach (set out in GRI 302 and 305). GRI 302-4 Reduction of energy consumption. GRI 302-5 Reductions in the energy requirements of products and services. GRI 305-5 Reduction of GHG emissions. GRI 305-7 NO _x , SO _x and other significant air emissions.
	Prevention measures, recycling, reuse, other forms of waste recovery and disposal. Actions for fighting food waste.
Sustainable use of resources	GRI 103-2 Management approach (set out in GRI 306). GRI 301-1 Materials used by weight or volume. GRI 301-2 Recycled materials consumed. 303-1 Interactions with water as a shared resource. 303-2 Management of water discharge related impacts. GRI 306-2 Waste by type and management method.
	Water consumption and water supply in accordance with local limitations.
	303-2 Management of water discharge related impacts. 303-3 Water withdrawal. 303-4 Water discharge. 303-5 Water consumption.
	Raw material consumption and measures adopted to improve the efficiency of their use.
	GRI 103-2 Management approach (set out in GRI 301). GRI 301-1 Materials used by weight and volume. GRI 301-2 Recycled materials consumed.

Contents of Law 11/2018 INF	Relevant GRI standards and contents
Sustainable use of resources	<p>Energy: Consumption, direct and indirect; measures taken to improve energy efficiency; use of renewable energies.</p> <p>GRI 102-2 Management approach (set out in GRI 302 Energy). GRI 302-1 Energy consumption within the organisation (energy originating from renewable and non-renewable sources). GRI 302-2 Energy consumption outside the organisation. GRI 302-4 Reduction of energy consumption. GRI 302-5 Reduction of the energy requirements of products and services.</p>
	<p>Greenhouse gas emissions.</p> <p>GRI 305-1 Direct GHG emissions (scope 1). GRI 305-2 Indirect GHG emissions (scope 2). GRI 305-4 GHG emissions intensity.</p>
Climate change	<p>Measures adopted to adapt to the consequences of Climate Change.</p> <p>GRI 102-15 Key impacts, risks, and opportunities. GRI 103-2 Management approach (set out in GRI 305). GR 201-2 Financial implications and other risks and opportunities as a result of climate change. GRI 305-5 Reduction of GHG emissions.</p>
	<p>Mid and long term reduction goals set voluntarily to reduce GHG emissions and measures implemented for this purpose.</p> <p>GRI 103-2 Management approach (set out in GRI 305-5 Reduction of GHG emissions).</p>
Protection of biodiversity	<p>Measures taken to preserve or restore the biodiversity.</p> <p>GRI 103-2 Management approach (set out in GRI 305). GRI 304-3 Protected or restored habitats.</p>

Contents of Law 11/2018 INF	Relevant GRI standards and contents
Protection of biodiversity	Impacts caused by activities or operations in protected areas.
	<p>GRI 304-1 Proprietary, leased or managed operation centres inside or next to protected areas or areas of great biodiversity value outside of protected areas.</p> <p>GRI 304-2 Significant impacts of activities, products, and services on biodiversity.</p> <p>GRI 304-4 Red List species and national conservation list species with habitats in areas affected by operations.</p>
Policies	<p>Policies that apply to the group, including due diligence procedures applied to identification, assessment, prevention and mitigation of risks and significant impacts and verification and control procedures as well as the measures that have been adopted.</p>
	<p>GRI 103-2 Management approach and its components (set out in GRI 400).</p> <p>GRI 103-3 Evaluation of the management approach.</p> <p>GRI 102-35 Remuneration policies.</p>
Primary risks	<p>Primary risks related with those issues linked with the operations of the group, among these, when pertinent and provided, its commercial relations, products or services that may have a negative effect on those sectors and how the group manages these risks, explaining the procedures used for detecting and evaluating them according to national, European or international frameworks of reference for each issue. Information regarding the impacts that have been detected must be included, offering a breakdown of the information, in particular about the primary short, mid and long term risks.</p>
	<p>GRI 102-15 Key impacts, risks, and opportunities.</p> <p>GRI 102-30 Effectiveness of the risk management processes.</p>
Employment	<p>Total number and distribution of employees by gender, age, country and professional classification.</p>
	<p>GRI 102-7 Size of the organisation.</p> <p>GRI 102-8 Information about employees and other workers.</p> <p>GRI 405-1. b) Percentage of employees by job category for each one of the following diversity categories: gender and age group.</p>

Contents of Law 11/2018 INF	Relevant GRI standards and contents
	Total number and distribution of the different types of job contracts. GRI 102-8 Information about employees and other workers.
	Annual average of full time, seasonal and part time job contracts by gender, age and job classification. GRI 102-8 Information about employees and other workers.
	Number of layoffs by gender, age and job classification. GRI 401-1.b) Total number and rate of employee turnover during the reporting period, by age group, gender and region.
	Average salaries and their progress disaggregated by gender, age and job classification or equal value. GRI 405-2 Ratio of basic salary and remuneration of women to men.
	Salary gap. GRI 405-2 Ratio of basic salary and remuneration of women to men.
Employment	Remuneration of equal job positions or average of the company. GRI 202-1 Ratios of standard entry level wage by gender compared to local. GRI 102-38 Total compensation ratio.
	The average remuneration of the directors and management personnel, including the variable wages, per diem, compensations, payments made to long terms savings plans and any other item disaggregated by gender. GRI 102-35 Remuneration policies. GRI 102-36 Process for determining remuneration (management approach). GRI 201-3 Defined benefit plan obligations and other retirement plans.
	Implementation of job disconnect measures. GRI 402-1 Minimum notice periods regarding operational changes. GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes.
	People with disabilities. GRI 405-1 Diversity of governance bodies and employees.
Organisation of the work	Organisation of the work time. GRI 102-8. c) Total number of employees by employment type (full-time and part-time) and by gender.

Contents of Law 11/2018 INF	Relevant GRI standards and contents
Organisation of the work	<p>Number of missed working hours.</p> <p>GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities (section a)</p>
	<p>Measures aimed at facilitating conciliation and promoting a shared exercising of this right by part of both parents.</p> <p>GRI 401-3 Parental leave. GRI 103-2 Management approach (set out in GRI 401).</p>
Health and safety	<p>Occupational health and safety conditions.</p> <p>GRI 103-2 Management approach (set out in GRI 403 Health and Safety).</p>
	<p>Work accidents (frequency and severity) disaggregated by gender.</p> <p>403-1 Occupational health and safety management system. 403-2 Hazard identification, risk assessment, and incident investigation.</p>
	<p>Occupational diseases (frequency and severity) disaggregated by gender.</p> <p>403-1 Occupational health and safety management system. 403-2 Hazard identification, risk assessment, and incident investigation. 403-3 Occupational health services.</p>
Social relationships	<p>Organisation of the social dialogue, including procedures aimed at informing and consulting personnel and negotiating with them.</p> <p>GRI 102-43 Approach to stakeholder engagement (related with labour unions and collective bargaining). GRI 402-1 Minimum notice periods regarding operational changes GRI 403-1 Workers representation in joint health and safety committees.</p>
	<p>Percentage of jobs covered under a collective bargaining agreement by country.</p> <p>GRI 102-41 Collective bargaining agreements.</p>
	<p>Balance of the collective bargaining agreements, particularly in the occupational health and safety sector.</p> <p>403-1 Occupational health and safety management system. 403-3 Occupational health services. 403-4 Staff participation, consultation, and communication on occupational health and safety. 403-5 Training on occupational health and safety. 403-6 Promotion of health of those working in the Group.</p>

Contents of Law 11/2018 INF	Relevant GRI standards and contents
Training	Policies implemented in the training sector.
	GRI 103-2 Management approach (set out in GRI 404-Training and education). GRI 404-2 Programs for upgrading employee skills and programs.
Accessibility	Total number of training hours by job category.
	GRI 404-1 Average hours of training per year per person.
Equality	Universal accessibility of personnel with disabilities.
	GRI 103-2 Management approach (set out in GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination).
Equality	Measures adopted for promoting the equal treatment and equal opportunity between men and women.
	GRI 103-2 Management approach (set out in GRI 405 Health and Safety).
Equality	Equality plans.
	GRI 103-2 Management approach (set out in GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination).
Equality	Measures adopted for promoting employment.
	GRI 103-2 Management approach (set out in GRI 401 Employment).
Equality	Protocols against sexual harassment and by reasons of gender.
	GRI 103-2 Management approach (set out in GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination).
Equality	Universal integration and accessibility of persons with disabilities.
	GRI 103-2 Management approach (set out in GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination).
Equality	Policy against any type of discrimination and if applicable, for managing diversity.
	GRI 103-2 Management approach (set out in GRI 405 Diversity and equal opportunity and GRI 406 Non-discrimination). GRI 406-1 Incidents of discrimination and corrective actions taken.

Information related with the respect for human rights

Policies

Policies that apply to the group, including due diligence procedures applied to identification, assessment, prevention and mitigation of risks and significant impacts and verification and control procedures as well as the measures that have been adopted.

GRI103-2 Management approach and its components.
GRI 103-3 Evaluation of the management approach.
GRI 410-1 Security personnel trained in human rights policies or procedures.
GRI 412-2 Training in human rights policies or procedures.

Primary risks

Primary risks related with those issues linked with the operations of the group; among these, when pertinent and proportionate, its commercial relations, products or services that may have a negative effect on those sectors and the way in which the group manages these risks, explaining the procedures used for detecting and evaluating them according to national, European or international frameworks of reference for each issue. Information regarding the impacts that have been detected must be included, offering a breakdown of the information, in particular about the primary short, mid and long term risks.

GRI 102-15 Key impacts, risks, and opportunities.
GRI 102-30 Effectiveness of the risk management processes.

Application of due diligence procedures in terms of human rights.

GRI 103-2 Management approach (set out in GRI 412 Human Rights Assessment).
GRI 414-2 Negative social impacts in the supply chain and actions taken.

Human rights

Prevention of the risk of human rights violations and if applicable, measures implemented to mitigate, manage and repair the possible abuses committed.

GRI 103-2 Management approach (set out in GRI 412 Human Rights Assessment).
GRI 412-1 Operations that have been subject to human rights reviews or impact assessments.
GRI 410-1 Security personnel trained in Human Rights policies or procedures.

Contents of Law 11/2018 INF

Relevant GRI standards and contents

Human rights

Reporting of human rights violations cases.

GRI 102-17 Mechanisms for advice and concerns about ethics (reports received and resolution).
GRI 103-2 Management approach (set out in GRI 412 Human Rights Assessment).
GRI 411-1 Rights of indigenous people.
GRI 419-1 Non-compliance with laws and regulations in the social and economic area.

Promotion and compliance with the provisions included in fundamental OIT agreements in terms of the respect for the freedom of association and the collective bargaining rights, the elimination of discriminatory employment practices, the elimination of forced or compulsory labour and the effective abolition of child labour.

GRI 103-2 Management Approach (set out in GRI 406 No discrimination; 407 Freedom of association and collective bargaining; 408 Child labour; 409 Forced or compulsory labour and 412 Human rights assessment).

Policies

Policies that apply to the group, including due diligence procedures applied to identification, assessment, prevention and mitigation of risks and significant impacts and verification and control procedures as well as the measures that have been adopted.

GRI103-2 The management approach and its components (set out in GRI 205).
GRI 103-3 Evaluation of the management approach.
GRI 205-2 Communication and training about anti-corruption policies and procedures.

Primary risks

Primary risks related with those issues linked with the operations of the group; among these, when pertinent and proportionate, its commercial relations, products or services that may have a negative effect on those sectors and the way in which the group manages these risks, explaining the procedures used for detecting and evaluating them according to national, European or international frameworks of reference for each issue. Information regarding the impacts that have been detected must be included, offering a breakdown of the information, in particular about the primary short, mid and long term risks.

GRI 102-15 Key impacts, risks, and opportunities.
GRI 102-30 Effectiveness of the risk management processes.
GRI 205-1 Operations assessed for risks related to corruption.

Contents of Law 11/2018 INF	Relevant GRI standards and contents
Measures adopted to prevent corruption and bribes.	GRI 103-2 Management approach (set out in GRI 205). GRI 205-2 Communication and training about anti-corruption policies and procedures.
Measures for fighting against money laundering.	GRI 103-2 Management approach (set out in GRI 205).
Corruption and bribes	
Contributions made to foundations and non-profit organisations.	GRI 103-2 Management approach (set out in GRI 205). GRI 201-1 Direct economic value generated and distributed (investments in the community). GRI 203-2 Significant indirect economic impacts. GRI 415-1 Political contributions.
Policies	Policies that apply to the group, including due diligence procedures applied to identification, assessment, prevention and mitigation of risks and significant impacts and verification and control procedures as well as the measures that have been adopted. GRI 103-2 The management approach and its components (set out in GRI 413 and 414). GRI 103-3 Evaluation of the management approach.
Primary risks	Primary risks related with those issues linked with the operations of the group; among these, when pertinent and proportionate, its commercial relations, products or services that may have a negative effect on those sectors and the way in which the group manages these risks, explaining the procedures used for detecting and evaluating them according to national, European or international frameworks of reference for each issue. Information regarding the impacts that have been detected must be included, offering a breakdown of the information, in particular about the primary short, mid and long term risks. GRI 102-15 Key impacts, risks, and opportunities. GRI 102-30 Effectiveness of the risk management processes.

Contents of Law 11/2018 INF	Relevant GRI standards and contents
	<p>GRI 203-1 Infrastructure investments and services supported.</p> <p>GRI 203-2 Significant indirect economic impacts.</p> <p>GRI 204-1 Proportion of spending on local suppliers.</p> <p>GRI 413-1 Operations with local community engagement, impact assessments, and development programs.</p>
<p>Company commitment towards sustainable development</p>	<p>Impact of the company's activity on employment and local development.</p> <p>Impact of the company's activity on local populations and the territory.</p> <p>GRI 203-1 Infrastructure investments and services supported.</p> <p>GRI 203-2 Significant indirect economic impacts.</p> <p>GRI 413-1 Operations with local community engagement, impact assessments, and development programs.</p> <p>GRI 413-2 Operations with significant actual and potential negative impacts on local communities.</p>
	<p>Relationships maintained with actors in the local communities and the ways to communicate with them.</p> <p>GRI 102-43 Approach to stakeholder engagement (related with the community).</p> <p>GRI 413-1 Operations with local community engagement, impact assessments, and development programs.</p>
	<p>Association or sponsorship actions.</p> <p>GRI 102-13 membership of associations.</p> <p>GRI 203-1 Infrastructure investments and services supported.</p> <p>GRI 201-1 Direct economic value generated and distributed (investments in the community).</p>
<p>Subcontracting and suppliers</p>	<p>Inclusion of social issues, gender equality and environmental issues in the purchasing policy.</p> <p>GRI 103-3 Management approach (set out in GRI 308 and GRI 414).</p>

Contents of Law 11/2018 INF	Relevant GRI standards and contents
Subcontracting and suppliers	<p>Considerations related with suppliers and subcontractors regarding their social and environmental responsibilities.</p> <p>GRI 102-9 Supply chain. GRI 103-3 Management approach (set out in GRI 308 and GRI 414). GRI 308-1 New suppliers that have passed evaluation and selection filters using environmental criteria. GRI 308-2 Negative environmental impacts in the supply chain and actions taken. GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk. GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour. GRI 414-1 New suppliers that have passed selection filters according to social criteria. GRI 414-2 Negative social impacts in the supply chain and actions taken.</p>
	<p>Supervisory and auditing systems and their results.</p> <p>GRI 308-1 New suppliers that have been evaluated according to environmental criteria. GRI 308-2 Negative environmental impacts in the value chain and actions taken. GRI 414-2 Negative social impacts in the value chain and actions taken.</p>
Consumers	<p>Measures for the health and safety of consumers.</p> <p>GRI 103-2 Management approach (set out in GRI 416 Health and Safety of the Clients). GRI 416-1 Assessment of the health and safety impacts of product and service categories. GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services. GRI 417-1 Requirements for product and service information and labeling.</p>
	<p>Claims system, complaints received and their resolution.</p> <p>GRI 102-17 Mechanisms for consulting and ethical concerns (complaints received and their resolution). GRI 103-2 Management approach (set out in GRI 416 Health and Safety of the Clients). GRI 418-1 Substantial complaints related with breaches of the privacy of clients or loss of their personal data.</p>
Tax information	<p>Profit obtained by country.</p> <p>GRI 201-1. Direct economic value generated and distributed.</p>
	<p>Profit taxes paid.</p> <p>GRI 201-1 Direct economic value generated and distributed.</p>
	<p>Public grants received.</p> <p>GRI 201-4 financial assistance received by from the government.</p>

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complete Financial Information can be reachable
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