

Annual report **2020**



Build
together,
live together

Cover photo:
Bioclimatic architecture using
decorative SMARTUP concrete
tracery at Gigamed business
incubator (southern France)

Here:
Coastal Highway,
Réunion Island (France)

Contents

02 INTERVIEW WITH GUY SIDOS CHAIRMAN AND CEO

04 VICAT IN NUMBERS

05 WE TAKE ACTION FOR LIVING BETTER TOGETHER

- 06 Three issues that steer our choices
- 08 Our strategy
- 10 Our businesses
- 12 Our facilities
- 14 Our value-creation plan
- 16 Governance and shareholders
- 18 Our corporate foundation
- 20 Our CSR policy

23 WE BUILD THE FUTURE

- 24 **Report #1**
A year serving
circular economy
- 26 Personal account
- 27 **Report #2**
Low carbon,
our priority

29 WE STRESS COMMUNITY FOCUS

- 30 France
- 34 Rest of Europe
- 36 Americas
- 40 West Africa
- 42 Mediterranean
- 44 Asia

46 FINANCIAL INDICATORS

Vicat is a French company founded nearly 170 years ago in the footsteps of Louis Vicat. _____

Today, across 12 countries, the Group lays out a top-class offering of mineral and bio-based construction materials, along with services that meet the needs of the construction trades.

Wherever it has cement plants, aggregate quarries, concrete batching plants, and factories manufacturing finishing products for the building industry, Vicat strives to produce locally and in so doing develop employment and the local economy.

For some years now, under its commitment to ecological transition, the Group has been reducing the carbon impact of all its businesses and putting the virtues of circular economy into practice.

Still family-run, the company cultivates a relationship of confidence with customers, partners, and employees on a daily basis.



GUY SIDOS
Chairman & CEO

“We’re an industrial enterprise stamped with a strong spirit of innovation that today focuses on carbon-free growth.”

— What is your take on the health crisis that has turned our lives and indeed the economy upside down?

I was impressed by the quality and efficacy of our collective response. Thanks to the firm commitments of our employees throughout the world, our results improved, riding on the wave of our latest developments. And in every field too: industrially and environmentally, commercially, financially, and also in terms of safety and cybersecurity which has become a major issue.

The provisions of the continuity plans we set up in February 2020 meant we were protected and could produce and sell. Our strategy demonstrated its strength and resilience: on local markets, in application of the principles of circular economy, and internationally to ensure a geographical balance of risk.

But more than these technical factors, the crisis revealed the importance of the human factor and its noblest components of courage, commitment, solidarity, goodwill, and competence. Despite social distancing, we have never been so close, and that is something we can be proud of. I also want to applaud the actions of Fondation Louis Vicat whose initiatives and close relations with our employees helped relieve some of the difficulties encountered during

this time. The crisis has also brought about long-lasting changes to the way we work, with the successful introduction of telecommuting, the elimination of some needless tasks, and optimization of our drive for efficiency. It created opportunities and accelerated ecological transition and digital transformation. By virtue of our solid foundations, we can tackle 2021 head on and look to the future with the ambition of intensifying our efforts aimed at decarbonizing our processes and products.

— **Does the Vicat business model meet the need to accelerate adaptation to climate change?**

Our Group is ingrained with five key principles that have secured our past and present success and will continue to do so into the future. The first of these is our **community focus**, and this was confirmed by the relocation of our headquarters from near Paris to L'Isle d'Abeau, in eastern France, in October 2020. This decision means all the Group's different departments are now located in a single place, which facilitates synergies and decision-making. The second principle is our **commitment to partnership**, asserting our ambition to build business relationships and to work together in the field with all stakeholders, with a view to the long term. Then there is **responsible sustainability** whereby we factor into what we do the impact our actions will have on the environment and the quality of life of people living close to where the Group works, and **shared fervor**, the force driving our employees' commitment to customer service. And lastly, we are an industrial enterprise stamped with a strong **spirit of innovation** built on resources that today have been reinforced and turned to focus on ecological and energy transition.

At the start of 2020, Vicat's governance structure was enhanced by the addition of a Climate Strategy department which works to define, coordinate, and deploy resources devoted to a subject whose underlying principle is simple but whose accomplishment is complex. There is no single technical solution, but rather a myriad of solutions appropriate for different environments. Because of this, the total number of projects involved in decarbonization of our value chain increased significantly, rising from 41 in 2019 to 53 in 2020. And the cost of investment in these decarbonization projects has more than doubled, going from 23 million euros in 2019 to 52 million euros

in 2020. Note that these investments do not include initiatives associated with new production lines such as the Ragland plant (United States) where the best carbon and energy technologies are being implemented.

— **Vicat seems to be at the cutting edge when it comes to alternative fuels; what results have you have achieved?**

Using alternative fuels harnessing locally available waste streams instead of the fossil fuels traditionally used to fire cement kilns has reduced both CO₂ emissions and the energy bill.

Vicat cement plants in France report high alternative-fuel consumption ratios, and the Group has set a target of 100% substitution in the country by 2025. In 2020, the total amount of biomass used saved 685,000 metric tons of CO₂ emissions, an 8% improvement on 2019. And the total amount of secondary fuels used has saved close to 700,000 tons of coal. We will continue down this road in 2021 to not only achieve but also accelerate the green growth the world needs.



By virtue of its solid foundations, the Group can tackle 2021 with every confidence and look to the future with the ambition of intensifying its efforts aimed at decarbonizing our processes and products.

Vicat in figures

€2.8
billion sales
2/3 of which
was generated
outside France

12 
countries

Nearly
9,900
employees

3 main businesses



CEMENT

16 cement plants
5 milling plants
25 million tons sold



CONCRETE

258 batching plants
9 million cubic
meters sold



AGGREGATE

75 aggregate quarries
23 million tons
sold



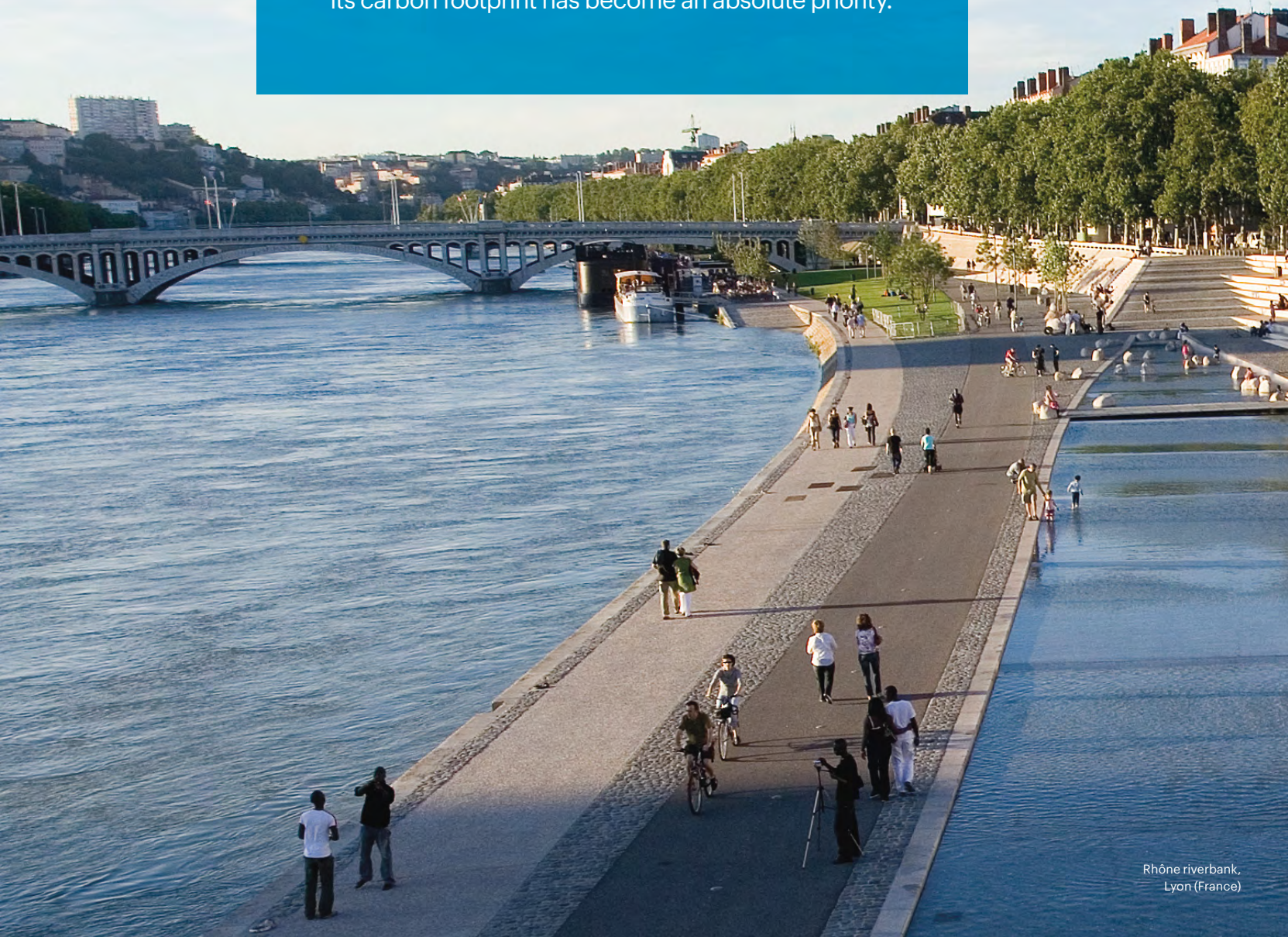


Identity

WE TAKE ACTION FOR LIVING BETTER TOGETHER

Since 1817, when Louis Vicat unveiled the mysteries of artificial cement, the Group has been improving the daily lives of us all by coming up with innovative constructive solutions.

In recent years, its determination to decrease its carbon footprint has become an absolute priority.



Three issues that steer our choices

- To tackle the climate emergency, Vicat is innovating to reduce its carbon impact and save resources. The Group is committed to developing concretes that provide sustainable solutions for the needs of construction tomorrow, against the backdrop of rocketing population growth. It is also relying on the fantastic opportunities digital transformation is laying before us for adapting our processes and services.



ECOLOGICAL AND ENERGY TRANSITION



The challenge

Preventing the average temperature at the Earth's surface rising by more than 2°C by 2100.

Associated objectives

Against the backdrop of today's demographic growth and health crisis, it is urgent that we change our means of production in order not to exhaust resources and cause too great a temperature rise, which would be disastrous for the planet.

Business challenges ahead

- Develop low-carbon cements and other construction materials
- Supersede imported and fossil fuels at our cement plants with local waste-fuel streams
- Optimize our facilities to reduce energy consumption and preserve natural resources
- Deploy hydrogen projects to significantly reduce our carbon footprint.



URBAN TRANSITION



The challenge

Meeting the needs of demographic growth in terms of housing and infrastructures.

Associated objectives

By 2050, Earth's population will be 10 billion, and close to 75% of its inhabitants will live in urban environments. Its sustainability, abundance, low cost, and ease of use make cement the unrivaled material for the construction of the smart cities of tomorrow.

Business challenges ahead

- Develop bio-based construction products and solutions
- Propose new, increasingly high-performance concretes
- Be on top of the entire logistics chain, including transport.



DIGITAL TRANSFORMATION



The challenge

Modifying models of corporate organization and inducing the emergence of new, innovative services.

Associated objectives

Accelerated by the health crisis, the digitization of society is transforming the construction business in the same way that our lifestyle has become increasingly connected, collaborative, and interdependent.

Business challenges ahead

- Establish a digital offering serving customer requirements
- Offer new high-value-added services based on the use of data
- Adapt our manufacturing processes.

We build the future

— Three strategic pillars for steady development

On the basis of its historic business, cement, which still contributes much to its profitability, the Group has become a key player in concrete and aggregate. It aims to meet every customer requirement along the construction materials chain. Our external growth, which is significant, aims to diversify geographical exposure and spread risk judiciously across developed countries and emerging markets. And innovation in products and services is what binds growth and sustainability together. Historic know-how, international growth, and highly effective R&D are the three pillars of a strategy that has seen nearly 170 years of steady development.



In a highly competitive environment where customer requirements become consistently more demanding, it is more necessary than ever to innovate. Tomorrow's winning paradigm requires an ability to reinvent oneself, and that has always been one of the Group's strengths. This will call into play both new acquisitions and our ability to develop increasingly sustainable cements and concretes with ever more outstanding performance.

LUKAS EPPLE, Group Strategy Manager

The 3 key factors in success for the buildings of tomorrow

Environmental performance



Innovative materials



Circular economy



Our strategy

① Vernon concrete batching plant (United States)

② Ciplan cement plant and quarry (Brazil)

③ Materials and Microstructures Laboratory (France)



SELECTIVE DEVELOPMENT

The Vicat group focuses primarily on its historical area of expertise, cement, which is the source of a large part of its profitability and the target of much investment. Through vertical integration it expands into the ready-mixed concrete market—in accordance with the maturity of markets—and into the aggregate sector, thereby providing a global response to its customers' construction materials requirements. The Group also has a number of complementary businesses, such as precast concrete products, transport, and bag production.

BALANCED GEOGRAPHICAL DEVELOPMENT

External growth is balanced between developed countries, which generate a steady stream of cash flow, and emerging countries with attractive potential for growth. External growth may also occur on markets where the Group is already present, for the purposes of vertical integration. These different avenues of expansion help diversify geographical exposure and spread risk. The Group achieves 66% of its sales outside France and 33% in emerging countries.



INNOVATION DRIVING GROWTH

The Group innovates in order to continue marketing products and services of the highest quality. Thanks to its people in R&D, the Group supplies customers with a wide range of innovative, high-performance products to meet the demands of rapidly changing markets. It has defined the guiding principles of its 'climate trajectory' aimed at reducing its carbon impact and meeting new demands such as energy transition, recyclability of materials, and improved building performance.

Meeting the needs of a range of markets

- Vicat proposes innovative, sustainable constructive solutions to continue meeting customer requirements and overcoming the challenges of construction.



Projects

Bridges, houses, tunnels, stadiums, roads, etc.



- ▶ **Cement** Cement is a widely available and unrivaled construction material that serves principally to make concrete. Vicat manufactures a wide range of artificial cements, together with a natural quick-setting cement (Prompt), to meet the needs of all those involved in construction.

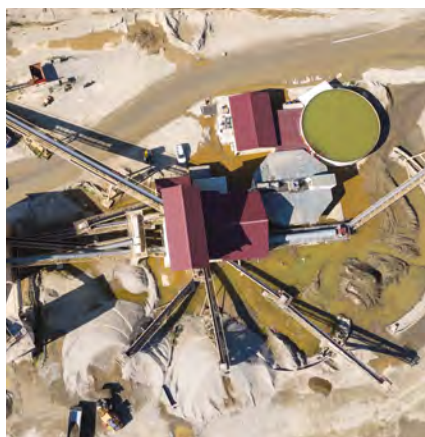
16
cement plants
25 Mt sold

5
milling plants



- ▶ **Concrete** Be it decorative, self-consolidating, pervious, or for 3D printing, roads, complex architecture, bridges or tunnels, and everything in between, Vicat markets a comprehensive range of ready-mixed concrete to meet the specific needs of any project and every imperative relating to environmental, quality, and safety concerns.

258
batching plants
9 Mm³ sold



- ▶ **Aggregate** Whether virgin or recycled, aggregate is a raw material for sustainable construction. It is vital for making concrete and road pavements.

75
aggregate quarries
23 Mt sold



- ▶ **Other products and services**
In some countries Vicat also has complementary businesses that generate value-added for its customers. These include transport, paper production, construction chemicals and finishing products for the construction industry in France, precast concrete products in Switzerland, and the manufacture of bags in both France and India.

Vicat throughout the world

- With its reach across 6 geographical areas, Vicat is pursuing its strategic development in emerging countries where demand for construction materials will be greatest in the years ahead.

1.

AMERICAS

United States, Brazil

22%

Sales

€636M

Consolidated sales

2,132

employees

3 cement plants
55 batching plants
2 aggregate quarries

3.

FRANCE

35%

Sales

€963M

Consolidated sales

2,987

employees

5 cement plants
2 milling plants
147 batching plants
45 aggregate quarries

4.

REST OF EUROPE

Switzerland, Italy

15%

Sales

€423M

Consolidated sales

1,097

employees

1 cement plant
1 milling plant
18 batching plants
19 aggregate quarries

3.

4.

6.

5.

2.

2.

WEST AFRICA

Mali, Senegal, Mauritania

10%

Sales

€262M

Consolidated sales

948

employees

1 cement plant
2 milling plants
1 batching plant
3 aggregate quarries

5.

MEDITERRANEAN

Turkey, Egypt

6%

Sales

€173M

Consolidated sales

1,510

employees

3 cement plants
37 batching plants
5 aggregate quarries

6.

ASIA

Kazakhstan, India

12%

Sales

€348M

Consolidated sales

1,228

employees

3 cement plants
1 aggregate quarry

Our value-creation plan

OUR RESOURCES



INNOVATION AND KNOW-HOW

- Demystification of artificial cement by Louis Vicat in 1817
- Modern R&D center
- Technical and industrial know-how



HUMAN RESOURCES

- Family corporate group
- Committed workforce
- Rich social dialogue
- Workplace health and safety
- Business-specific experts



INDUSTRIAL RESOURCES

- High-performance industrial facilities
- Substantial geological reserves



ENVIRONMENTAL RESOURCES

- Preservation of biodiversity and ecosystems
- Care taken over water resources and air quality at industrial sites



SOCIETAL RESOURCES

- Community focus
- Partner relations
- Two corporate foundations



FINANCIAL RESOURCES

- Financial performance and soundness
- Geographical diversification

OUR MISSIONS

- VICAT'S FIRM ATTACHMENT TO THE PLACES WHERE IT WORKS MEANS IT STRIVES TO PRODUCE LOCALLY AND NURTURE ENVIRONMENTALLY VIRTUOUS **CIRCULAR-ECONOMY SOLUTIONS**.

Meet
requirements

Provide
a service

Produce under
the best possible conditions



Cement



Concrete



Aggregate



Other
products
and services

After first improving the world population's degree of protection and comfort, cement now constitutes a compelling response to the needs of population growth in the climate and social emergency we are facing.

GUY SIDOS

OUR ACHIEVEMENTS



MEETING THE NEEDS OF LOCAL CONSTRUCTION

- Meeting growing customer needs for construction materials
- Starting up new industrial facilities
- Marketing low-carbon cements and concretes
- Developing new bio-based concretes
- Developing digital resources for improving customer service



HELPING ACCELERATE ENERGY AND ECOLOGICAL TRANSITION

- 20% reduction in net CO₂ emissions by the Cement business in France between 1990 and 2020
- 5% green energy in the electric power mix
- Transition of logistics fleet to zero-emissions
- Continuation of R&D programs addressing energy and new materials



HELPING TO PRESERVE RESOURCES

- Creation of the Circulère subsidiary for optimizing energy and materials
- Development of a recycled aggregate and concrete offering



SUPPORTING LOCAL ECONOMIC DEVELOPMENT

- Conducting business in strict compliance with rules of ethics and competition law
- Continuing business during the health crisis in 2020 and thus validating the soundness of the business model
- Contributing to community development



HR POLICY NURTURING SOCIAL INCLUSION AND CIVIC ENGAGEMENT

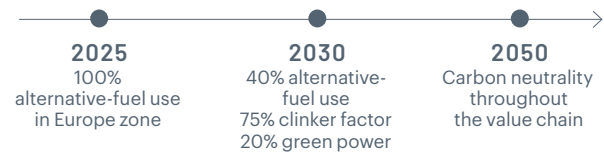
- Continually enhanced health & safety culture
- No gender pay gap
- Adaptation of corporate organization to Covid-19 crisis



PERPETUATING FINANCIAL PERFORMANCE TO ENSURE GROUP DEVELOPMENT

- Financial soundness confirmed
- Increased operational profitability

OUR ROADMAP



OUR TARGETS

● DECARBONIZING THE ENTIRE VALUE CHAIN

- Reducing CO₂ emissions to arrive at carbon neutrality throughout the value chain by 2050.
- In addition, by 2030:
 - 40% alternative fuels in the energy mix (including 15% biomass), with 100% in Europe as of 2025;
 - 20% renewable energy;
 - no more than 75% clinker in cement.

● DEVELOPING CIRCULAR ECONOMY IN THE VALUE CHAIN

- Giving priority to waste-derived materials over virgin raw materials.

● PROMOTING A RESPONSIBLE-PROCUREMENT POLICY

● PRESERVING NATURAL ECOSYSTEMS

- Forest management: favoring carbon storage and development of biodiversity.
- Communicating about biodiversity through the example of Vicat facilities.
- Offering products that help combat deforestation.

● HR OBJECTIVES FOR GLOBAL PERFORMANCE

- Safety: achieving zero-accidents.
- Increasing the proportion of women on the global payroll and in management.
- Having three women among the ten highest earners by 2022.
- Training personnel on climate change, digital technologies, and business ethics.

Contribution to SDGs*



* Sustainable Development Goals.

Governance and shareholders

▶ Board of directors



**JACQUES
MERCERON-VICAT**
Honorary Chairman



GUY SIDOS
Chairman
and CEO



**DELPHINE
ANDRÉ**



**XAVIER
CHALANDON**



**SOPHIE
FÉGUEUX**



**JACQUES
LE MERCIER**



**LOUIS
MERCERON-VICAT**



**HUGUES
METZ**



**EMMANUELLE
SALLES**



**BRUNO
SALMON**



**SOPHIE
SIDOS**



**ÉLÉONORE
SIDOS**

GOVERNANCE

Operational executives

Guy Sidos, Chairman & CEO

Didier Petetin, Joint COO, senior executive in charge of business in France (excluding Paper)

Lukas Epple, Joint COO, Strategy officer

Senior executive vice presidents

Éric Bourdon, Industry & Innovation officer, Chief climate officer

Philippe Chiorra, Chief legal officer

Éric Holard, Country director, United States

Hugues Chomel, Chief financial officer

Christophe Bérenger, Human resources officer

AUDIT COMMITTEE

Jacques Le Mercier, Chairman

Delphine André

Xavier Chalandon

Éléonore Sidos

COMPENSATION COMMITTEE

Xavier Chalandon, Chairman

Jacques Le Mercier

Bruno Salmon

AUDITORS - INCUMBENTS

KPMG Audit

Wolff & Associés SAS

AUDITOR - ALTERNATE

Groupe Audit Serval

Share capital

As of December 31, 2020, the company's share capital amounted to 179,600,000 euros, consisting of 44,900,000 shares with par value of 4 euros each.

61.6%

Family
shareholders

36.7%

Public
(including 1.31% employees)

1.7%

Treasury shares

A year of commitment to the most disadvantaged and to heritage assets

- Despite the year being marred by the Covid-19 pandemic, the Louis Vicat Foundation kept busy with its initiatives in favor of the most disadvantaged and young persons alienated from employment. Not to forget its mission of safeguarding built heritage and science.



SOPHIE SIDOS
Chair of Fondation
Louis Vicat

How would you summarize the actions taken by the Louis Vicat Foundation in 2020?

The coronavirus pandemic affected the activities of the Louis Vicat Foundation just as it affected everyone. Because of special health precautions and lockdowns, many of our projects were disrupted. For example, we had to cancel this year's Berlioz Music Festival and visits to Vicat facilities associated with our education and social cohesion program. Given the circumstances, it was only natural for us to take part in the national surge of solidarity and generosity shown towards those in difficulty and the medical sector. While different entities of the Group donated masks and sanitizing gel, the Foundation gave ten computers to underprivileged families in the northern part of the Isère

administrative region under the 'Educational Success' scheme endorsed by the regional administrative authority, to help reduce the digital divide. The computers, which had become obsolete for the company's purposes, were reconfigured to suit the requirements of school pupils unable to follow online schooling because of insufficient computer resources. Education and mainstreaming of the youngsters who are most vulnerable or alienated from employment are more than ever before among our top priorities. The Foundation also worked with the 'Second-Chance School', providing opportunities for young people between 16 and 25 years old who came through the conventional school system with no qualifications and who face difficulties fitting into the workplace.



With the Covid-19 crisis, we must seize opportunities to keep social cohesion alive and reduce vulnerabilities.



What do you want your action in favor of the combat against cystic fibrosis to achieve?

The Foundation relates to the struggle to overcome cystic fibrosis, and has become involved with the not-for-profit *Vaincre la Mucoviscidose* (Beating Cystic Fibrosis), standing beside our 'ambassador' Nicolas Bergé, project engineer with Satma Carrières in L'Isle d'Abeau, who is affected by the disorder. We ran an awareness campaign which involved printing a message on our bags of Prompt natural quick-setting cement to raise the profile of this human and social combat. From the manufacture of the bags by Papeteries de Vizille and bagging at Voreppe to transport and distribution by our outlets, the entire production chain was symbolically involved in this initiative. We also incited Group employees to take part in the *Virades de l'Espoir* fundraising rallies organized in September 2020.

What about your actions for preserving built heritage?

The Foundation feels its duty of memorialization very strongly and is intent on pursuing the protection of built heritage. This was the case in the town of La Côte Saint André, the birthplace of composer Hector Berlioz, for the 'Louis XI' palace where the Berlioz Symphonic Festival is held. A great deal of renovation work is being carried out there. In 2020, this work focused on the central part of the southern wall, and in particular on the entrance porch. Further restoration work has been carried out on the ceremonial entrance in the central part of the southern wall in recent months.

FOUNDATION CHAIRWOMAN HONORED



On September 15, 2020, Sophie Sidos was inducted into the Legion of Honor with the rank of Knight. She received the insignia from Patrick Bernasconi, Chairman of the Economic, Social, and Environmental Council during a ceremony at the Léna Palace, a concrete architectural masterpiece designed by Auguste Perret, one of the first architects to specialize in reinforced concrete. The award, France's highest accolade, comes in recognition of the societal and social work done by the Chair of the Foundation.

200,000

The number of bags of Prompt natural quick-setting cement sold in 2020 that carried the message raising awareness about cystic fibrosis.

Presentation of check to Fondation Notre-Dame de Paris

Safeguarding and showcasing France's built heritage is one of the main missions of the Louis Vicat Foundation. On Friday, January 24, 2020, the closing day of the 'Action for Notre Dame' solidarity campaign involving bags of Prompt natural quick-setting cement, the Foundation presented a check to Fondation Notre-Dame to help in rebuilding the cathedral.



“In spite of the health crisis, the Group maintained its employment levels.”

— What was this rather special year like for the Group?

Christophe Bérenger: We took steps very early on. Our first preventive-health campaign stressing protective measures got off the ground in January. Thanks to rapid adoption of preventive and protective measures (obligatory facemasks, sanitizing gel, telecommuting, and regular screening), the Group had no clusters or contamination at its sites. At the height of the crisis in the spring of 2020, telecommuting was the default case for everyone whose job made it possible, that is to say for 800 employees, or one third of our payroll in France.

“

MARLÈNE PIOLAT
Payroll department



In France, a Covid-19 bonus was paid out in November 2020 to thank all our employees for the valuable commitment they showed.

— What effect did the crisis have on employment?

C.B.: We did everything necessary to protect jobs in all the countries where we work. Group management ensured that employees were not economically impacted by the consequences of the health crisis. Due to the quality of our relations with social partners and employees, the discussions necessary for making and applying the right decisions went smoothly. In France, a special Covid-19 bonus was paid out in November 2020 to thank everyone for the valuable commitment they showed.

— Under the circumstances, were you able to attain your safety goals?

C.B.: The Group stuck to its trajectory in spite of the health crisis. The main safety indicators recorded in 2020 were close to those of 2019. The accident frequency rate stabilized at around 5.5 while the severity rate improved markedly, dropping to 0.28 from 0.40 in 2019. This accident severity rate is the translation of a substantial drop in the number of work days lost, principally because injuries were less serious. So for yet another year, these good results are proof of the commitment and hard work of our personnel at all levels with respect to health and safety.



CHRISTOPHE BÉRENGER
Human Resources Officer

2.4%

The rate of absenteeism in the Group in 2020, reflecting control of the situation despite the health crisis.

9,829

employees throughout the Group

94% of whom are on open-ended contracts

100% OF EMPLOYEES TRAINED ON HEALTH & SAFETY

Conscious that improving employee working conditions and safety entails changing human behavior, the Group is always taking steps to boost its safety culture and ensure it is deployed everywhere. Zero-accident status not just for our own employees but also for those of third parties working at our sites is always a top objective. Despite the health crisis, 100% of Group employees received health & safety training. We intend to repeat this in 2021. Thanks to the conscientious work and commitment of our personnel at all levels, eight of the Group's cement plants recorded not a single workplace accident with lost time. In fact some of them, like Bharathi in India and Peille in France, have had no such accidents for several years. In these difficult times, to help reassure our workforce, managers were given training on crisis management and management of psycho-social risks and telecommuting. Similarly, training courses were set up for employees to learn how to work with widespread telecommuting.



Vicat employee at Saint Jean le Vieux quarry (France)

Zero tolerance for discrimination

Vicat's corporate culture demands the utmost respect in dealings with others, solidarity between members of our workforce, and a sense of exemplarity. Compliance with fundamental laws and principles, particularly combating discrimination, sexist behavior, and harassment, comes under close inspection within every company. Throughout the Group, training is regularly organized with experts specialized in professional equality, ethics, prevention of

harassment, and discrimination. It is intended to enable potentially inappropriate behavior to be detected at the earliest opportunity. An example of the Group's commitment to social inclusion is an in-house guide—'Best Practice for Effective Inclusive Recruitment'—that was prepared in 2019 and released throughout the Group in 2020, together with an associated e-learning module.

WARM RECEPTION FOR TWO REFUGEES

Two young refugees from Congo and Guinea have been employed at the Xeuilley cement plant and with SATM in Chambéry under cooperative education programs. The personnel at the two facilities rallied round to help them fit in and also gave them clothes, appliances, and crockery.

A socially responsible group

Be it in education, culture, health, and more besides, a great many socially responsible initiatives have been carried out wherever Vicat operates. To help combat the Covid-19 pandemic, the Group took steps throughout the world to distribute kits (sanitizing gel, masks, gloves) to local populations and to inform them about preventive measures. In India, cement was donated to help renovate 1,930 schools in the Andhra Pradesh region. The Group also made digital resources available for organizing remote schooling at the Louis Vicat DAV Vidya Mandir schools. In Brazil, Ciplan provided the materials necessary for extension of Queima Lençol community school in Fercal. And for Africa, a partnership has been concluded with NGO Human Rights Watch for encouraging schooling for girls. While these initiatives are set up by management in each country, all our personnel give up their time in enthusiastic support and in passing on the message.

MARIE RIBERON

Human resources manager
and Lead for harassment



92/100

**Vicat SA's gender-equality index
(up three points in 2020)**

Women's employment grows

The proportion of women employed by the Group has continued to grow: In 2020 women accounted for 10.7% of the payroll as a result of the Group's determination to take on ever-increasing numbers of women. The curb on this progress is the very low proportion of women in manual jobs (2.3%).

To change attitudes and give the lie to young women's clichés regarding industrial jobs, the partnership agreement with *Sport dans la Ville* has been renewed for the *Industrie'elles, Déployez vos Ailes !* project. Also, the Group has worked further to 'de-gender' jobs. It is systematically requested that women applicants be proposed for jobs typically occupied by men. Recruitments and in-house promotions are concrete illustrations of the success of the steps undertaken. At Sococim Industries in Senegal, one of the largest companies in West Africa, a female employee has been appointed to the Board of Directors. In France, the management team working with the Chairman and CEO comprises close to 40% women. This commendable result contributed to the mark of 92 out of 100 in the gender-equality index, up three points from previously.

Environmentally responsible Group

Protection of biodiversity and the environment takes commitment. For this, the Group has been multiplying its involvement through partnerships with specialist nonprofits. For example, near the Montagnole quarry in France, in May 2020 Vicat opened *Tétras Libre*, a wildlife protection center managed by an environmental association

and a bird protection league. In Senegal, to combat the proliferation of larval breeding sites for mosquitoes, which transmit malaria, close to 1000 juvenile tilapia fish were released into the lake at the Diack quarry operated by Gécamines. The Group is also developing a global quarry-restoration policy. In 2020, 84% of our



quarries were addressed by development plans. In Brazil, Ciplan is involved in regeneration of forests where biodiversity has become depleted. The Degraded Area Recovery Plans (PRAD) program concerns an area of 19,664 hectares, including 6,000 hectares at the cement plant.

i Bird of prey being cared for at the *Tétras Libre* wildlife center in Savoy



Innovation

WE BUILD THE FUTURE

To enable us all to build and live together sustainably, and to protect the resources of the planet, Vicat invests massively in innovation. The Group takes concrete action in favor of circular economy and has declared a goal of carbon neutrality for 2050.

A year serving circular economy

- ‘Do more, better, with less’, that is the goal of circular economy. Vicat applies the concept in everything it does in order to reduce its carbon footprint and leap forward into energy transition.

Circular economy, a long-term commitment



Vicat's strong engagement in ecological transition is reflected in actions such as reducing the carbon footprint of all its facilities, deploying the virtues of circular economy, and preserving biodiversity wherever it works. For some years now, wherever and whenever possible, the Group has been replacing the imported and carbon-containing fossil-derived energy sources traditionally used in the cement-manufacturing process with waste-stream energy recovered from end-of-life tires, used oil, wood from sorting centers, and refuse-derived fuel (RDF). The goal is to put an end to all use of fossil fuels. Apart from savings on extracting natural resources, these alternative solutions exert important leverage for reducing fossil-fuel CO₂ emissions. The two plants in France with the highest substitution rates are Xeuilley, at 80%, and Cr  chy, very close behind at 79%.

XEUILLEY PLANT BANKS ON FINE WOOD WASTE

The Xeuilley cement plant in eastern France is accelerating its energy transition and gradually eliminating use of fossil fuels. After extending its installation, since the start of 2020 the plant has been using fine wood waste from sawmills, panel plants, and recycling of furniture or other wood containing glue, varnish or paint. The new investment increases the plant's wood-consumption capacity by 2,900 tons/year and thus reduces the consumption of fossil fuels accordingly. Using fine wood waste reduces annual CO₂ emissions by more than 3,000 tons and at the same time decreases the amount of waste disposed of as landfill. Additionally, it gives several regional wood processors a short-supply-chain solution which reduces the impact of transporting their waste.

Making circular economy a strategic reality



- ① Bioval plant (France)
- ② End-of-life tires used as fuel in a cement plant
- ③ Terenvie non-inert-soil repurposing platform

Recycling waste from deconstruction and decontamination projects often associated with rehabilitation of industrial wastelands is part of a virtuous cycle, for much of the waste can be reincorporated in construction materials, where it replaces mineral raw materials, or can be used as an energy source in Vicat cement plants. In 2020 the Group reached a new milestone in its circular-economy strategy; in April, Vicat partnered with Serfim Recyclage, a company specializing in environmental processes, to take over the refuse-derived fuel (RDF) business of Sibuet Environnement, renaming the production plant in Chamoux sur Gelon, in the French Alps: It is now known as Bioval. The plant secures a permanent supply of RDF for Vicat's Saint Égrève and Montalieu-Vercieu cement plants not too far away. The RDF is produced from non-hazardous, dry, and non-recyclable waste such as discarded furniture and other bulky waste from recycling centers, ordinary industrial waste, and waste rejected by recycling centers. After several steps—sorting, crushing, screening,

metal recovery—the waste is reduced to particles of less than 25 mm and delivered to cement plants. Bioval and its 23 employees will produce up to 45,000 metric tons of RDF per year, which is more than is produced by any other such plant in France. Together, Vicat and Serfim Recyclage will help reach the targets set by France's Energy Transition for Green Growth Law and adopted in the Auvergne-Rhône-Alpes region's new Waste Prevention and Management Plan. To make concrete solutions available to local companies, Vicat decided to make the business a subsidiary as of January 1, 2021. Known as Circulère, the new company will provide industrial concerns and public authorities with local solutions for beneficially disposing of energy-rich and mineral waste generated in areas where the Group works, basically in the east and south-east of France and in the Paris region. Circulère already manages two sites in conjunction with Serfim: Bioval and the Terenvie platform in Feyzin, just outside Lyon, which has been devoted to decontamination of industrial wastelands since 2018.



CIRCULÈRE OFFERING

The Vicat Circulère offering is intended for construction and engineering contractors and local authorities. It provides optimized local management of the recycling of waste from deconstruction and decontamination projects. It makes use of Vicat's coverage of the region to make beneficial use of waste 'close to home' and to enable rehabilitation of properties with recycled materials and innovative, ecologically responsible constructive solutions. It additionally helps preserve natural resources and creates jobs through the development of local green businesses.

SUCCESS OF EU'S SERAMCO PROJECT

Since 2017 Vicat has been working on the European Union's SeRaMCo (Secondary Raw Materials for Concrete Precast Products) project financed by Interreg North-West with the intention of promoting circular economy and reducing the carbon impact of the construction sector by repurposing inert waste from deconstruction sites. The Group's involvement came to an end in 2020 after successful integration of concrete fines derived from deconstruction in the manufacture of cement at the Cr  chy plant in central France. The cement made with the fines was used in conjunction with 100% recycled aggregate from

deconstruction sites to make concrete demonstration objects. All of which constitutes a tangible example of circular economy applied to construction materials.



CHLORINATED DUST TURNED INTO AGGREGATE

By equipping its Montalieu-Vercieu cement plant with the CO₂ntainer system, Vicat has become the first European cement manufacturer to adopt the technology developed by Carbon8 Systems at an industrial scale. Delivered to the site in July and brought online in November 2020, the system is integrated into the plant's industrial process to enable recycling of chlorine-rich exhaust stack dust associated with increasing use of alternative fuels. It captures and enables enduring storage of the CO₂ in stack exhaust gases. The dust is 'carbonated' with CO₂ and converted into lightweight aggregate with interesting thermal-insulation properties.

"Circular economy intensifies local development"

ST  PHANE RUTKOWSKI
CEO, Circul  re



— What progress has the Group made in terms of circular economy?

To preserve resources and sustain its business long-term, the Group realized long ago that it was necessary to open the way to ecological transition. Its approach is based on decarbonization of our value chain, in particular by means of using alternative fuels consisting of locally available waste to fire our cement plants. In France, for example, integration of biomass meant that last year we avoided emitting 685,000 tons of CO₂. Our other pillar of action is repurposing of construction and engineering waste, non-inert spoil from soil remediation projects, that we

include in our manufacturing processes. In 2020, substitute materials accounted for 28% of the total materials used to manufacture our cement.

—Where do you get these alternative raw materials?

We repurpose construction and civil engineering waste from deconstruction or restoration projects on disused industrial sites, and particularly that from soil remediation. This requires that we find reliable sourcing. This may involve supply contracts with waste producers or setting up centers where waste can be deposited temporarily before being transformed into a usable resource. This was the case in 2019 for

our Terenvie platform in Lyon which was born of cooperation between Vicat and Serpol, a specialist in soil remediation.

—Do you have more platforms in view?

The Group has created Circul  re, a subsidiary that sets up short-haul mineral and energy-rich waste recycling circuits. It thus contributes to local economic development where it works. In addition to Terenvie, since last year Circul  re has been running Bioval, a refuse-derived-fuel production site. And we are looking into acquiring waste treatment platforms in the months to come.

Low carbon is our priority

- The Group has declared its ambition to achieve carbon neutrality throughout its value chain by 2050. In the mean time, Vicat has committed to a determined policy for innovation in cement and concrete, and expects to totally eliminate the use of fossil fuels in its plants in Europe by 2025.

Bringing about transition to carbon neutrality

As a protagonist in ecological transition, the Vicat group has committed to reducing its net direct emissions of CO₂ across the twelve countries where it works to 540 kg per metric ton of equivalent cement by 2030. This represents a 13% reduction on the 2019 figure. The objective is to achieve carbon neutrality throughout the value chain by 2050. This is quite some revolution, and it will affect the entire company and its ecosystem, as is evidenced by a number of actions under way for innovation in the composition of cement, for reducing energy consumption, and for totally eliminating consumption of fossil fuels in Europe by 2025, replacing them with alternative fuels that emit less CO₂. This ambitious strategy is being overseen by the Group's Climate

Montalieu-Vercieu cement plant (France)



Strategy department created in 2020. In conjunction with central functions and Vicat entities in each country, this new department proposes target figures corresponding to the Group's intended trajectory for reducing its carbon footprint down to neutrality. Its responsibilities also include working with subsidiaries to reduce their general environmental footprint.

“

ÉRIC BOURDON

Senior executive
vice president,
Industry & Innovation officer,
Chief climate officer



The recently created Climate Strategy department prepares the resources for achieving carbon neutrality throughout the Group's value chain by 2050. There is no single technical solution, but rather a myriad of solutions appropriate for different environments that fit together like pieces in a puzzle. To carry out the 53 projects associated with decarbonization, we doubled our financial investment to 52.1 million euros in 2020.



MAKING CLIMATE-FRIENDLY CEMENT

Towards the end of 2019, four European cement manufacturers (Buzzi, HeidelbergCement, Schwenk, and Vicat) joined forces to help bring about a substantial reduction in their CO₂ emissions due to the cement-making process: The multi-year Catch4Climate project will study the possibility of generalizing deployment of oxyfuel technology in cement plants. This technology involves using oxygen, instead of natural air, in the combustion process that generates the high temperatures necessary inside the kiln for the production of clinker. As a result, the CO₂ content of the exhaust gas is very high, making its capture much easier. It can then be repurposed as a raw material in other industrial processes.

ABC (Autonomous Building for Citizens) housing project in Grenoble, built with Vicat low-carbon concrete (France)



In 2020 the Group also took its engagement a concrete step forward in launching its DECA label in France. The label clearly indicates the Vicat low-carbon offering that meets the requirements of the country's environmental regulations for new-build (RE2020). It identifies several carbon-performance levels (DECA¹, DECA²): the higher the DECA level, the better the carbon performance. For the time being, the label applies only to concretes: Those labeled DECA¹ are products that make a 10 to 20% saving with respect to more traditional concretes, and those labeled DECA² are concretes with a carbon reduction of 20 to 40%. Vicat is also banking on greener means of transport. Its fleet of vehicles is gradually being switched to biodiesel or electricity. Moves are also being made to replace fossil fuels with green hydrogen for transporting raw materials and manufactured products. Projects are under way and should be producing significant results in the not-too-distant future.

FIRST BIO-BASED READY-MIXED CONCRETE USING WOOD

Vicat has developed a new bio-based ready-mixed concrete. The first of its kind, it is made with Naturat low-carbon cement, wood aggregate and a mineral filler. It remains workable for 90 minutes and is of a consistency suitable for use in forms. Combining wood in a mineral filler with a low-carbon cement makes a new construction material that can be produced anywhere.

DIGITAL TOOLS FOR SUSTAINABLE CONSTRUCTION

National Ready-Mixed Concrete Company in the United States is putting a calculator at the disposal of its customers. Called CarbonClarity, the digital application determines the environmental impact—especially resource consumption and CO₂ emissions—of any construction project.



OLEO100

RAPESEED OIL POWERING QUARRY PLANT

By the summer of 2021, 19 facilities in France will have adopted a new fuel for their quarry machines: Oleo100 is 100% rapeseed oil processed from crops grown in France. A total of 200 vehicles will run on this B100 (pure biodiesel) renewable energy source. It is being deployed only after a positive campaign of tests on two loaders at the Pérourges Les Communaux quarry in 2020, in conjunction with French heavy plant dealer Bergerat Monnoyeur and Saipol, a subsidiary of the Avril group, a leader in oil-seed based biodiesel production.

Running on Oleo100 reduces an engine's greenhouse-gas emissions by at least 60% compared to fossil diesel, and reduces emissions of fine and ultrafine particles by up to 80%.



Achievements

WE STRESS COMMUNITY FOCUS

In the 12 countries where it works, Vicat strives to cultivate a relationship of confidence with customers and partners. Although 2020 was disrupted by the health crisis, nothing prevented productive investment and turning ambitious projects into reality.

FRANCE



DIDIER PETETIN
JCOO, Senior executive in charge
of business in France (excluding Paper)



Our new DECA low-carbon offering—tangible proof of our ambitions in respect of ecological transition—is a step ahead of customer demand.

— **Beyond the health crisis which left its stamp on 2020, the year was marked by the constant commitment of Vicat's workforce which demonstrated the resilience of the Group's paradigm,** one that is structured around strong local presence complemented as of January 1, 2021, by the newly created subsidiary Circulère which sources alternative fuels and provides solutions for beneficial disposal of soil and materials from deconstruction sites.

At the end of lockdown, all ongoing construction projects were supplied and the pace of sales was steady in the second half, as were order bookings for emblematic projects to be supplied in the years ahead. 2020 also saw the deployment of an ambitious low-carbon offering we have called DECA. This in-house label is the tangible result of the Group's low-carbon endeavors in France. It also provides an opportunity to meet the requirements of customers and the 2020 European Environmental Regulations (RE2020), i.e. offer easily identifiable low-carbon solutions and thus help attain the objective of carbon neutrality in the construction sector.

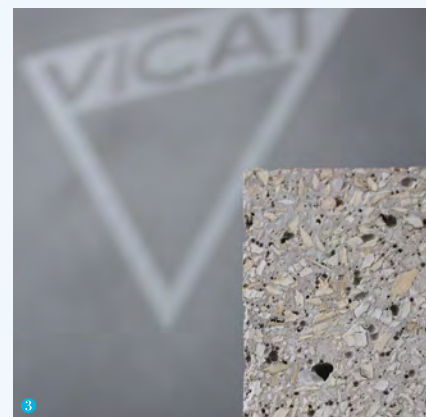
A year of contrasts

- 2020 will certainly always bear the stamp of the consequences of the first lockdown which put the building sector on hold for two whole months. Nevertheless, the construction business resumed soundly in the second half and, with the effects of the recovery plan, is fully expected to bounce back to its previous vigor in 2021.

147
batching plants

5
cement plants

45
quarries



- ① New Saint-Marie Lyon High School under construction in Meyzieu (France)
- ② Vicat employee
- ③ Woodcrete



CEMENT

Positive year

Business was sound despite several weeks in the first half when the construction and civil engineering sector was put on hold. Substitution of fossil fuels continued to increase, arriving at 58.1% across all the Group's cement plants in France.



CONCRETE & AGGREGATE

Sales decline in both businesses

Ready-Mixed Concrete and Aggregate dipped due to the effect the public health lockdown at the start of the year had on construction projects and the only very progressive recovery over the rest of the year due to the building sector being less resilient than the public works sector.



OTHER PRODUCTS & SERVICES

Papeteries de Vizille

The Paper sector kept on the right track, supported by the Printing & Luxury range and export markets, as did the Bag sector.

Transport and major works

The sales of SATM Transport and the major works (Grands Travaux) divisions fell back relative to 2019.

Construction chemicals

VPI saw sales rise as a result of a strong rally in the Building sector in the second half.

Highlights of 2020



NEW MULTI-PURPOSE PLATFORM SOUTH OF LYON

The Group's new multi-purpose platform at Port Édouard Herriot, south of Lyon, comprises a cement terminal, a ready-mixed-concrete batching plant, and an aggregate sorting, recycling, and sales facility. Through these business synergies, Vicat has tightened its grip on markets in the Lyon region and confirmed its position as local short-supply-chain leader.

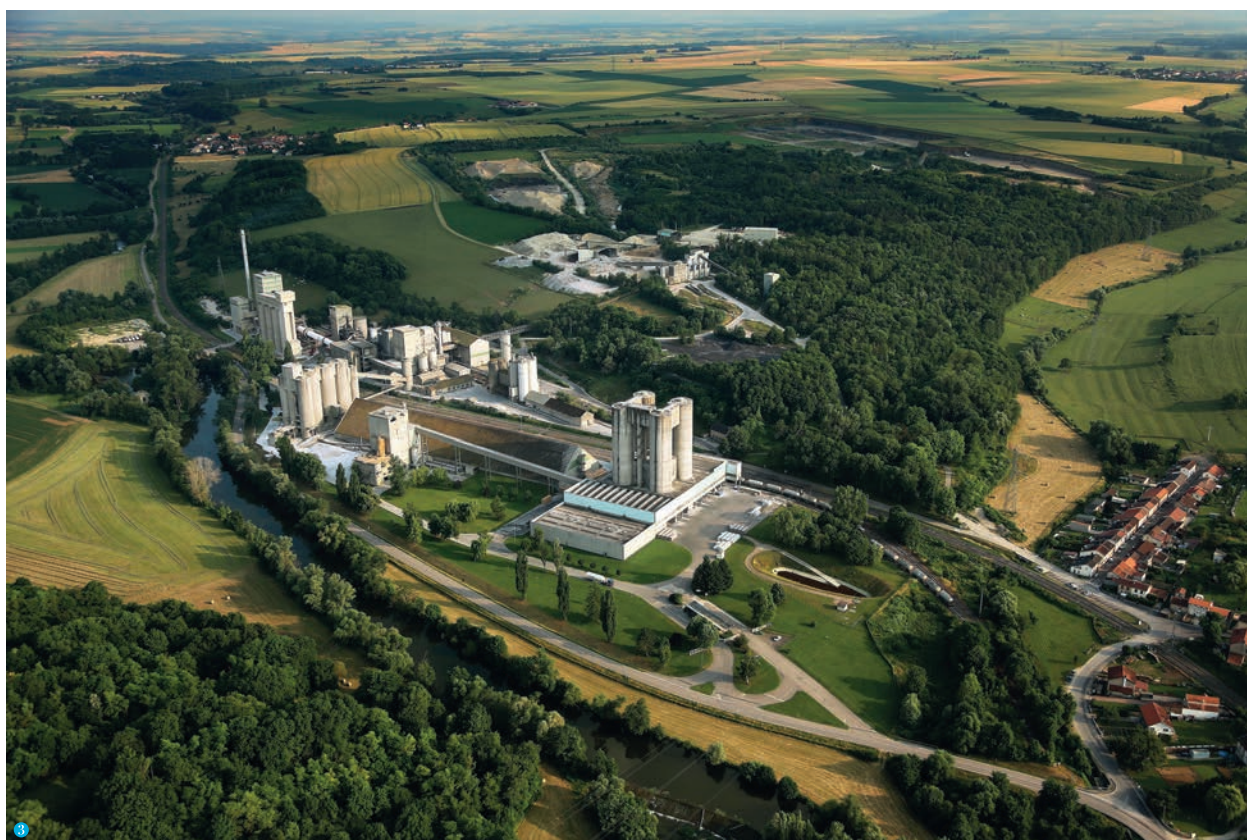
Multimodal platform

Lying close to the A7 freeway and the southern ring road, Port Édouard Herriot is easily accessible for all kinds of transport. In addition to complementing the existing offering in the region, the location of the multi-purpose platform at a port opens the way to transport by barge, an alternative means of transport that will also boost the Group's existing river-transport offering.



RELOCATION OF HEADQUARTERS TO L'ISLE D'ABEAU

A page has been turned... On October 1, 2020, Vicat relocated its headquarters to L'Isle d'Abeau, thus returning to the area where the Group was born.



Soutenu par



ARGILOR PROJECT FOR DECARBONIZING CEMENT

Argilor is one of 16 shortlisted projects selected by France's Environment and Energy Management Agency (ADEME) under the Government's 'France Recovery' plan for decarbonizing industry.

The production of clinker is responsible for the highest proportion of CO₂ emissions in the manufacture of cement. Vicat has invested in installations for producing activated clay that will be used instead of clinker to make low-carbon cement. Producing calcined clay reduces both energy consumption, with respect to clinker production, and CO₂ emissions associated with conventional raw materials.

The Argilor project will eventually reduce the CO₂ emissions of the Xeuilley cement plant by about 16% per year.



DECA LOW-CARBON LABEL

Following the trajectory it set itself for carbon neutrality throughout its value chain, Vicat has introduced its low-carbon product range: DECA, a solution in response to the new environmental regulations for new build in France (RE2020).



- ① Port Édouard Herriot multi-purpose platform
- ② Group headquarters in L'Isle d'Abeau
- ③ Xeuilley cement plant

REST OF EUROPE



LUKAS EPPLER
Country Director, Switzerland



Vigier provided the solutions expected by customers working on major projects in the Basel and Biel/Bienne regions.

—In an uncertain situation, healthwise, and a Swiss economy impacted more severely in the second half of 2020, Vigier rode out the storm, largely through the ongoing effect of major projects in the Basel and Biel/Bienne regions. Although our historic markets performed very differently, we managed to maintain our market share and we continued to promote our products and services, especially as regards waste processing and repurposing, along with substitution of fossil fuels which reached a new record.



SWITZERLAND

Sound business despite the pandemic



CEMENT

Sound business

The business trend remained positive throughout the year despite the complications of the health crisis. It was kept buoyant by some large projects that enabled the Group to maintain its market share. Substitution of fossil fuels rose to 95%.



CONCRETE & AGGREGATE

Aggregate sales up

The concrete & aggregate business remained sturdy, largely as a result of major projects.



OTHER PRODUCTS & SERVICES

Buoyant but highly competitive market

The competitive environment—principally aggravated by imports—was highly detrimental to products for the general public. The rail business picked up only very gradually, and orders were lower than in previous years.

18

batching plants

1

cement plant

19

quarries

ITALY

Health crisis slows recovery



CEMENT

The construction sector was heavily impacted by the crisis provoked by the Covid-19 pandemic, with work on construction and civil engineering projects stopping for close to two months, which affected the Group's level of business on the Italian market.

1

milling plant

① Concrete railroad ties being loaded in Müntschemier (Switzerland)

② New alternative raw materials store in Reuchenette (Switzerland)



AMERICAS

United States



ÉRIC HOLARD
Country Director, United States

“

We maintained a sound level of business and successfully conducted the project for the new production line at the Ragland plant.

—The year got off to a good start in 2020, with lively business.

Things then wound down severely as health lockdowns came into effect, in different shapes and sizes depending on the town or region. Since the construction sector was qualified as an ‘essential’ activity, it was able to keep going, and that enabled us to maintain a sound level of business. As this was happening,

we made progress on the construction of a second production line for the Ragland cement plant in Alabama, which will come into operation early in 2022, as scheduled. We also renewed part of our fleet of transit mixers and cement trucks in California, converting them to renewable natural gas, a biogas produced at cattle farms, to reduce the carbon footprint of our business in the United States.

High sales levels



CEMENT

Steady business

Since there was practically no drop in construction expenditure, particularly in the residential and public-works sectors, cement consumption kept trending well both across the country generally and on the Group's markets where business kept on track. Plants continued to operate at high levels.



CONCRETE

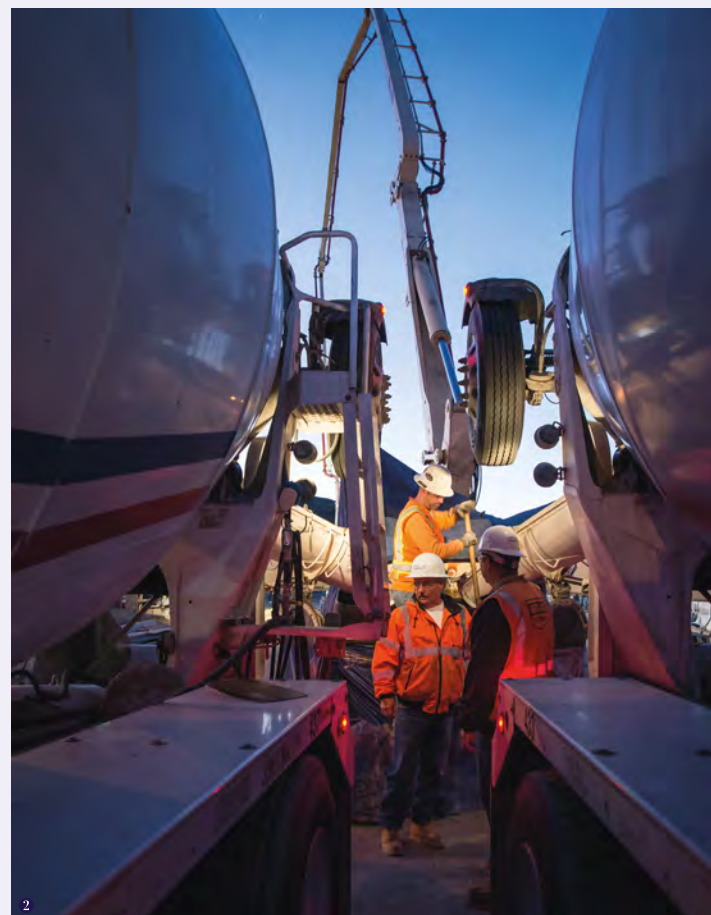
Pandemic slumps concrete business

The health crisis dampened the concrete business to a slightly greater extent due to construction site closures and successive lockdown measures.



44
batching plants

2
cement plants



- ① Concrete project (California)
- ② Concrete pump in action
- ③ Santa Clarita batching plant (California)

AMERICAS

Brazil



PHILIPPE LATOURNARIE
Country Director, Brazil

“

We displayed our agility and reactivity in meeting high demand for cement.

—**One year after integrating the Vicat group**, 2020 should have been a year of consolidation for Ciplan, but instead presented new challenges, especially that of rapidly setting up protective measures for our workforce, customers, and suppliers. It was a test bed for successfully proving our organizational reactivity and agility against a volatile market. The plant absorbed the high demand for cement without any difficulty, demonstrating the quality of the workforce and equipment.



Strong demand for construction materials



1
cement plant

2
aggregate quarries

11
batching plants



CEMENT

Consumption up more than 10%

Demand for construction materials was high in 2020, largely as a result of governmental assistance measures. Cement consumption across the country rose more than 10%. On a more dynamic local market, Ciplan sales rose over the year. The technical performance of the plant improved, allowing for a higher fossil-fuel substitution rate.



CONCRETE & AGGREGATE

Business growing

The trend observed for cement was paralleled for concrete and aggregate. Business grew over the year despite the health situation which sometimes forced Ciplan to temporarily shut down some of its concrete batching plants.



① & ② Ciplan employees

③ Transit mixer

WEST AFRICA



YVES KELLER
Zone Director, West Africa

“

The investment program carried out in recent years means we can produce sustainably today.

—**Thanks to its ambitious investment program**, the Group is starting to feel the benefits of new equipment at the Sococim Industries plant, with technical improvements and higher consumption of alternative fuels. Finalization of work on the new roller press and the solar farm will decarbonize our business a little more and reduce production costs. In Mali, the new milling plant had a good first year of production despite the difficult political and health situation.



SENEGAL

A growing cement market



CEMENT

Steady business

After a slowdown that lasted several weeks, public-works projects resumed at a regular pace, as did construction in the private sector. Although it lost some headway, cement consumption rose 6% in 2020. This market dynamic was reflected in the Group's level of business in Senegal. As a result of the special investments made in 2019, substitution of fossil fuels reached a higher level and technical performance improved.



AGGREGATE

Drop in business caused by pandemic

Group subsidiary Gécamines, which was already penalized by the shutdown of major government projects due to financing difficulties, suffered another slowdown when the pandemic hit.

1

cement plant

3

quarries

MAURITANIA

Market downturn



CEMENT

Group business trends well

Demand for cement dampened because of the slowdown on major projects, although private-sector consumption stood up better. Mauricim sales trended well.

1

milling plant



① Solar farm powering the Sococim Industries cement plant in Rufisque, Senegal

② Mauricim site

MALI

First year for new mill



CEMENT

Group volumes double in Mali

The market continued to expand, despite a temporary slowdown because of the *coup d'état* in summer. Group sales volumes doubled in Mali on the back of the first year of operation of the new milling plant built in 2019, the technical performance of which has been satisfactory.

1

milling plant



MEDITERRANEAN

GIANFRANCO TANTARDINI
Zone Director, Mediterranean

“

In countries lastingly affected by the health crisis, our people expended all the energy available to keep business rolling.

—Turkey and Egypt were already suffering from difficult macro-economic conditions when, like other countries, they were hit by the crisis that came with the pandemic. And at a time of market overcapacity.

The Turkish government's budget response lifted the construction sector. In Egypt, on the other hand, the freeze on building permits was

an impediment to business for several months. That did not prevent our workforce performing well commercially, in places, thanks in particular to the introduction of a new cement in Egypt and an enterprising strategy for sustaining market share in Turkey. Plants were also optimized, which increased reliability and reduced production costs.

TURKEY

Volumes trending well as recovery kicks in



CEMENT

Consumption rises

The budget stimulus supported the construction sector, inducing a rise in cement consumption throughout the country that benefited the Group. Priority was given to using the most efficient kilns which allowed for greater use of non-fossil fuels.



CONCRETE & AGGREGATE

Business growing

Business in Concrete & Aggregate grew in 2020 as a result of large public-sector projects being retained under the Government's recovery policies.



① Baştaş Çimento plant, Ankara (Turkey)

② Sinai Cement Company control room (Egypt)

2

cement plants

37

batching plants

5

quarries

EGYPT

Ambitious commercial policy

1

cement plant



CEMENT

Growth in sales volumes

Cement consumption continued to fall, the drop being amplified this year by the pandemic and the freeze on building permits that lasted several months. Thanks to marketing of a new cement and the development of direct sales, however, our sales volumes rose. The same was not true of selling prices which were affected by high logistics costs and unfair competition from State-owned plants. Maintenance on the plant improved reliability.



ASIA

PIETRO CALÀ
Zone Director, Asia



We had an exceptional rally in business in the second half as a result of the dedication of our production and sales teams.

—India, the country second most seriously affected by the pandemic, set up a strict lockdown program associated with an unprecedented plan for controlling movements of migrant workers. The Government ordered that our plants be shut down for close to a month and that our employees and their families should remain in their accommodation provided by the company. Given the circumstances, our employees set up the 'Recreate 2020' program based on a massive cost-saving plan and agile commercial

reorientation towards the most flourishing and profitable markets. This initiative produced an exceptional surge in business in the second half. In Kazakhstan, which was less affected by the health crisis, the Group again set new records in production and sales as a result of expert management of its industrial capacity, enabling us to meet the demand of a slightly larger domestic market as well as exports. Strict measures were put in place, particularly in the form of a *cordon sanitaire* around the plant to protect production and shipping.

KAZAKHSTAN

A year of record production and sales

1 cement plant



CEMENT

Rise in consumption

With the construction sector being relatively spared by the health crisis, domestic cement consumption rose 2.6%, taking Jambyl Cement's sales to a record high. Selling prices were down slightly. The plant also set new production records, with its operating levels reflecting particularly good reliability. Production costs were contained.

INDIA

Spectacular upswing in second half

2

cement plants



CEMENT

Limited drop in sales

Because of the strict lockdown the Indian government imposed in the first half, cement consumption was nearly 24% down over the year. Against this backdrop, the Group managed to limit the effects of lockdown and took advantage of an upturn in business in the second half. A significant cost-saving plan kept production costs under control.

1

quarry

① New Jambyl Cement rail terminal (Kazakhstan)

② Waste heat recovery unit for generating electricity at Bharathi Cement (India)



AGGREGATE

Slump in sales

Lockdowns in the Bangalore region had a negative effect on the business of Bharathi Rock Products, down on 2019.



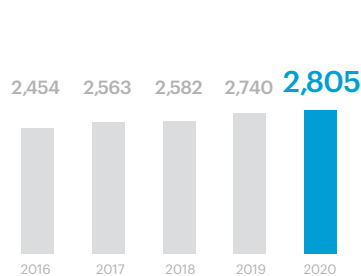
OTHER PRODUCTS & SERVICES

Adverse effect of lockdown

As for other businesses, the sales of bags by Bharathi Polymers in 2020 followed the same trend as sales of cement.



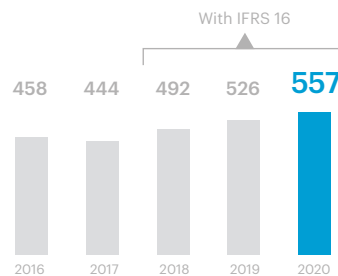
Financial indicators



Consolidated net sales

(in millions of euros)

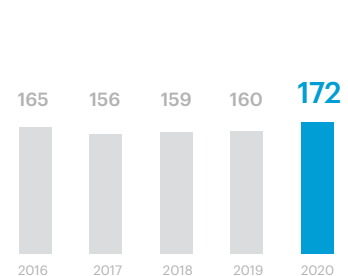
Consolidated sales for 2020 amounted to 2,805 million euros, up 2.4% as reported, compared to 2019, and up 5.5% at constant scope of consolidation and exchange rates.



EBITDA ^(1,3)

(in millions of euros)

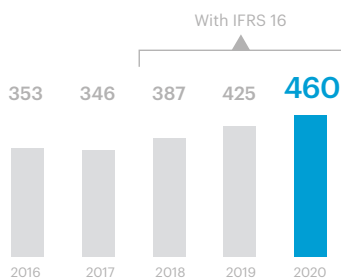
At 557 million euros, the Group's consolidated EBITDA rose 5.9% relative to 2019 and 10.1% at constant scope of consolidation and exchange rates.



Consolidated net income ⁽³⁾

(in millions of euros)

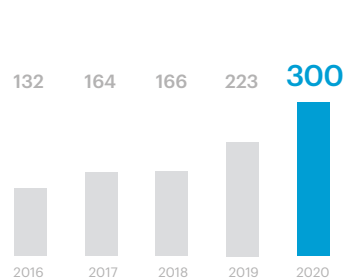
Consolidated net income amounts to 172 million euros, up 7.7%, and up 16.3% at constant scope of consolidation and exchange rates.



Cash flow from operations ⁽³⁾

(in millions of euros)

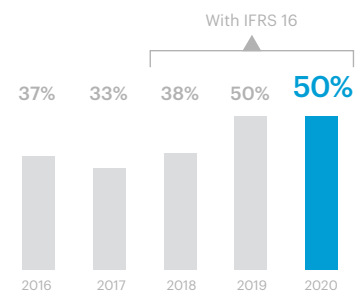
Cash flow from operations amounted to 460 million euros, generating free cash flow of 228 million euros in 2020.



Net industrial investment outlay

(in millions of euros)

Industrial investment outlay amounted to 300 million euros in 2020.



Net debt / Equity ⁽³⁾

(in %)

The gearing ratio ⁽²⁾ was 49.9% as of December 31, 2020.

(1) EBITDA (Earnings Before Interest, Taxes Depreciation and Amortization): the total of gross operating income and other ordinary income and expenses.




(2) Gearing is a financial ratio that compares net debt to consolidated shareholders' equity.

(3) The figures for 2018 have been restated in accordance with IFRS 16.

► Breakdown per geographical area in 2020




	Consolidated sales (€M)	Employees	Operating sales (%)	EBITDA (%)	Net capital employed (%)
FRANCE	963	2,987	35	31	22
REST OF EUROPE Switzerland, Italy	423	1,097	15	17	17
AMERICAS United States, Brazil	636	2,132	22	25	20
ASIA Kazakhstan, INDIA	348	1,228	12	18	18
WEST AFRICA Mali, Senegal, Mauritania	262	948	10	10	15
MEDITERRANEAN Turkey, Egypt	173	1,510	6	-2	8

► Breakdown per business in 2020

	 CEMENT	 CONCRETE & AGGREGATE	 OTHER PRODUCTS & SERVICES
Operating sales	52%	34%	14%
Net capital employed	70%	26%	4%
EBITDA	74%	22%	4%



Evolution of sales volumes

	 CEMENT (millions of tons)	 CONCRETE (millions of cubic meters)	 AGGREGATE (millions of tons)
2019	22.4	9.1	23.0
2020	25.0	9.3	22.7
	+11.8%	+1.9%	-1.9%



Dividend

Data per action

	EARNINGS PER SHARE (euros)	DIVIDEND PER SHARE (euros)
2018	3.32	1.50
2019	3.31	1.50
2020	3.47	1.50

Based on results in 2020, and confident in the Group's ability to sustain its ongoing development, the Board of Directors has decided to propose that the Annual General Meeting of shareholders on April 9, 2021, vote to maintain the same dividend, i.e. 1.50 euros per share.



Financial reporting calendar



Shareholder information

Shareholder and investor relations



Tel.: +33 1 5886 8605

E-mail: relations.investisseurs@vicat.fr

Website: www.vicat.fr, www.vicat.com

Symbol: VCT

Code ISIN: FR0000031775

Sicovam: 03177

Bloomberg: VCT.PA

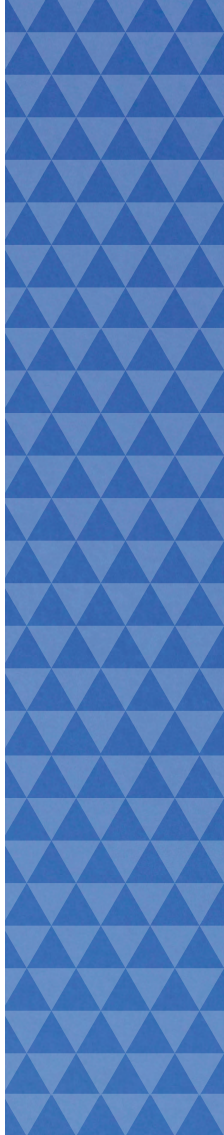
Reuters: VCTP.PA

The Vicat group Financial department was awarded the 2020 Gold Trophy in the 'industry, energy, transport' sector by *Sommet des Leaders de la Finance*.



① Showroom at headquarters in L'Isle d'Abeau.

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